CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK (IBank)
CONDUIT EXEMPT FACILITY BOND FINANCING

STAFF REPORT[1]

EXECUTIVE SUMMARY	
Transaction Summary	The issuance of the California Infrastructure and Economic Development Bank's Senior Secured Revenue Bonds (Brightline West Passenger Rail Project), Series 2025B (the "Series 2025B Bonds") and the California Infrastructure and Economic Development Bank's Revenue Bonds (Brightline West Passenger Rail Project), Series 2025C (the "Series 2025C Bonds") (together the "Bonds") to fund an exchange and/or refunding of the California Infrastructure and Economic Development Bank's Senior Subordinated Secured Revenue Bonds (Brightline West Passenger Rail Project), Series 2025A (Green Bonds) (the "Series 2025A Bonds"). Under the Series 2025A Bonds Indenture Brightline West was required to meet the Capital Structure Completion Condition by September 2, 2025. This Condition requires Brightline West to enter into definitive agreements for Permitted Senior Indebtedness in an aggregate principal amount of at least $6 billion, less the amount of any equity contributions or grant awards received by Brightline West in excess of $1 billion, and entry by Brightline West into definitive agreements for all primary construction contracts. Brightline West has not yet met the Capital Structure Completion Condition. Under the terms of the Series 2025A Bonds Indenture, if the conditions are not met by November 29, 2025, the bonds are required to be redeemed. Through the exchange, all bondholders participating in the exchange associated with the Series 2025B Bonds will consent to remove substantially all of the covenants in the Series 2025A Loan Agreements as a condition to participating in the offer. Through the combination of both transactions, all or substantially all of the covenants in the Series 2025A Loan Agreements will have been removed. DesertXpress Enterprises, LLC is making the following offer (the "Offer") to each holder of the Series 2025A Bonds: 1. to repurchase a portion of the validly tendered Series 2025A Bonds using funds from the Series 2025C Bonds. 2. to exchange remaining validly tendered Series 2025A Bonds for an equal principal amount of the Series 2025B Bonds. 3. to pay accrued and unpaid interest on the Series 2025A Bonds validly tendered for repurchase and exchange with funds in the funded interest accounts established under the Series 2025A Indentures and funds on deposit in the construction sub-accounts holding proceeds of the Series 2025A Bonds.

[1] The information concerning Brightline West/DesertXpress Enterprises, LLC, and the Transaction has been provided by Brightline West/DesertXpress Enterprises, LLC. This Report has been prepared in connection with the approval of the bonds by IBank, does not constitute a recommendation by IBank to purchase or tender the bonds and should not be used by potential investors, who must be qualified institutional buyers or equivalent sophisticated investors in accordance with IBank policy for unrated debt, in connection with any investment decision with respect to the bonds. Such potential investors are advised to read the entire Limited Disclosure Memorandum or the Preliminary Limited Offering Memorandum, as applicable, or any other disclosure relating to the bonds or to any Brightline West bonds to obtain information essential to the making of an informed investment decision.

	DesertXpress Enterprises, LLC is also soliciting the consent of the holders to certain proposed amendments to the Series 2025A California Indenture and the Series 2025A California Loan Agreement, which requires the consent of holders of at least a majority of the aggregate principal amount of the Series 2025A Bonds outstanding. All holders will consent, as a condition to participating in the Offer, to: (i) remove substantially all of the covenants in the Series 2025A Loan Agreements; and (ii) transfer substantially all of the funds in the funded interest accounts established under the Series 2025A Indentures [, net of accrued and unpaid interest on the Series 2025A Bonds not tendered for exchanged] to be used, together with the funds then on deposit in the construction sub-accounts holding proceeds of the Series 2025A Bonds (such funds, in the aggregate, the "Transferred Funds"), to fund the purchase and exchange transactions. The Company's obligation to accept for repurchase or exchange Series 2025A Bonds that are validly tendered and not validly withdrawn pursuant to the Offer is conditioned on the satisfaction or waiver by the Company of a number of conditions described in the Offer, including those that are required to be satisfied to issue the Series 2025B Bonds.		
Applicant:	DesertXpress Enterprises, LLC ("DesertXpress", or "Brightline West" and, including any affiliates of DesertXpress Enterprises, LLC, the "Borrower", the "Company")	**Par Amount Requested:**	Not to exceed $2,000,000,000
Applicant Description:	DesertXpress is a Nevada limited liability company, formed in 2005 to undertake the acquisition, ownership, holding, marketing, design, development, construction, financing, and/or refinancing of an intercity high-speed passenger rail system ("System") project.		
Type of Financing:	Conduit Exempt Facility Revenue Bonds ("Series 2025B Bonds") Conduit Exempt Facility Revenue Bonds ("Series 2025C Bonds") (collectively, the "Bonds").		

Project Description:	The proceeds of the Series 2025B and Series 2025C Bonds, a portion of which may be issued as Green Bonds, will be used to exchange and/or refund all of the Series 2025A Bonds validly tendered for purchase/exchange, which were applied to finance and/or refinance a portion of the costs incurred or that may be incurred by the Borrower and/or one or more of its affiliates in completing the design, development, financing, leasing, acquisition, construction, rehabilitation, installation, equipping, ownership, operation, maintenance and/or administration of a high speed, intercity rail system, including rolling stock, maintenance facilities, electrification infrastructure, parking facilities, a passenger station and rail lines, all running for approximately 184 miles within the median or adjacent to the Interstate 15 ("I-15") between (a) a passenger station to be located alongside I-15 at the site of the Rancho Cucamonga Metrolink station near Milliken Avenue in the City of Rancho Cucamonga in San Bernardino County, and (b) the California side of the California and Nevada border approximately 0.2 miles south-southwest of Nevada Exit 1 East on I-15 near Primm, Nevada, and including a passenger station and maintenance-of-way facility located in the Town of Apple Valley bounded to the north and east by Dale Evans Parkway, Colusa Road to the South and I-15 to the west, and an in-line, passenger station providing intra-California service located in the City of Hesperia near the intersection of Joshua Street and I-15 (collectively, the "Project").
Potential Project Sites:	**<u>San Bernardino County</u>** Rail Corridor within the median or adjacent to I-15 between Rancho Cucamonga and the California/Nevada state line; and the following three stations: Rancho Cucamonga ("Southern California Station"), Hesperia Station, Victor Valley Station and a maintenance of way facility.
Plan of Finance:	IBank will lend the proceeds of the Bonds to the Borrower and/or one or more of its affiliates to finance the Transaction. IBank Board approved Resolution No 24-01 on January 24, 2024 with the not to exceed amount of $3 billion. IBank Board approved Amended and Restated Resolution No. 24-01, on September 25, 2024 to extend the expiration date of the original Resolution No. 24-01. USDOT extended the allocation deadline for issuing the $2.5 billion bonds from September 30, 2024, to March 31, 2025. IBank issued the $2 billion Senior Subordinated Secured Revenue Bonds, Brightline West Passenger Rail Project, Series 2025A (Green Bonds) ("2025A Bonds") on March 4, 2025, under Amended and Restated Resolution No. 24-01 for the benefit of the Borrower. The transaction is currently contemplated to be accomplished through: (1) a portion of the existing Series 2025A Bonds (which currently are secured on a senior subordinate lien), which will be exchanged for senior secured lien Series 2025B Bonds, and (2) Series 2025C escrow bonds, which will be applied to refund a portion of the Series 2025A Bonds. The indenture pursuant to which the Series 2025A Bonds were issued is anticipated to be amended to allow for the transfer of certain funds currently securing the Series 2025A Bonds to secure the Series 2025B Bonds, as well as to provide for the refunding of the Series 2025A Bonds.
Type of Issue:	Exchange Offer and/or Limited Offering, private placement, remarketing or direct bank purchase in one or more series, subseries, or combinations
Tax Status:	Tax-Exempt and/or Taxable
Maturity:	Not to exceed 50 years from issuance
Credit Enhancement:	None

Credit Rating:	Unrated - Pursuant to IBank's policies for limited offerings and private placements or unrated debt, the Bonds will be sold in minimum denominations of $100,000 and any integral multiple of $5,000 in excess thereof.
Sale Restrictions:	Initial sales and subsequent transfers of the Series 2025B Bonds will be made only to "qualified institutional buyers" under Rule 144A of the Securities Act of 1933, as amended, or to accredited investors within the meaning of Rule 501(a)(1), (2), (3), (7), (8), (9) or (12). Initial sales and subsequent transfers of the Series 2025C Bonds will be made only to "qualified institutional buyers" under Rule 144A of the Securities Act of 1933, as amended, or to accredited investors within the meaning of Rule 501(a). Initial purchasers will be required to execute an Investor Letter, but there is no requirement for a "traveling" Investor Letter. Transfer restrictions will be conspicuously noted on the face page of the Bonds, and described in detail in the offering materials and Indentures relating to the Bonds.
IBank Fees[2]:	Issuance Fee $1,000,000; Initial Annual Fee $200,000 per yr.
STO Fee:	Agent for Sale fee to be determined.

Financing Team:	
Bond Counsel:	Orrick, Herrington & Sutcliffe LLP
Borrower's Counsel:	Skadden, Arps, Slate, Meagher & Flom LLP
IBank Outside Counsel:	Nixon Peabody LLP
Dealer Manager:	Morgan Stanley & Co. LLC
Dealer Manager's Counsel:	Mayer Brown LLP
Tax Counsel:	Greenberg Traurig LLP
Municipal Advisor:	Omnicap Group LLC
Trustee:	Deutsche Bank National Trust Company
Trustee's Counsel:	Holland & Knight LLP

Public Benefits:	The Project is expected to create approximately 31,655 temporary construction jobs and when complete employ 510 full time workers in the state of California. The Borrower anticipates Brightline West will create numerous public benefits, including safety, environmental, economic, connectivity, and others, as described below. Brightline West will operate fully electric trains, capable of traveling at speeds of up to 200 miles per hour. It is expected that the entire trip from Rancho Cucamonga to Las Vegas will take approximately 2 hours, about one-half the time of car travel. The refunding and/or exchange of the Series 2025A Bonds is expected to assist Brightline West in advancing the capital program for the construction of the Project.

Date of Board Meeting:	**Resolution Number:**	**Prepared by:**
October 22, 2025	**25-15**	John Belmont

Staff Recommendation: Staff recommends approval of Resolution No. 25-15 authorizing the issuance of Conduit Tax-Exempt and/or Taxable Revenue Bonds in an aggregate amount not to exceed $2,000,000,000 for the benefit of DesertXpress Enterprises, LLC.

[2] The Issuance Fee and Initial Annual Fee are based on NTE Amount and are subject to change based on the final par amount

Background and History

DesertXpress was formed to own, operate, and manage the System. Although the System extends into Nevada, this IBank financing request is only for the Project which, as defined above, is the portion of the System located exclusively in California. BL West Holdings indirectly owns 100% of the DesertXpress, dba Brightline West ("DesertXpress", or "Brightline West", or "Borrower") as well as certain other limited assets, including cash, and intangible asset and land. BL West Holdings is owned by (a) BL West Investment LLC, and (b) Brightline Holdings LLC, a holding company that is indirectly owned primarily by funds managed by an affiliate of Fortress and owns transportation and real estate assets, including Brightline Trains Florida LLC, and (c) another third party. DesertXpress is part of a corporate organization experienced in the development and operation of high-speed intercity rail systems.

Brightline Holdings LLC, through its subsidiary, Brightline Trains Florida LLC ("Brightline Florida"), has developed, and is the owner and operator of, the privately-run intercity passenger rail system in Florida. The Borrower's second system, Brightline West, will connect Las Vegas to Southern California.

Brightline West received $1 billion allocation from the United States Department of Transportation ("USDOT") on March 6, 2020, $850 million of which was used in California for issuance of the Series 2020A Bonds. Brightline West applied for an additional $2.5 billion allocation of Private Activity Bond volume cap (the "2024 Allocation") from USDOT pursuant to Section 142 and related sections of the Internal Revenue Code, as amended by Section 11143 Title XI of the Safe, Accountable, Flexible, Efficient Transportation Equity Act, and received this allocation on January 10, 2024. The Borrower expected to use up to $2.15 billion of the original 2024 allocation in California along with the funds from grants and the Borrower's other sources of funds as defined earlier. The remainder of the 2024 allocation was applied to the Nevada portion of the project.

The Project has been awarded $3.025 billion in federal grant funds. Nevada Department of Transportation ("NDOT"), in partnership with Brightline West, was awarded $3 billion in grant funds through the Federal-State Partnership for Intercity Passenger Rail Grant Program ("FSP") for the Brightline West project. The grant agreement was executed in September 2024, of which, $2.775 billion is estimated to be utilized towards the California portion of the System. NDOT serves as grantee. In addition, the San Bernardino County Transportation Authority ("SBCTA") was awarded $25 million on behalf of Brightline West, through RAISE[3] Program, for the High Desert Stations (Victor Valley Station and Hesperia Station).

IBank issued the $2 billion Brightline West Passenger Rail Project, Series 2025A (Green Bonds) on March 4, 2025, under Amended and Restated Resolution No. 24-01 for the benefit of the Borrower. The IBank Series 2025A Bonds were issued along with the $500 million Nevada Department of Business and Industry Bond, Brightline West Passenger Rail Project, Series 2025A (Green Bonds). The IBank Series 2025A Bonds were issued as Term Bonds, due on January 1, 2065, with Term Rate at 9.500%. A portion of the Series 2025A Bonds were used to fully refund the $850 million Series 2020A Bonds.

[3] Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Grant Program provides grants for surface transportation infrastructure projects with significant local or regional impact. The RAISE Program was established under the American Recovery and Reinvestment Act of 2009 and was known as Transportation Investment Generating Economic Recovery ("TIGER").

The Nevada Secretary of State reports active status for DesertXpress as of October 9, 2025.
The California Secretary of State reports active status for DesertXpress as of October 9, 2025.

DesertXpress' s current leadership is listed in Appendix A.

PROJECT DESCRIPTION

The net proceeds of the Series 2025B Bonds will be loaned to the Borrower to (i) pay accrued and unpaid interest on the Series 2025A Bonds tendered in the Exchange using transferred Funds, (ii) prefund interest through the Scheduled Mandatory Tender Date on the Series 2025B Bonds, (iii) pay transaction costs and expenses, (iv) purchase validly tendered Series 2025A Bonds on a pro rata basis, and (v) deposit any remaining proceeds into a new construction sub-account, to be available to be withdrawn by the Borrower, subject to certain terms and conditions, to fund project costs.

The proceeds of the Series 2025C Bonds will be loaned to the Borrower or one of its affiliates to refund Series 2025A Bonds not participating in the Exchange and, upon release from escrow, (i) pay or reimburse a portion of the costs of the design, development, financing, leasing, acquisition, construction, installation, equipping, ownership, operation, maintenance and administration of a privately-owned and operated 184-mile electric passenger rail system, Brightline West, connecting Southern California to the California and Nevada Border; (ii) pay a portion of the interest to accrue on the Series 2025C Bonds; and (iii) pay or reimburse certain costs in connection with the issuance of the Series 2025C Bonds.

The Project will have stations in the Victor Valley region, an in-line station in Hesperia, allowing for local rail service, and Rancho Cucamonga. The passenger rail system is expected to be integrated with Los Angeles' Metrolink commuter rail system that terminates at L.A. Union Station. The entire Project alignment will be protected and isolated from the highway, creating a dedicated rail corridor with no grade crossings. Brightline West has secured the critical right of way (ROW) agreements. The alignment will be primarily single-track with passing "sidings" that allow trains to pass each other on the corridor. The trains will be fully electric trainsets. Upon opening, Brightline West expects operating trains to depart every 60 minutes in each direction.

The capital program for the System includes a USDOT Railroad Rehabilitation and Improvement Financing (RRIF) loan, other first lien project debt, issuance of subordinate lien PABs, equity, and federal grant funding. The Project currently has $5.5 billion in PABs allocations from USDOT, with $2.5 billion of debt outstanding ($2.0 billion in California and $500 million in Nevada) and $3 billion remaining. Brightline West has not requested additional state of California allocation for the 2025B and the 2025C Bonds.

Table I displays a portion of the Project timeline (Brightline West estimates).

Table I

Project Site	Construction Start Date	Expected Construction Completion Date	Estimated Project Cost
Construction of Rail Corridor between Rancho Cucamonga and the CA/NV state line. (Rail Corridor)	Q1 2026	Q3 2029	$11.3B

Victor Valley Station, and Apple Valley Maintenance of Way (MOW) Facility, Southern California Station, Hesperia Station (Stations)	Q4 2025	Q4 2028	$729M
		Total	**$12.029B**

The construction company and developer will be Brightline West and various contractors.

IBank Issued Outstanding Debt

Table II $2 billion Series 2025A Bonds that are expected to be refunded with the Series 2025B Bonds.

Table II

Bond Series	Issued Par Amount	Issue Date	Current Outstanding Balance	Interest Rate	Maturity Date	Date Project Completed
2025A	$2,000,000,000	3/4/2025	$2,000,000,000	9.5%	1/1/2065	To be exchanged and/or refunded.

Non IBank Issued Outstanding Debt

Table III displays the Nevada Department of Business and Industry issued portion of the 2025A Bonds.

Table III

Bond Series	Issue Par Amount	Issue Date	Current Outstanding Amount	Interest Rate	Maturity Date	Date Project Completed
2025A	$500,000,000	3/4/2025	$500,000,000	9.5%	1/1/2065	To be exchanged or refunded

Brightline West requests IBank issuance authority to refund or exchange the outstanding $2.0 billion Series 2025A Bonds.

FINANCING STRUCTURE

IBank Term Sheet
Brightline West Passenger Rail Project
Board Meeting Date: October 22, 2025

Par Amount:	Not to exceed amount of $2,000,000,000; in one or more tax-exempt and/or taxable series, subseries, or combinations
Type of Offering[*]:	Limited Offering, private placement, exchange or direct bank purchase in one or more series, subseries, or combinations for the purchase and/or refunding of the Series 2025A Bonds
Dealer Manager:	Morgan Stanley & Co. LLC, and such other approved underwriters/placement agents/dealer managers as the Borrower determines necessary or desirable
Credit Enhancement:	None
Expected Credit Rating:	Not Rated
True Interest Cost*:	True interest cost not to exceed 15.00%
Maturity*:	Not to exceed 50 years from issuance
Collateral:	Any and all assets of the Borrower subject to exclusions and a pledge of the equity interests of the Borrower, on a senior, senior subordinate, subordinate and/or parity basis with other indebtedness of the Borrower, to be determined by the Borrower, and/or the pledge of federal securities and cash.
Expected Final Issuance Date*:	Fourth Quarter of 2025
Guarantees:	None
Conduit Transaction:	The Bonds are special, limited obligations payable solely from payments made by the Applicant under the transaction documents, and IBank shall not be directly or indirectly or contingently or morally obligated to use any other moneys or assets of IBank for all or any portion of payment to be made pursuant to the Bonds.

*Please note that final structure, True Interest Cost, Maturity, and Expected Final Issuance Date are subject to change.

Financing Structure

The Bonds are being issued pursuant to an Indenture of Trust, to be dated as of November 1, 2025. The Dealer Manager for Bonds will be Morgan Stanley & Co. LLC, and the Borrower may add further underwriters/dealer managers as the Borrower may deem necessary for a successful marketing and sale of the Bonds.

The Bonds are being issued as fully registered Bonds. Pursuant to IBank's policies for limited offerings and private placements, the Bonds will be sold in minimum denominations of $100,000 and any integral multiple of $5,000 in excess thereof.

The net proceeds of the Series 2025B Bonds will be loaned to the Borrower pursuant to the Senior Loan Agreement, to be dated as of November 1, 2025 to purchase validly tendered Series 2025A Bonds. The proceeds of the Series 2025C Bonds will be loaned to the Borrower or one of its affiliates pursuant to the Senior Loan Agreement, to be dated as of November 1, 2025 (the "Original Senior Loan Agreement"), as amended and supplemented by the First Supplemental Senior Loan Agreement, to be dated as of November 1, 2025, (x) prior to the first Escrow Release Date, to refund Series 2025A Bonds which will allow the release of certain funds held under the Series 2025A Indenture that will be used to fund the Bonds Escrow Reserve Redemption Account, and (y) from and after the first Escrow Release Date, to the extent then available for such purposes pursuant to the Indenture and permitted by the Code and Treasury Regulations.

The Series 2025B Bonds will not be rated initially. Accordingly, consistent with IBank's policies on limited offerings and/or private placements, the Dealer Managers will sell the Series 2025B Bonds only to "qualified institutional buyers" under Rule 144A of the Securities Act of 1933, as amended, or to an accredited investor within the meaning of Rule 501(a)(1), (2), (3), (7), (8), (9) or (12). Subsequent transfers of the Series 2025B Bonds will be limited to "qualified institutional buyers" under Rule 144A of the Securities Act of 1933, as amended, and accredited investors within the meaning of Rule 501(a)(1), (2), (3), (7), (8), (9) or (12).

The Series 2025C Bonds will be sold by the Dealer Managers only to "qualified institutional buyers" under Rule 144A of the Securities Act of 1933, as amended, or to an accredited investor within the meaning of Rule 501(a). Subsequent transfers of the Series 2025C Bonds will be limited to "qualified institutional buyers" under Rule 144A of the Securities Act of 1933, as amended, and accredited investors within the meaning of Rule 501(a). The restrictions relating to the Series 2025B Bonds are more stringent than those relating to the Series 2025C Bonds because of the nature of the Series 2025C Bonds being issued as escrow bonds.

The transfer restrictions described in the preceding two paragraphs will be conspicuously noted on the face page of the applicable Bonds, and described in detail in the offering materials and Indentures relating to such Bonds.

Initial purchasers of the Bonds will be required to execute an Investor Letter, consistent with IBank's policies on limited offerings and/or private placements. Consistent with prior transactions for Brightline West, there is no requirement for a "traveling" Investor Letter.

The Bonds are intended to be issued as "exempt facility bonds." It is expected that IBank will issue $2 Billion of the Bonds under Internal Revenue Code (the "Code") Section 142(a)(11) (the portion of the Code allowing tax-exempt bonds to finance high speed intercity rail facilities).

The Series 2025B Bonds are expected to be issued as Senior Secured Revenue Bonds with Term Rate. The 2025B Bonds will be junior to all of the Brightline West's existing and future indebtedness secured by a lien on assets that do not constitute Senior Collateral; however, there is no expectation that additional debt will be issued that is secured by assets that do not constitute Senior Collateral. The payment of the 2025B Bonds and any Additional Parity Bonds will be secured by the Trust Estate under the applicable Indenture. To further secure the obligations related to the Series 2025B Bonds, Brightline west or the Pledgor, as applicable, will enter into Senior Security Documents on or after the Closing Date such as a Senior security agreement, a Senior pledge agreement, an amended and restated collateral agency and accounts agreement, an intercreditor agreement, an account control agreement, a Senior leasehold deed of trust, a Senior deed of Trust. The Series 2025B Bonds will be subject to optional (at a Premium) and extraordinary mandatory redemption prior to maturity.

The proceeds of the Series 2025C Bonds will be used to refund Series 2025A Bonds, and certain funds previously held under the Series 2025A Bonds Indenture will be released and deposited in the Series 2025C Escrow Reserve Redemption Account of the Debt Service Fund and the Trustee will invest such amounts in direct obligations of, or obligations of Escrow Securities for the benefit of the holders of the Series 2025C Bonds (other than the Released Bonds) (the "Owners"). Payment of the principal or Purchase Price of and interest on the Series 2025C Bonds (other than the Released Bonds) will not be secured by any other assets of the Borrower and/or any of its affiliates. The Escrow Securities will mature on or before the Scheduled Mandatory Tender Date of the Series 2025C Bonds. The Escrow Securities, together with the cash or principal of and interest income, are expected to be sufficient to pay the purchase price of the tendered Series 2025C Bonds which is equal to 100% of the principal amount, together with accrued and unpaid interest, to, but not including, the Scheduled Mandatory Tender Date, without premium (the "Purchase Price").

The Series 2025C Bonds are subject to tender prior to the Scheduled Mandatory Tender Date, on or after the Earliest Optional Mode Change Date, in certain circumstances, provided that there are sufficient funds available from the remarketing of the Series 2025C Bonds and released from the Series 2025C Escrow Reserve Redemption Account to pay the purchase price of the tendered Series 2025C Bonds.

The Series 2025C Bonds are offered and secured solely on the basis of the investment of the proceeds of the Series 2025C Bonds and the Additional Contribution in the Escrow Securities and are not offered on the basis of the credit of the Borrower and/or any of its affiliates, the feasibility of the Project or any other security. From the Series 2025C Bonds Closing Date until the Series 2025C Bonds are remarketed as Released Bonds, the Series 2025C Bonds will be secured by the following (collectively, the "Escrow Property"): (i) the proceeds of the Series 2025C Bonds and (ii) the Additional Contribution.

Prior to the first Escrow Release Date, the First Supplemental Indenture does not permit the proceeds of the Series 2025C Bonds or the Additional Contribution to be spent by the Borrower on the costs of the Project. The Borrower and/or one or more of its affiliates is responsible for paying all costs of issuance associated with the Series 2025C Bonds from monies of the Borrower and/or one or more of its affiliates. Following the occurrence of a Mode Change Date, the proceeds of the Released Bonds will be applied to fund the costs of the Project.

Limited Obligations of IBank

The Bonds are payable solely from and secured solely by the pledge of the Applicant's payments under a loan agreement between IBank and DesertXpress together with other

collateral provided by DesertXpress. Neither IBank, nor any of the members of its Board of Directors, nor any of its officers or employees, nor any person executing the transaction documents on behalf of IBank shall be personally liable for the Bonds or subject to any personal liability or accountability by reason of the execution thereof. The Bonds are limited obligations of IBank and are not a pledge of the faith and credit of IBank or the State of California or any of its political subdivisions.

PUBLIC BENEFITS

The Project's goal is to provide intercity passenger rail transportation, specifically operating within medium-distance travel corridors between Southern California and Las Vegas.

This passenger rail service will operate fully-electric trains, capable of traveling at speeds of up to 200 miles per hour. This passenger rail service will offer business, leisure and personal travelers safe, sustainable, fast, reliable, convenient and comfortable travel between Southern California and Las Vegas. Travelers will be able to reserve specific seats on trains and at times that fit their specific travel needs. Passengers will enjoy free high-speed Wi-Fi on board and other amenities at stations. Ancillary services onboard the trains and in the stations include the sale of food and beverage, merchandise, parking and other related services. The Southern California Station in Rancho Cucamonga will be adjacent to the existing Metrolink station, which provides direct connectivity to Los Angeles Union Station, which also connects to the full Southern California mass-transit system.

The trip between Southern California and Las Vegas, via automobiles on I-15, is approximately 4 hours without traffic and that time may rise during peak days/times. The same trip via Brightline West is expected to take approximately 2 hours. The Project is expected to provide a better, cleaner, safer, and faster alternative to driving and air travel.

The refunding is not expected to result in any cost savings.

The Project is expected to create a considerable number of jobs and economic and environmental benefits to the San Bernardino County and the State of California.

Some examples of public benefits include:

- **Safety –** The Project is estimated to reduce 517 million vehicle miles traveled (VMT) from congested highways annually. Fewer miles traveled is estimated to reduce annual crashes, fatalities and injuries and resulting economic impacts. The Project features no at-grade crossings along the entirety of the 218-mile railroad and extensive safeguards to ensure vehicles cannot enter the railroad in the median of the I-15 corridor. The Project includes construction of overpass bridges throughout the corridor to enable emergency vehicles access to I-15 from either direction of travel in the event of an emergency. In addition, the Project will make use of the decades-proven European Train Control System to match the impeccable safety record of international high-speed rail systems.

- **Greenhouse gas emissions –** At stabilized ridership levels, the Project is estimated to remove 325k metric tonnes of carbon dioxide from the removal of cars from the road and reduction in short-haul air travel. By removing an estimated 196k metric tonnes of carbon dioxide from the air annually through the reduction of VMT, the Project will make a direct and meaningful reduction in climate pollution on one of the most heavily traveled segments of the interstate highway network. In addition, by shifting the equivalent of more than 14,000 short-haul flights

per year to passenger rail, the Project will directly remove a potent source of climate pollution from the skies above Southern California. During construction, the Company and its contractors plan to follow measures to mitigate air pollution that may be caused by dust and construction equipment.

- **Reliability, Reduced Travel Time, Increased Efficiency –** As a dedicated high-speed passenger service in an exclusive rail corridor, the reliability and on-time performance of the Project will be over 95%, comparable to global systems. The anticipated trip time of approximately 2 hours from the Southern California station to Las Vegas is nearly half the time of driving when driving conditions are normal, saving passengers time relative to comparable modes of travel.

- **Competitiveness –** By delivering high-speed rail for travel between the Las Vegas and Los Angeles metropolitan areas, the Project will provide a new option for travelers who generally drive or fly today. The Project is expected to divert 2.2 million cars and 2.1 million air passengers per year to the Brightline West system. This will directly benefit all who travel between both metropolitan areas.

- **Jobs and Economic Impacts –** Informed by a 2022 Economics Study for the entire Project (including both CA and NV) and close work with the contractors expected to construct the project, this investment is expected to create over 10,000 field jobs directly on the Project during construction and support approximately 35,000+ jobs during the construction period when accounting for materials production, transportation, and other critical functions to constructing the Project. Upon commencement of operations, the Brightline West system is expected to directly employ ~1,000 people with ~900 jobs being union roles, which amounts to approximately $140 million in labor income per year. Furthermore, Brightline West has been committed to partnering with building trades and other labor groups since beginning work on this Project. To memorialize this desire, Brightline West entered into agreements in early 2023 that describe how these labor organizations, Brightline West, and its third-party contractors/operators will work together to construct and operate the Project.

- **Economic Development in Surrounding Areas –** As seen around Brightline Florida stations and many other global locations, the introduction of new rail-transit spurs developers to build new housing and other mixed-use real estate near stations. This can be very impactful, especially in the High Desert area, where housing, especially for many underrepresented communities, is in high demand and short supply.

- **Connectivity –** Each of the stations will be designed and built as a multimodal hub to provide more opportunities for travelers to connect to a variety of transportation options. Brightline West has partnered with local transit agencies to work towards a cohesive and seamless transfer of passengers to and from local transit. As the passenger rail system is expanded and improved over time, there will also be opportunities to link all of California and other key markets, such as through Metrolink, Amtrak, California High Speed Rail, and the High Desert Corridor.

OTHER PROJECT DATA

PERMITS AND APPROVAL	
Required?	☐ **NO** ☒ **YES, Describe:** All approvals have been obtained.
TEFRA	
Date of TEFRA Publication: N/A	Publications: N/A
Date of TEFRA Hearing: N/A	
Oral/Written Comments:	☒ **NO** ☐ **YES, Explain:**
ELIGIBILITY REVIEW	
Applicant meets all of the IBank eligibility criteria? ☒ **YES** ☐ **NO**	1. Project is in the State of California. 2. The Borrower is capable of meeting the obligations incurred under relevant agreements. 3. Payments to be made by the Borrower to IBank under the proposed financing agreements are adequate to pay the current expenses of the IBank in connection with the financing and to make all the scheduled payments. 4. The proposed financing is appropriate for the Project.
INDUCEMENT CERTIFICATE	
Completed? Inducement Certificate was approved by the IBank Executive Director.	☒ **NO** ☐ **YES** Resolution No.: **N/A** Date: Amount:

RECOMMENDATION

Staff recommends approval of Resolution No. 25-15 authorizing the issuance of Conduit Tax-Exempt and/or Taxable Revenue Bonds in an aggregate amount not to exceed $2,000,000,000 for the benefit of DesertXpress Enterprises, LLC.

APPENDIX A: GOVERNANCE AND MANAGEMENT

BOARD MEMBERS

Randal A. Nardone	Co-Founder and Principal Fortress Investment Group LLC New York, NY
Kenneth Nicholson	Managing Director Fortress Investment Group LLC New York, NY
Demetrios Tserpelis	Chief Financial Officer Fortress Investment Group LLC New York, NY

OFFICERS

Sarah Watterson	President
Marshall Bruce Snyder	VP, Deputy CFO, Assistant Secretary
Jeff Swiatek	VP and Chief Financial Officer
Paul Michael Reininger	CEO
Kolleen O.P. Cobb	VP, Chief Legal Officer, Secretary
Chris Yarris	VP, Chief Accounting Officer

APPENDIX B: PROJECT PHOTOS AND MAP

Rendering – Brightline West Southern California Station and Parking Garage (Rancho Cucamonga, CA) – site of connection with Metrolink

Rendering - Southern California Station Lounge (Rancho Cucamonga, CA)

Rendering – Brightline West Victor Valley Station (Apple Valley, CA)

Rendering – Brightline West Hesperia Station and Pedestrian Bridge (Hesperia, CA)

Representative Rendering of I-15 Corridor Construction

Brightline West Route Map