

January 13, 2016

MEMORANDUM

TO: State Board of Regents

FROM: David L. Buhler

SUBJECT: University of Utah – Ambulatory Care Complex and Orthopaedic Center Series 2016 Revenue Bond Issues

Issue

The University of Utah requests authorization to issue General Revenue Bonds up to \$125,000,000 for an Ambulatory Care Complex and up to \$12,000,000 for expansion of the Orthopaedic Center. Both projects were previously authorized by the Utah State Legislature. The University anticipates bonding for the Orthopaedic Center immediately in the General Revenue Bond Series 2016A and anticipates bonding for the Ambulatory Care facility later in 2016.

Background

The Utah State Legislature authorized bonding for the Ambulatory Care Complex in the 2010 General Session. The project will be the first phase of the Medical Education and Discovery Complex and will house clinics, outpatient surgery, and support services. The project is anticipated to be 220,000 square feet and will likely be issued in the third or fourth quarter of 2016. The University requests this approval now in order to give them the flexibility to issue debt while interest rates are still favorable.

The Legislature authorized bonding for the Orthopaedic Center in the 2012 General Session. The addition will add approximately 24,000 gross square feet to the current facility including twelve exam rooms and ancillary spaces. The University anticipates bonding for the Orthopaedic Center immediately in the Series 2016A bonds that will also include the Orson Spencer Hall project approved for issuance in the July 2015 meeting.

The relevant parameters of the requested issue are:

- Principal amount not to exceed \$137,000,000 including costs of issuance and capitalized interest
- Interest rate not to exceed 6%
- Discount from par not to exceed 2%
- Final maturity not to exceed 35 years from the date of issue

The following documents are attached for additional information and review:

- A copy of the request letter from the University of Utah to proceed with bonding for the Ambulatory Care Complex and the Orthopaedic Center addition.
- A draft of the Approving Resolution for up to \$125,000,000 for an Ambulatory Care Complex and up to \$12,000,000 for expansion of the Orthopaedic Center.
- A financing summary from the University's financial advisor for the Series 2016A bonds which will include up to \$12,000,000 for the Orthopaedic Center expansion as well as the Orson Spencer Hall project approved by the Board in July 2015. (A financing summary for the \$125,000,000 Ambulatory Care Complex will be provided to the Board at a future meeting closer to when the bonds will be issued).

Representatives from the University, Bond Counsel, and the Financial Advisor will be in attendance to provide additional information and answer questions from the Board.

Commissioner's Recommendation

The Commissioner recommends approval of the proposed Authorizing Resolution for issuance of General Revenue Bonds to finance the construction of the Ambulatory Care Complex and the Orthopaedic Center.

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David L. Buhler  
Commissioner of Higher Education

DLB/GLS/RPA  
Attachments

December 17, 2015

Mr. David Buhler  
Commissioner, Utah System of Higher Education  
Board of Regents Building  
The Gateway  
60 South 400 West  
Salt Lake City, UT 84101-1284

Dear Commissioner Buhler:

The purpose of this letter is to inform you of the University of Utah's plans to submit a resolution (the "Resolution") to the State Board of Regents of the State of Utah (the "Regents" or the "Board"), to be considered during its January 2016 meeting at the University of Utah, for the issuance of General Revenue Bonds on behalf of the University of Utah (the "University") for the financing of the development of the Ambulatory Care Complex (ACC) and the expansion of the Orthopaedic Center.

Details of these issues are as follows:

**Authorization to Bond up to \$125,000,000 (providing a net project cost not to exceed \$113,161,128) associated with the Ambulatory Care Complex Project** - The Ambulatory Care Complex Project will be the first phase of the Medical Education and Discovery Complex and will facilitate the eventual decanting of the current School of Medicine. It will be 6 stories above grade and 2 basement levels. The new building will house clinics, outpatient surgery suites, faculty offices, a loading dock for the medical center, and support services. It is currently envisioned at 220,000 GSF.

The University, pursuant to Section 63B-19-102(5), received bonding authorization for this project during the 2010 Legislative Session of up to \$119,541,000 for project costs, together with other amounts necessary to pay costs of issuance, capitalized interest, and fund any debt service reserve requirements, if necessary. The University has previously bonded for a net project amount of \$6,389,732, thus leaving a remaining available to be bonded of \$113,161,128. The timing of the bond issuance is uncertain, but is expected during 2016.

The University requires sufficient market pricing flexibility to allow for an original issue discount environment. This could potentially, although not likely, increase the par value of the total debt by several million dollars.

The University desires to receive the bonding approval now to give it the flexibility to issue debt while interest rates are still favorable. The University is working with its Financial Advisor to determine the best time to issue the debt.

**Authorization to Bond up to \$12,000,000 (providing a net project cost not to exceed \$9,580,000) associated with the expansion of the Orthopaedic Center** - Resulting from high patient demand, the University of Utah Orthopaedic Center will construct a 3 level 24,000 GSF addition to its current facility. Twelve exam rooms with radiology support, nurses' station and other ancillary spaces will be constructed along with office, conference and education spaces for faculty and students, respectively.

The University, pursuant to Section 63B-21-102(1), received bonding authorization for this project during the 2012 Legislative Session of up to \$9,580,000 for project costs, together with other amounts necessary to pay costs of issuance, capitalized interest, and fund any debt service reserve requirements, if necessary.

The University requires sufficient market pricing flexibility to allow for an original issue discount environment. This could potentially, although not likely, increase the par value of the total debt by several million dollars. The University expects to be bonding for the Orthopaedic Center in the first quarter of 2016.

Please feel free to call me should you or others have questions about the details of this funding request.

Sincerely,

A handwritten signature in black ink, appearing to read "John Nixon", written in a cursive style.

John E. Nixon  
Sr. Chief Administrative Officer & CFO

cc: David W. Pershing, President  
Richard P. Amon  
Arnold B. Combe  
Kelly Murdock  
Blake Wade  
Robert Muir

APPROVING RESOLUTION  
UNIVERSITY OF UTAH  
GENERAL REVENUE BONDS

Salt Lake City, Utah

January 22, 2016

The State Board of Regents of the State of Utah (the "Board") met in regular session (including by electronic means) at the University of Utah in Salt Lake City, Utah on January 22, 2016, commencing at 9:00 a.m. The following members were present:

Daniel W. Campbell	Chair
France A. Davis	Vice Chair
Jessellie B. Anderson	Member
Nina Barnes	Member
Bailey Bowthorpe	Student Regent
Leslie Castle*	Member
Wilford W. Clyde	Member
Marlin K. Jensen	Member
Patricia Jones	Member
Steven Lund	Member
Robert S. Marquardt	Member
Steve Moore**	Member
Jefferson Moss*	Member
Robert W. Prince	Member
Harris H. Simmons	Member
Mark R. Stoddard	Member
Teresa L. Theurer	Member
Joyce P. Valdez	Member
John H. Zenger	Member

Absent:

Also Present:

David L. Buhler	Commissioner of Higher Education
Loreen Olney	Secretary

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\* Non-voting member from State Board of Education

\*\* Non-voting member from Utah College of Applied Technology

After the meeting had been duly convened and called to order by the Chair, the roll had been called with the above result and after other matters not pertinent to this Resolution had been discussed, the Chair announced that one of the purposes of the meeting was the consideration of various matters with respect to the issuance and sale of the State Board of Regents of the State of Utah University of Utah General Revenue Bonds.

The following resolution was introduced in written form and after full discussion, pursuant to motion made by Regent \_\_\_\_\_ and seconded by Regent \_\_\_\_\_, was adopted by the following vote:

AYE:

NAY:

The resolution is as follows:

## RESOLUTION

A RESOLUTION OF THE STATE BOARD OF REGENTS OF THE STATE OF UTAH AUTHORIZING THE ISSUANCE AND SALE OF ITS UNIVERSITY OF UTAH GENERAL REVENUE BONDS, IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$137,000,000; AUTHORIZING THE EXECUTION OF SUPPLEMENTAL INDENTURES, BOND PURCHASE AGREEMENTS, OFFICIAL STATEMENTS, AND OTHER DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION; AND RELATED MATTERS.

WHEREAS, the State Board of Regents of the State of Utah (the “Board”) is established and exists under and pursuant to Section 53B-1-103, Utah Code Annotated 1953, as amended (the “Utah Code”); and

WHEREAS, pursuant to the provisions of Title 53B, Chapter 1, Utah Code, the Board is authorized to act as the governing authority of University of Utah (the “University”) for the purpose of exercising the powers contained in Title 53B, Chapter 21, Utah Code (collectively, the “Act”); and

WHEREAS, pursuant to Section 63B-21-102(1) of the Utah Code, the Board is authorized to issue bonds for the purpose of expanding the Orthopaedic Center (the “Orthopaedic Project”) in an amount not to exceed \$9,580,000, together with other amounts necessary to pay costs of issuance, to pay capitalized interest and fund any debt service reserve requirements; and

WHEREAS, pursuant to Section 63B-19-102(5) of the Utah Code, the Board is authorized to issue bonds for the purpose of constructing an Ambulatory Care Complex (the “ACC Project” and collectively with the Orthopaedic Project, the “Projects”) in an amount not to exceed \$119,541,000, together with other amounts necessary to pay costs of issuance, to pay capitalized interest and fund any debt service reserve requirements; and

WHEREAS, pursuant to a resolution of the Board adopted on May 18, 2012, and a General Indenture of Trust dated as of July 1, 2013, between the Board and Wells Fargo Bank, N.A., as trustee (the “Trustee”), as heretofore amended and supplemented (the “General Indenture”), the Board, for and on behalf of the University, has previously issued a portion of the bonds authorized by Utah Code Section 63B-19-102(5) in the amount of \$5,600,000 (providing a net project amount of \$6,389,732); and

WHEREAS, the Board now desires to authorize the issuance of (i) the remainder of the bonds authorized by 63B-19-102(5) of the Utah Code, in the amount of up to \$125,000,000 (providing a net project amount of not to exceed \$113,161,268) for the

purpose of financing the ACC Project (including capitalized interest and costs of issuance) and (ii) the bonds authorized by 63B-21-102(1) of the Utah Code in the amount of up to \$12,000,000 (providing a net amount of not to exceed \$9,580,000 to finance the Orthopaedic Project (including capitalized interest and costs of issuance); and

WHEREAS, to accomplish the purposes set forth in the preceding recitals, the Board desires to authorize and approve the issuance and sale of its University of Utah General Revenue Bonds (with such additional or other title and/or series designation(s) as may be determined by the officers of the Board) in one or more series and to be issued from time to time (the “Bonds”) in an aggregate principal amount of not to exceed \$137,000,000 pursuant to the General Indenture and one or more Supplemental Indentures of Trust between the Board and the Trustee (each a “Supplemental Indenture” and collectively with the General Indenture, the “Indenture”); and

WHEREAS, the Bonds shall be payable solely from the University’s revenues and other moneys pledged therefor in the Indenture and shall not constitute nor give rise to a general obligation or liability of the Board, the University or the State of Utah or constitute a charge against their general credit; and

WHEREAS, there has been presented to the Board at this meeting a form of a Bond Purchase Agreement (the “Bond Purchase Agreement”) to be entered into among the Board, the University and the underwriters or purchasers for the Bonds (the “Purchaser”), a form of a Preliminary Official Statement relating to the Bonds, in the event the Bonds are publicly sold (the “Preliminary Official Statement”), and a form of Supplemental Indenture; and

WHEREAS, the Board desires to grant to the Chair and/or Vice Chair of the Board and/or the Chair of the Finance, Facilities and Accountability Committee of the Board, the authority to approve the interest rates, principal amount, terms, maturities, redemption features, and purchase prices at which the Bonds shall be sold and any changes with respect thereto from those terms which were before the Board at the time of adoption of this Resolution; provided such terms do not exceed the parameters set forth in this Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE STATE BOARD OF REGENTS OF THE STATE OF UTAH, AS FOLLOWS:

Section 1. All terms defined in the foregoing recitals hereto shall have the same meanings when used herein.

Section 2. All actions heretofore taken (not inconsistent with the provisions of this resolution) by the Board and the University and the officers of the Board or the University directed toward the issuance of the Bonds are hereby ratified, approved and confirmed.

Section 3. The Board hereby authorizes, approves and directs the use and distribution of the Preliminary Official Statements substantially in the form of the Preliminary Official Statement presented to the Board at this meeting in connection with



the offering and sale of the Bonds, in the event the Bonds are publicly sold. The Chair, Vice Chair and/or Chair of the Finance, Facilities and Accountability Committee of the Board and the President, Vice President for Administrative Services and/or Senior Chief Administrative Officer and Chief Financial Officer (the “Chief Financial Officer”) of the University are hereby authorized to execute and deliver on behalf of the Board and the University final Official Statements in substantially the same form and with substantially the same content as the form of the Preliminary Official Statement presented to this meeting with any such alterations, changes or additions as may be necessary to finalize each Official Statement. The preparation, use and distribution of the Official Statements are also hereby authorized. The Board and the University may elect to privately place the Bonds with or without the use of an Official Statement.

Section 4. Supplemental Indentures in substantially the form presented to this meeting are in all respects authorized, approved and confirmed. The Chair, Vice Chair and/or Chair of the Finance, Facilities and Accountability Committee and Secretary of the Board and the President, Vice President for Administrative Services and/or Chief Financial Officer of the University are hereby authorized to execute and deliver the Supplemental Indentures in substantially the same form and with substantially the same content as the form of such document presented to this meeting for and on behalf of the Board and the University with such alterations, changes or additions as may be authorized by Section 8 hereof.

Section 5. For the purpose of providing funds to be used for financing the cost of the Projects (including capitalized interest and costs of issuance of the Bonds), the Board hereby authorizes the issuance of the Bonds, from time to time and in one or more series, in the aggregate principal amount of not to exceed \$137,000,000. The Bonds shall mature on such date or dates, be subject to redemption, and bear interest at the rates as shall be approved by the Chair or Vice Chair of the Board or the Chair of the Finance, Facilities and Accountability Committee, all within the parameters set forth on Exhibit A attached hereto and incorporated herein by reference. The issuance of the Bonds shall be subject to the final advice of Bond Counsel and to the approval of the office of the Attorney General of the State of Utah. The Bonds authorized herein may be issued at any time and from time to time, prior to January 22, 2018, with the option of the Board to extend this authorization in the future.

Section 6. The form, terms and provisions of the Bonds and the provisions for the signatures, authentication, payment, registration, transfer, exchange, interest rates, redemption and number shall be as set forth in the Indenture. The Chair, Vice Chair and/or Chair of the Finance, Facilities and Accountability Committee and the Secretary of the Board and the President, Vice President for Administrative Services and/or Chief Financial Officer of the University are hereby authorized to execute and seal by manual or facsimile signature the Bonds and to deliver the Bonds to the Trustee for authentication. All terms and provisions of the Indenture and the Bonds are hereby incorporated in this Resolution. The appropriate officials of the Board and the University are hereby authorized to execute and deliver to the Trustee the written order of the Board for authentication and delivery of the Bonds in accordance with the provisions of the Indenture.

Section 7. The Bonds shall be sold to the Purchasers with a Purchaser's discount of not to exceed 0.60% of the face amount of the Bonds. Bond Purchase Agreements in substantially the form presented to this meeting are hereby authorized, approved and confirmed. The Chair or Vice Chair of the Board and/or the Chair of the Finance, Facilities and Accountability Committee and the President, Vice President for Administrative Services and/or Chief Financial Officer of the University are hereby authorized to execute and deliver the Bond Purchase Agreements in substantially the same form and with substantially the same content as the form of the Bond Purchase Agreement presented at this meeting for and on behalf of the Board with final terms as may be established for the Bonds within the parameters set forth herein and with such alterations, changes or additions as may be necessary or as may be authorized by Section 8 hereof. The Chair or Vice-Chair of the Board and/or the Chair of the Finance, Facilities and Accountability Committee and the President, Vice President for Administrative Services and/or Chief Financial Officer of the University are hereby authorized to specify and agree as to the final principal amounts, terms, discounts, maturities, interest rates, redemption features and purchase price with respect to the Bonds for and on behalf of the Board and the University and any changes thereto from those terms which were before the Board at the time of adoption of this Resolution, provided such terms are within the parameters set by this Resolution, with such approval to be conclusively established by the execution of the related Bond Purchase Agreement and Supplemental Indenture. In the event that the foregoing officers determine that all or any portion of the Bonds should be privately placed, the Bond Purchase Agreements and Supplemental Indentures may be modified to conform to the agreement with such Purchasers, including agreement to pay breakage fees, default rates, taxable rates and other similar provisions customary in such placements, provided that such obligations are limited to the sources provided under the Indenture.

Section 8. The appropriate officials of the Board and the University, including without limitation the Chair or Vice Chair of the Board and/or the Chair of the Finance, Facilities and Accountability Committee and the President, Vice President for Administrative Services and/or Chief Financial Officer of the University are authorized to make any alterations, changes or additions to the Indenture, the Bonds, the Bond Purchase Agreement, the Preliminary Official Statement, the Official Statement, or any other document herein authorized and approved which may be necessary to correct errors or omissions therein, to complete the same, to remove ambiguities therefrom, to conform the same to other provisions of said instruments, to the provisions of this Resolution or any resolution adopted by the Board or the provisions of the laws of the State of Utah or the United States or to permit the private placement or public sale of the Bonds, to conform such documents to the terms established for the Bonds and to update such documents with current information and practices.

Section 9. The appropriate officials of the Board and the University, including without limitation the Chair, Vice Chair, the Chair of the Finance, Facilities and Accountability Committee, Commissioner of Higher Education and Secretary of the Board and the President, Vice President for Administrative Services and/or Chief Financial Officer of the University, are hereby authorized and directed to execute and deliver for and on behalf of the Board and the University any or all additional certificates,

documents and other papers and to perform all other acts they may deem necessary or appropriate in order to implement and carry out the matters authorized in this Resolution and the documents authorized and approved herein.

Section 10. The appropriate officers of the Board and the University, including without limitation the Chair, Vice Chair, the Chair of the Finance, Facilities and Accountability Committee, Commissioner of Higher Education and Secretary of the Board and the President, Vice President for Administrative Services and/or Chief Financial Officer of the University are hereby authorized to take all action necessary or reasonably required by the Indenture, the Preliminary Official Statement, the Official Statement, or the Bond Purchase Agreement to carry out, give effect to and consummate the transactions as contemplated thereby and are authorized to take all action necessary in conformity with the Act.

Section 11. Upon their issuance, the Bonds will constitute special limited obligations of the Board payable solely from and to the extent of the sources set forth in the Indenture. No provision of this Resolution, the Bonds, the Bond Purchase Agreement, the Official Statement, the Indenture or any other instrument executed in connection with the issuance of the Bonds, shall be construed as creating a general obligation of the Board or the University, or of creating a general obligation of the State of Utah or any political subdivision thereof, nor as incurring or creating a charge upon the general credit of the Board, the University, the State of Utah or any political subdivision thereof.

Section 12. After the Bonds are delivered by the Trustee to or for the account of the Purchaser and upon receipt of payment therefor, this Resolution shall be and remain irrevocable until the principal of, premium, if any, and interest on the Bonds are deemed to have been fully discharged in accordance with the terms and provisions of the Indenture.

Section 13. If any provisions of this Resolution should be held invalid, the invalidity of such provisions shall not affect the validity of any of the other provisions of this Resolution.

Section 14. All resolutions of the Board or parts thereof inconsistent herewith, are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed as reviving any bylaw, order, resolution or ordinance or part thereof.

Section 15. This Resolution shall become effective immediately upon its adoption.

PASSED AND APPROVED BY THE STATE BOARD OF REGENTS OF THE  
STATE OF UTAH THIS 22ND DAY OF JANUARY, 2016.

STATE BOARD OF REGENTS OF THE  
STATE OF UTAH

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Chair

ATTEST:

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Secretary

After the conduct of other business not pertinent to the above, the meeting was, on motion duly made and seconded, adjourned.

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Chair

ATTEST:

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Secretary

STATE OF UTAH                    )  
  : ss.  
COUNTY OF SALT LAKE    )

I, Loreen Olney, do hereby certify that I am the duly qualified and acting Secretary of the State Board of Regents of the State of Utah.

I further certify that the above and foregoing constitutes a true and correct copy of an excerpt of the minutes of a meeting of said Board held on January 22, 2016 and of a resolution adopted at said meeting, as said minutes and resolution are officially of record in my possession.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature and impressed hereon the official seal of said Board this 22nd day of January, 2016.

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Secretary

(SEAL)

STATE OF UTAH                    )  
  : ss.  
COUNTY OF SALT LAKE    )

I, Loreen Olney, the undersigned, the duly qualified and acting Secretary of the State Board of Regents of the State of Utah, do hereby certify, according to the records of said State Board of Regents in my official possession, and upon my own knowledge and belief, that:

(a) in accordance with the requirements of Section 52-4-202, Utah Code Annotated 1953, as amended, public notice was given of the agenda, date, time and place of the January 22, 2016 public meeting held by the Members of the State Board of Regents by causing a Notice of Public Meeting, in the form attached hereto as Schedule 1 to be: (i) posted at the principal office of the State Board of Regents at 60 South 400 West, Salt Lake City, Utah, on January \_\_\_\_, 2016, at least 24 hours prior to the convening of such meeting, said Notice of Public Meeting having continuously remained so posted and available for public inspection during the regular office hours of the State Board of Regents until the convening of the meeting; (ii) published on the Utah Public Notice Website (<http://pmn.utah.gov>), at least 24 hours prior to the convening of such meeting; and (iii) provided at least 24 hours prior to the convening of such meeting, to the Deseret News and The Salt Lake Tribune, newspapers of general circulation within the geographic jurisdiction of the State Board of Regents, pursuant to their subscription to the Utah Public Notice Website (<http://pmn.utah.gov>), and to each local media correspondent, newspaper, radio station or television station which has requested notification of meetings of the State Board of Regents;

(b) in accordance with the requirements of Section 52-4-202, Utah Code Annotated 1953, as amended, public notice of the 2015-2016 Annual Meeting Schedule of the State Board of Regents was given, specifying the date, time and place of the regular meetings of the State Board of Regents scheduled to be held during said years, by causing a Notice of Annual Meeting Schedule for the State Board of Regents, in the form attached hereto as Schedule 2, to be (i) posted at the principal office of the State Board of Regents at 60 South 400 West, Salt Lake City, Utah in November 2014; (ii) published on the Utah Public Notice Website (<http://pmn.utah.gov>) during the current calendar year, and (iii) provided to a newspaper of general circulation within the geographic jurisdiction of the State Board of Regents pursuant to its subscription to the Utah Public Notice Website (<http://pmn.utah.gov>); and

(c) the State Board of Regents has adopted written procedures governing the holding of electronic meetings in accordance with Section 52-4-207 Utah Code Annotated 1953, as amended (a copy of which is attached hereto as Schedule 3). In accordance with said Section and the aforementioned procedures, notice was given to each member of the State Board of Regents and to members of the public at least 24 hours before the meeting to allow members of the State Board of Regents and the public to participate in the meeting, including a

description of how they could be connected to the meeting. The State Board of Regents held the meeting (the anchor location) in the building where it normally meets and provided space and facilities at the anchor location so that interested persons and the public could attend and participate.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature and impressed hereon the official seal of the State Board of Regents of the State of Utah, this 22nd day of January, 2016.

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Secretary

(SEAL)



SCHEDULE 1

NOTICE OF PUBLIC MEETING

(See Transcript Document No. \_\_\_\_)

SCHEDULE 2

NOTICE OF ANNUAL MEETING SCHEDULE

(See Transcript Document No. \_\_\_\_)

SCHEDULE 3

ELECTRONIC MEETING POLICY

EXHIBIT A

PARAMETERS OF THE BONDS

Principal amount not to exceed	\$137,000,000
Interest rate not to exceed	6.0%
Discount from par not to exceed	2.0%
Final maturity not to exceed	Thirty-Five (35) years from the date thereof
May be non-callable or callable at the option of University as determined at the time of sale	



RBC Capital Markets®

RBC Capital Markets, LLC  
Municipal Finance  
299 South Main Street, Suite 2000  
Salt Lake City, Utah 84111

## FINANCING SUMMARY

For

**\$54,580,000\***

**State Board of Regents of the State of Utah  
UNIVERSITY OF UTAH  
General Revenue Bonds  
Series 2016A**

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Purpose:	The purpose for the issuance of the Series 2016A Bonds is currently two-fold: 1) To finance a portion of the cost of reconstructing Orson Spencer Hall (the “OSH Project”), and 2) To finance a portion of the cost of expanding the Orthopaedic Center (the “Orthopaedic Project”). A portion of the bond proceeds will also pay costs of issuance associated with the Series 2016A Bonds including capitalized interest. As part of its ongoing surveillance program, the University is evaluating the refunding of certain ‘Prior Lien Bonds’ for savings purposes. Should sufficient net-present-value savings appear achievable, the University may include such refunding candidates as part of the Series 2016A issue.
Not-to-Exceed Par Amount:	\$57 million (netting \$45 million) for the OSH Project \$12 million (netting \$9.58 million) for the Orthopaedic Project
Not-to-Exceed Maturity:	OSH Project: 25-years (Current planning anticipates no longer than a 12-year final maturity) Orthopaedics Project: 35-years (Current planning anticipates 20-years after capitalized interest period)
Security:	The Series 2016A Bonds are payable from and secured by a General Revenue pledge which consists of substantially all of

the income and revenues of the University authorized to be pledged.

Ratings: 'Aa1' and 'AA' ratings are expected to be reaffirmed by Moody's Investors Service and Standard and Poor's Corporation, respectively.

Method of Sale: Negotiated public offering using the following underwriters:  
Morgan Stanley & Co: 70% Senior Manager  
George K. Baum & Co: 30% Co-Manager

Bonds to be Refunded: TBD

NPV Refunding Savings: TBD

All-in True Interest Cost: TBD

Sale Date: February 2, 2016\*

Closing Date: March 8, 2016\*

Principal Payment Dates: August 1

Interest Payment Dates: August 1 and February 1, commencing August 1, 2016

Interest Basis: 30/360

Optional Redemption: May be non-callable or subject to redemption as determined at the time of sale.

Other Not-to-Exceed Parameters:

Coupon: 6.00%

Discount from Par: 2.00%

University Contacts: Mr. Arnold Combe, Vice President for Administrative Services (801-581-6404)

Mr. Robert Muir, Director of Treasury Services (801-585-5598)

Mr. John Nixon, Sr. Chief Administrative Officer/CFO (801-585-0806)

Bond Counsel: Mr. Blake Wade, Ballard Spahr LLP (801-531-3000)

Municipal Advisor: Mr. Kelly Murdock, RBC Capital Markets (801-656-2928)

\*Preliminary, subject to change