



UTAH SYSTEM OF  
HIGHER EDUCATION

# MEMORANDUM

TAB A

December 16, 2020

## University of Utah – Revenue Bond Authorization

Board Policy R590, *Issuance of Revenue Bonds for Colleges and Universities*, requires the Board to review and approve the issuance and sale of revenue bonds. The University of Utah requests Board authorization to issue revenue bonds for the purposes described in the following sections.

### **Request to Issue up to \$237,500,000 Authorized by State Legislature**

The University of Utah requests Board authorization to issue General Revenue Bonds for the following purposes that have been authorized by the state legislature:

- \$100,000,000 for the construction of the Health Sciences Campus Office Building as approved by the Board in November 2019 and authorized by the 2020 Legislative Session (H.B. 9); clinical and other institutional non-state revenues will be the primary source of repayment for the bonds.
- \$137,500,000 for the construction of the Medical Education and Discovery Complex (MEDX) as approved by the Board in November 2016 and authorized by the 2017 Legislative Session (S.B. 9). \$52,500,000 of the original \$190,000,000 authorization was issued in Series 2017A for a rehabilitation hospital. The remaining \$137,500,000 is authorized for the MEDX complex where donations will be the primary source of repayment for the bonds.

### **Request to Issue up to \$10,000,000 of Utah Industrial Facilities Bonds**

Pursuant to Utah Code 11-17 and Board Policy R590, *Issuance of Bonds for Colleges and Universities*, the University of Utah does not need legislative approval for Utah Industrial Facilities and Development (IFD) bond issuances under \$10 million per calendar year. These bonds encourage economic growth in the state through the development and improvement of research facilities. The university requests authorization to issue up to \$10,000,000 for various research projects listed in the supplemental material attached.

### **Request to Refinance up to \$60,000,000 for Short-term Cash-Flow**

Board Policy R590 allows institutions to request authorization to issue revenue refunding bonds without legislative approval. Typically, the Board issues refunding bonds to provide net cost savings to the institution by replacing existing bonds with a new issuance at lower interest rates. In this case, the university requests the ability to re-amortize up to \$60,000,000 of existing debt in order to free up cash for short-term needs and to replenish shortfalls caused by the pandemic. Such a transaction is permissible under statute and Board policy; however, this is a new development and a new direction that the Board

should consider and discuss prior to approval. Additional details on the costs and financing of this proposed transaction are included in the attached supplemental material.

### **Prior Authorization to Refinance up to \$100,000,000 for Economic Savings**

In the November 2019 meeting, the Board approved the University of Utah to refund up to \$100,000,000 prior to May 15, 2021, if economic conditions present opportunities for cost savings. The University has not yet issued bonds under this authorization, but may include some refunding bonds in the current transaction if market conditions allow for cost savings of at least three percent.

The relevant parameters of the requested issue are:

- Principal amount not to exceed \$375,000,000 (including costs of issuance and capitalized interest)
- Interest rate not to exceed 5%
- Discount from par not to exceed 2%
- Final maturity not to exceed 30 years from the date of issue

A copy of the request letter from the university, supplemental information relating to the IFD and short-term cash flow bonds, the Approving Resolution, and a financing summary from the financial advisor are attached. Representatives from the university will attend the meeting to provide additional information and answer questions from the Board.

### **Commissioner's Recommendation**

The Commissioner recommends approval of the proposed Authorizing Resolution to issue General Revenue Bonds for the University of Utah as proposed. The Commissioner further recommends examination and discussion of the request to refund existing bonds for short-term cash-flow in terms of precedent and the current economic environment.

### **Attachments:**

December 3, 2020

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

Dear Commissioner Woostenhulme:

The purpose of this letter is to inform you of the University of Utah's plans to submit a bond parameters resolution (the "Resolution") to the State Board of Higher Education of the State of Utah (the "Board"), to be considered during its December 2020 meeting, for the issuance of a General Revenue Bond or Bonds on behalf of the University of Utah (the "University") for the purpose of and (i) financing a portion of the costs to construct (a) a health science office building (the "Health Science Office Building Project" or "HELIX Project"), (b) the Medical Education and Discovery Building (MEDX) to replace the existing Medical School complex (the "MEDX Project"), and (c) various research projects as permitted by the Utah Industrial Facilities and Development Act (collectively, the "Research Project," and together with the Health Science Office Building Project and the MEDX Project, the "Series 2021 Projects") together with other amounts necessary to pay costs of issuance, pay capitalized interest and fund any debt service reserve requirements. (ii) refunding all or any portion of the outstanding bonds issued by the Board on behalf of the University (the "Re-Amortization Refunding Authorization") together with other amounts necessary to pay costs of issuance and fund any debt service reserve requirements

Details are as follows:

**Authorization to Bond up to \$100,000,000 for the Construction of the Health Sciences Campus Office Building**

The HELIX Project is to provide space for the relocation of certain offices that are in a building that will be demolished in the future to accommodate School of Medicine on-campus growth needs. The project includes the design and construction of a five-story, 250,000 sq. ft. office building and construction of a dedicated elevator and bridge connecting the new office building to an existing bridge that connects to the Health Sciences Campus. The project is expected to cost \$105.1 million. Funding will come from \$100 million of bond proceeds plus monies of the University. No state funds will be requested for the new facility.

The University received bonding authorization for this project during the 2020 Legislative Session of up to \$100 million, together with other amounts necessary to pay costs of issuance, pay capitalized interest, and fund any debt service reserve requirements.

**Authorization to Bond up to \$137,500,000 for the Construction of Medical Education and Discovery Complex**

The Medical Education and Discovery Complex ("MEDX") is a 350,000 square-foot building that will replace the University's existing Medical School Complex. It will house the new medical school, the Global Health Institute and collaborative space for clinicians, researchers and students. The University estimates the cost of building the MEDX at \$185 million. Funding will come through appropriation from the State Legislature, long-term private donations and \$137.5 million from bond proceeds.

The University received bonding authorization for both the MEDX project and its Rehabilitation Hospital during the 2017 Legislative Session to finance up to \$190 million for costs of constructing these two projects, together with other

amounts necessary to pay costs of issuance, pay capitalized interest, and fund any debt service reserve requirements. During 2017, the University bonded for \$52.5 million of the \$190 million authorization to finance a portion of the costs of constructing the Rehabilitation Hospital. The University is now requesting to bond for up to \$137.5 million of the remaining bonding authorization, for construction of the MEDX, together with other amounts necessary to pay costs of issuance, pay capitalized interest, and fund any debt service reserve requirements.

**Authorization to Bond up to \$10,000,000 for the Construction of various research projects permitted under the Utah Industrial Facilities and Development Act,** The Board is empowered to issue up to \$10,000,000 of bonds in any one fiscal year to finance the acquisition, construction, improvement, equipping and furnishing of buildings and projects on behalf of the University and desires to finance various research projects as permitted by the Act together with other amounts necessary to pay costs of issuance, pay capitalized interest and fund any debt service reserve requirements. In no case shall the total par amount of this bond exceed \$10,000,000.

**Authorization to Bond up to \$60,000,000 for the refunding of outstanding debt to re-amortize the principal of such outstanding bonds for cash-flow relief.** The University is looking to provide cash flow relief due to pandemic-related shortfalls by re-amortizing the principal of certain outstanding bonds for short-term cash-flow relief (without any requirement of net present value savings) and pay costs of issuance related thereto . Such bonds may be issued in one or more series and combined with any other series of general revenue bonds. This capacity is possible due to the historical debt management by the Board and the University with shorter maturities in its bond issuances to reduce interest costs. Any re-amortization is expected to be favorably accepted by the market and rating agencies because of the relationship between the new amortization and the useful life of the projects originally financed, and the universal understanding of the pandemic on higher education budgets.

The University received previous authorization in a resolution adopted by the board dated November 15, 2019 to refund up to \$100,000,000 for all or any portion of the outstanding bonds issued by the Board on behalf of the University prior to May 15, 2021, pursuant to certain parameters therein (including net present value savings of at least three percent) and such bonds may be issued in one or more series and combined with any other series of general revenue bonds. The University is analyzing such opportunities and may include such refundings in the upcoming bonding should favorable conditions appear.

It is the University's current plan to issue the first series of bonds related to the Resolution in January and close the transaction in early February. The University is currently in the process of determining which projects are expected to be included in the bonding in early 2021.

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

Sincerely,



Cathy Anderson  
Chief Financial Officer

cc: Ruth V. Watkins, President  
Michael Good, Senior Vice President  
Daniel Reed, Senior Vice President  
Richard Amon  
Blake Wade  
Kelly Murdock  
Robert Muir



THE UNIVERSITY OF UTAH

**Supplemental Information  
Relating to the Proposed Issuance of  
General Revenue and Refunding Bonds  
Series 2021**

December 3, 2020



THE UNIVERSITY OF UTAH

***Potential Research Projects for \$10M Financing under the Utah Industrial Facilities and Development Act***

Projects that are being considered for financing include, but are not limited to:

- Emma Eccles Jones Vivarium Renovation - \$5.9 million
- Biology and Crocker Science Center Vivaria Renovation - \$4.5 million
- HCI Vivarium Renovation - \$1.9 million
- Chemistry Lab 3rd and 4th Floor Renovation - \$2.5 million
- Nora Eccles Harrison Cardiovascular Research and Training Institute Addition - \$5.6 million
- Population Health Sciences remodel in Williams Building - \$0.5 million
- Biopolymers Research Building remodel = \$6.7 million





# THE UNIVERSITY OF UTAH

## Example of Taxable Re-amortization for Cash Flow Relief

### Analysis: Re-amortization of Non-Callable Principal for Cash Flow Relief

PROPOSED RESTRUCTURE*							
FISCAL YEAR	Targeted Maturities			Refunding Bonds			Savings / (Cost)
	Principal	Interest	Total P&I	Principal	Interest	Total P&I	
2021	-	-	-	-	-	-	-
2022	\$21,035,000	\$1,964,775	\$22,999,775	-	\$863,250	\$875,118	\$22,124,657
2023	27,725,000	719,450	28,444,450	-	865,655	877,555	27,566,895
2024	-	-	-	-	865,655	877,555	(877,555)
2025	-	-	-	\$4,785,000	845,797	5,641,908	(5,641,908)
2026	-	-	-	4,840,000	802,224	5,652,956	(5,652,956)
2027	-	-	-	4,880,000	748,496	5,635,353	(5,635,353)
2028	-	-	-	4,945,000	683,127	5,636,425	(5,636,425)
2029	-	-	-	3,530,000	618,295	4,163,308	(4,163,308)
2030	-	-	-	3,580,000	557,136	4,153,246	(4,153,246)
2031	-	-	-	3,650,000	491,326	4,152,699	(4,152,699)
2032	-	-	-	3,710,000	420,655	4,147,295	(4,147,295)
2033	-	-	-	3,790,000	345,264	4,146,802	(4,146,802)
2034	-	-	-	3,870,000	265,394	4,145,921	(4,145,921)
2035	-	-	-	3,945,000	181,569	4,139,444	(4,139,444)
2036	-	-	-	3,850,000	96,031	3,959,221	(3,959,221)
2037	-	-	-	1,325,000	38,257	1,372,269	(1,372,269)
2038	-	-	-	490,000	17,534	509,602	(509,602)
2039	-	-	-	500,000	5,925	506,660	(506,660)
2040	-	-	-	-	-	-	-
2041	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>\$48,760,000</b>	<b>\$2,684,225</b>	<b>\$51,444,225</b>	<b>\$51,690,000</b>	<b>\$8,711,586</b>	<b>\$60,593,338</b>	<b>(\$9,149,113)</b>

Assumptions: taxable market interest rates as of November 2, 2020. Closing date of February 2, 2021.

#### Targeted Non-Callable Maturities:

Series	8/1/2021	8/1/2022	Total
GRB 2014B	-	\$5,265,000	\$5,265,000
GRB 2014A-1	\$3,025,000	3,180,000	6,205,000
GRB 2015A-1	825,000	870,000	1,695,000
GRB 2015B	13,145,000	13,150,000	26,295,000
GRB 2016A	4,040,000	5,260,000	9,300,000
<b>Total</b>	<b>\$21,035,000</b>	<b>\$27,725,000</b>	<b>\$48,760,000</b>

#### • Commentary:

- Final structure may vary from this analysis
- Re-amortized principal does not mature beyond final maturity of refunded bonds
- Net present value impact: (2.54%) / (\$1.24 million)



# THE UNIVERSITY OF UTAH

## Taxable Refunding for Savings Monitor

### Taxable Advance Refunding Analysis\*

- Taxable refunding statistics represent a refunding of all callable maturities within each series
- GRB's beyond Series 2016A currently provide no positive economic benefit to the University

General Revenue Bonds - Callable Series								Taxable Refunding Statistics			
Series	Original Par	Par Outstanding	Tax Status	All-In TIC	Final Maturity	Call Date	Callable Par Amount	NPV Savings (%)	NPV Savings (\$)	Negative Arbitrage	Savings Efficiency
GRB 2014B	\$76,200,000	\$24,975,000	Tax-Exempt	3.47%	8/1/2038	8/1/2023	\$15,425,000	13.536%	\$2,087,999	(\$707,086)	74.7%
GRB 2014A-1	26,045,000	20,045,000	Tax-Exempt	2.60%	8/1/2027	8/1/2024	3,780,000	2.467%	\$93,241	(\$159,372)	36.9%
GRB 2015A-1	39,405,000	9,380,000	Tax-Exempt	2.79%	8/1/2034	8/1/2024	5,815,000	9.611%	\$558,895	(\$366,773)	60.4%
GRB 2015B	91,570,000	70,000,000	Tax-Exempt	2.29%	8/1/2035	8/1/2025	17,260,000	1.227%	\$211,723	(\$1,307,593)	13.9%
GRB 2016A	68,210,000	56,870,000	Tax-Exempt	2.36%	8/1/2036	8/1/2025	25,895,000	1.781%	\$461,288	(\$1,707,419)	21.3%
GRB 2016B-1	128,550,000	124,690,000	Tax-Exempt	2.77%	8/1/2036	8/1/2026	78,815,000				
GRB 2017A	155,930,000	140,135,000	Tax-Exempt	2.72%	8/1/2039	8/1/2027	85,315,000				
GRB 2017B-1	84,900,000	84,900,000	Tax-Exempt	2.78%	8/1/2038	8/1/2027	48,615,000				
GRB 2018A	80,040,000	78,355,000	Tax-Exempt	3.62%	8/1/2044	8/1/2028	61,385,000				
GRB 2019A	74,050,000	74,050,000	Tax-Exempt	2.35%	8/1/2039	8/1/2029	37,535,000				
GRB 2019B	30,165,000	30,165,000	Taxable	3.33%	8/1/2039	8/1/2029	30,165,000				
GRB 2020A	84,635,000	84,635,000	Tax-Exempt	2.30%	8/1/2040	8/1/2030	68,990,000				
<b>Total</b>	<b>\$939,700,000</b>	<b>\$798,200,000</b>					<b>\$410,005,000</b>				

#### Notes:

1. Preliminary and subject to change.
2. The use of the AA+ rating is consistent with the ratings of the outstanding prior bonds.
3. Interest rate assumptions are based on current market conditions and similar credits.
4. University's actual results may differ.
5. Costs of issuance and underwriter's discount are estimates for discussion purposes.
6. Analysis was performed with no changes to the term or the structure of the debt service from the currently outstanding issues.

\*Preliminary, subject to change. FOR DISCUSSION PURPOSES ONLY.





# THE UNIVERSITY OF UTAH

## Example of Taxable Refunding for Present Value Savings

### Taxable Advance Refunding Analysis\*

- Projected Annual Savings
- Solved for Uniform Savings
- Net present value savings:  
12.463% / \$2,647,235
- Rates as of November 2, 2020
- Estimated New Par Amount: \$24.3 Million

#### Targeted Callable Maturities:

Series	Total
GRB 2014B	\$15,425,000
GRB 2015A-1	5,815,000
<b>Total</b>	<b>\$21,240,000</b>

#### TAXABLE REFUNDING ANALYSIS

FISCAL YEAR	Proposed Refunding	Existing Debt Service (Not Refunded)	Net Debt Service (1)	Old Net Debt Service	Savings
2022	\$872,958	\$4,409,500	\$5,279,267	\$5,471,500	<b>\$192,233</b>
2023	882,035	4,412,000	5,294,035	5,474,000	<b>179,965</b>
2024	879,359	4,409,375	5,288,734	5,471,375	<b>182,642</b>
2025	2,668,278	984,000	3,652,278	3,835,125	<b>182,847</b>
2026	2,756,879		2,756,879	2,944,625	<b>187,747</b>
2027	2,705,347		2,705,347	2,887,250	<b>181,904</b>
2028	2,638,810		2,638,810	2,827,625	<b>188,815</b>
2029	2,785,763		2,785,763	2,970,500	<b>184,738</b>
2030	1,384,199		1,384,199	1,565,000	<b>180,801</b>
2031	1,382,718		1,382,718	1,566,125	<b>183,407</b>
2032	1,379,673		1,379,673	1,564,500	<b>184,827</b>
2033	1,380,096		1,380,096	1,565,000	<b>184,904</b>
2034	1,384,028		1,384,028	1,567,375	<b>183,347</b>
2035	1,381,623		1,381,623	1,566,500	<b>184,878</b>
2036	690,744		690,744	826,250	<b>135,506</b>
2037	691,655		691,655	827,375	<b>135,720</b>
2038	686,966		686,966	826,750	<b>139,785</b>
2039	1,472,242		1,472,242	1,609,250	<b>137,008</b>
<b>TOTAL</b>	<b>\$28,023,369</b>	<b>\$14,214,875</b>	<b>\$42,235,052</b>	<b>\$45,366,125</b>	<b>\$3,131,073</b>

(1) Less rounding amount.

#### Notes:

1. Preliminary and subject to change.
2. The use of the AA+ rating is consistent with the ratings of the outstanding prior bonds.
3. Interest rate assumptions are based on current market conditions and similar credits.
4. University's actual results may differ.
5. Costs of issuance and underwriter's discount are estimates for discussion purposes.
6. Analysis was performed with no changes to the term or the structure of the debt service from the currently outstanding issues.

*\*Preliminary, subject to change. FOR DISCUSSION PURPOSES ONLY.*

# STIFEL

## PRELIMINARY FINANCING SUMMARY

For

**Utah State Board of Higher Education**

**\$375,000,000\***

**UNIVERSITY OF UTAH**

**General Revenue and Refunding Bonds**

**Series 2021A and Series 2021B**

**(The “Series 2021 Bonds”)**

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Purpose:

To finance (1) A portion of the costs to construct a health science office building (the “Health Science Office Building Project” or “HELIX” project); (2) A portion of the costs to construct the Medical Education and Discovery Building (“MEDX”) to replace the existing Medical School complex; and, (3) To finance the acquisition, construction, improvement, equipping and furnishing of research-related buildings and projects; together with other amounts necessary to pay costs of issuance, pay capitalized interest and fund a debt service reserve requirement, if any.

The Series 2021 Bonds may also include up to \$60 million of taxable refunding bonds for purposes of re-amortizing certain upcoming principal maturities to provide cash flow relief due to pandemic-related shortfalls.

Depending on future interest rates as well as other factors, the University may also issue refunding revenue bonds as part of the Series 2021 bond issue for purposes of generating net-present-value savings of at least 3.00%, in accordance with the \$100 million approval given by the former State Board of Regents of the State of Utah in its November 15, 2019 board meeting.

Not-to-Exceed Par Amount:

**\$375,000,000 (\$100,000,000 for the Health Science Office Building Project, \$137,500,000 for the Medical Education and Discovery Building; \$10,000,000 for research-related capital improvements; \$60,000,000 for cash flow savings refunding bonds, \$30,000,000 for present-value savings refunding bonds, with the remainder for capitalized interest, costs of issuance, and a debt service reserve fund, if necessary).**

**Preliminary Financing Summary**  
**University of Utah Series 2021 Bonds**  
**Page 2 of 2**

Security:	The Series 2021 Bonds will be payable from and secured by a General Revenue pledge which consists of substantially all income and revenues of the University authorized to be pledged, with the exception of (i) legislative appropriations, (ii) tuition and certain fees, and (iii) certain other revenues and income.
Ratings:	‘Aa1’ and ‘AA+’ ratings <i>are expected</i> by Moody’s Investors Service and S&P Global Ratings, respectively.
Method of Sale:	Negotiated Public Offering
True Interest Cost:	TBD (given current market volatility, a preliminary rate is difficult to determine)
Underwriters:	The University recently engaged the firms of JP Morgan and Wells Fargo Securities to serve as underwriters for the Series 2021 Bonds.
Sale Date:	Current Calendar calls for a January 21, 2021 sale date, subject to market conditions
Closing Date:	TBD – Current Calendar calls for settlement early February 2021.
Principal Payment Dates:	August 1 of each year, beginning August 1, 2024
Interest Payment Dates:	August 1 and February 1, beginning August 1, 2021
Interest Basis:	30/360
Parameters:	Not-to-Exceed Par for the Projects: \$375,000,000 Not-to-Exceed Term: 30-years from the date of the Bond’s issuance Not-to-Exceed Coupon: 5.00% Not-to-Exceed Discount from Par: 2.00%
Optional Redemption:	May be non-callable or callable (par or make-whole) at the option of the University, as determined at the time of the sale
University Contacts:	Ms. Cathy Anderson, Chief Financial Officer (801-581-6940)  Mr. Robert Muir, Executive Director – Debt and Asset Management (801-585-5598)
Bond Counsel:	Mr. Blake Wade, Gilmore & Bell (801-258-2725)
Municipal Advisor:	Mr. Kelly Murdock, Stifel, Nicolaus & Company (385-799-1734)

*\*Preliminary, subject to change*

APPROVING RESOLUTION  
UNIVERSITY OF UTAH  
-RESEARCH PROJECT  
-HEALTH SCIENCES BUILDING  
-MEDICAL EDUCATION AND DISCOVERY COMPLEX  
-GENERAL REVENUE REFUNDING BONDS

December 18, 2020

The Utah Board of Higher Education (the “Board”) met in regular session by electronic means on December 18, 2020, commencing at 10:00 a.m. The following members were present:

Harris H. Simmons	Chair
Nina Barnes	Vice Chair
Aaron V. Osmond	Vice Chair
Jessellie B. Anderson	Member
Mike Angus	Member
Jera L. Bailey	Member
Stacey K. Bettridge	Member
Lisa-Michele Church	Member
Wilford W. Clyde	Member
Candyce Damron	Student Representative
Sanchaita Datta	Member
Alan E. Hall	Member
Patricia Jones	Member
Crystal Maggelet	Member
Arthur E. Newell	Member
Shawn Newell	Member
Glen J. Rivera	Student Representative
Scott L. Theurer	Member

Absent:

Also Present:

David R. Woolstenhulme	Commissioner of Higher Education
Geoffrey Landward	Secretary

After the meeting had been duly convened and called to order by the Chair, the roll had been called with the above result, the agenda noted that one of the purposes of the meeting was the consideration of various matters with respect to the issuance and sale of the Utah Board of Higher Education, University of Utah General Revenue and Refunding Bonds.

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

AYE:

NAY:

The resolution is as follows:

## RESOLUTION

A RESOLUTION OF THE UTAH BOARD OF HIGHER EDUCATION AUTHORIZING THE ISSUANCE AND SALE OF ITS UNIVERSITY OF UTAH GENERAL REVENUE AND REFUNDING BONDS, IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$375,000,000 (EXCLUSIVE OF ANY PRIOR REFUNDING BOND AUTHORIZATIONS THAT MAY BE COMBINED HEREWITH); 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 Utah Board of Higher Education (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 the University of Utah (the “University”) for the purpose of exercising the powers contained in Title 53B, Chapter 21, Utah Code, Title 11, Chapter 17 Utah Code (the “Utah Industrial Facilities and Development Act”), the specific authorizations of Section 63B-30-201(1) and 63B-27-202(3) of the Utah Code and the Utah Refunding Bond Act, Title 11, Chapter 27 of the Utah Code (collectively, the “Act”); and

WHEREAS, pursuant to a General Indenture of Trust dated as of July 1, 2013, between the Board (formerly known as the State Board of Regents of the State of Utah) and Wells Fargo Bank, N.A., as trustee (the “Trustee”), as heretofore amended and supplemented (the “General Indenture”), the Board has issued, for and on behalf of the University, various series of revenue bonds; and

WHEREAS, pursuant to Utah Refunding Bond Act, Title 11, Chapter 27 of the Utah Code (the “Refunding Bond Act”) and a resolution adopted by the Board on November 15, 2019 (the “2019 Refunding Resolution”) the Board authorized up to \$100,000,000 of bonds to refund all or any portion of the outstanding bonds issued by the Board on behalf of the University prior to May 15, 2021 (the “2019 Refunding Authorization”) pursuant to certain parameters therein (including net present value savings of at least three percent) and such bonds may be issued in one or more series and combined with any other series of general revenue bonds; and

WHEREAS, pursuant to the Refunding Bond Act the Board now desires to authorize the issuance of up to \$60,000,000 of additional bonds to refund all or any portion of the outstanding bonds issued by the Board on behalf of the University (the “Re-Amortization Refunding Authorization”) and paying costs of issuance related thereto in



order to re-amortize the principal of such outstanding bonds for cash-flow relief (without any requirement of net present value savings) and such bonds may be issued in one or more series and combined with any other series of general revenue bonds; and

WHEREAS, pursuant to the Utah Industrial Facilities and Development Act, the Board is empowered to issue up to \$10,000,000 of bonds in any one fiscal year to finance the acquisition, construction, improvement, equipping and furnishing of buildings and projects on behalf of the University and desires to finance various research projects as permitted by the Act (collectively, the “Research Project”) together with other amounts necessary to pay costs of issuance, pay capitalized interest and fund any debt service reserve requirements ; and

WHEREAS, pursuant to Section 63B-30-201(1) of the Utah Code, the Board, for and on behalf of the University, is authorized to issue bonds for the purpose of planning, designing and constructing the Health Sciences campus office building (the “Health Sciences Project”) in an amount not to exceed \$100,000,000 for acquisition and construction proceeds, together with other amounts necessary to pay costs of issuance, pay capitalized interest and fund any debt service reserve requirements; and

WHEREAS, pursuant to Section 63B-27-202(3) of the Utah Code, the Board, for and on behalf of the University, is authorized to issue bonds in an amount not to exceed \$190,000,000 for the purpose of constructing a Medical Education and Discovery Complex (the “MEDX Project”) and a Rehabilitation Hospital (the “Rehab Hospital Project” and collectively with the Research Project and Health Sciences Project, the “Series 2021 Projects”), together with other amounts necessary to pay costs of issuance, pay capitalized interest and fund any debt service reserve requirements; and

WHEREAS, the Board has previously authorized and issued \$52,500,000 of the \$190,000,000 of Bonds authorized by Section 63B-27-202(3) for the Rehab Hospital Project and the Board desires to issue the remaining \$137,500,000 for the MEDX Project; 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 and Refunding 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 \$375,000,000 (exclusive of the 2019 Refunding Authorization” 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 and Facilities 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 UTAH BOARD OF HIGHER EDUCATION, 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 and Facilities Committee of the Board and the President and/or 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 and Facilities Committee and Secretary of the Board and the President 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 (i) financing the cost of the Series 2021 Projects (including capitalized interest), (ii) refunding all or any portion of the outstanding bonds issued by the Board on behalf of the University and (iii) paying 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 \$375,000,000 (exclusive of the 2019 Refunding Authorization). 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 in one or more series at any time and from time to time, and may be combined with any other series of general revenue bonds of the University.

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 and Facilities Committee and the Secretary of the Board and the President 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. 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 and Facilities Committee and the President 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 and Facilities Committee and the President 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 and Facilities Committee and the President 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 and/or Chief Financial Officer of the University, are hereby authorized and directed to (i) execute and deliver for and on behalf of the Board and the University any or all additional certificates, documents (including escrow agreements for certain refundings) 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 and (ii) 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 10. 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 11. In accordance with the provisions of the Act, the Board shall cause the following "Notice of Bonds to be Issued" to be (i) published one (1) time in the Deseret News, a newspaper of general circulation in the State of Utah, (ii) posted on the Utah Public Notice Website (<http://pmn.utah.gov>) and (iii) posted on the Utah Legal Notices website ([www.utahlegals.com](http://www.utahlegals.com)) created under Section 45-1-101, Utah Code Annotated 1953, as amended, and shall cause a copy of this Resolution and the Indenture to be kept on file in the Board's office in Salt Lake City, Utah, for public examination during the regular business hours of the Board until at least thirty (30) days from and after the date of

publication thereof. The “Notice of Bonds to be Issued” shall be in substantially the following form:

## NOTICE OF BONDS TO BE ISSUED

NOTICE IS HEREBY GIVEN pursuant to the provisions of the Utah Industrial Facilities and Development Act, Title 11, Chapter 17, Utah Code Annotated 1953, as amended, and the Utah Refunding Bond Act, Title 11, Chapter 27, Utah Code Annotated 1953, as amended, that on December 18, 2020, the Utah Board of Higher Education (the “Board”) adopted a resolution (the “Resolution”) in which it authorized (among other bonds) the issuance of the Board’s University of Utah General Revenue and Refunding Bonds (with such other or further designation as the officers of the Board may determine) (the “Bonds”) in the aggregate principal amount of not to exceed seventy million dollars (\$70,000,000) (exclusive of any prior refunding bond authorizations that may be combined herewith), to bear interest at a rate or rates of not to exceed five and one-half percent (5.50%) per annum, to mature not later than thirty (30) years from the date thereof and to be sold at a price or prices not less than 98% of the total principal amount thereof, for the purpose of (i) financing a portion of the costs of various research projects for the University of Utah (the “University”) and (ii) refunding any portion of the Board’s outstanding revenue bonds issued to finance facilities and improvements for the University, including amounts necessary to pay costs of issuance and fund any debt service reserve requirements of the Bonds.

The Bonds are to be issued and sold by the Board pursuant to the Resolution, including as part of said Resolution a form of a General Indenture of Trust previously executed by the Board and the University and a Supplemental Indenture of Trust (collectively, the “Indenture”).

The Bonds are secured by a pledge of revenues of the University auxiliary and campus facilities system, hospital system, research facilities and other legally available moneys of the University (as described in the Indenture).

A copy of the Resolution and the Indenture are on file in the office of the Board at 60 South 400 West, 5<sup>th</sup> Floor, Salt Lake City, Utah, where they may be examined during regular business hours of the Board from 8:00 a.m. to 5:00 p.m. for a period of at least thirty (30) days from and after the date of publication of this notice.

NOTICE IS FURTHER GIVEN that a period of thirty (30) days from and after the date of the publication of this notice is provided by law during which any person in interest shall have the right to contest the legality of the Resolution, the Indenture (but only as it relates to the Bonds), or the Bonds, or any provision made for the security and payment of the Bonds, and that after such time, no one shall have any cause of action to contest the regularity, formality or legality thereof for any cause whatsoever.

DATED this December 18, 2020.

/s/ Geoffrey Landward  
Secretary



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 UTAH BOARD OF HIGHER  
EDUCATION THIS DECEMBER 18, 2020.

UTAH BOARD OF HIGHER EDUCATION

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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, Geoffrey Landward, do hereby certify that I am the duly qualified and acting Secretary of the Utah Board of Higher Education.

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 December 18, 2020 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 December 18, 2020.

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Secretary

(SEAL)

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

I, Geoffrey Landward, the undersigned, the duly qualified and acting Secretary of the Utah Board of Higher Education, do hereby certify, according to the records of said Utah Board of Higher Education 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 December 18, 2020 public meeting held by the Members of the Utah Board of Higher Education 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 Utah Board of Higher Education at 60 South 400 West, Salt Lake City, Utah, 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 Utah Board of Higher Education 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 Utah Board of Higher Education, 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 Utah Board of Higher Education;

(b) in accordance with the requirements of Section 52-4-202, Utah Code Annotated 1953, as amended, public notice of the 2020-2021 Annual Meeting Schedule of the Utah Board of Higher Education was given, specifying the date, time and place of the regular meetings of the Utah Board of Higher Education scheduled to be held during said years, by causing a Notice of Annual Meeting Schedule for the Utah Board of Higher Education, in the form attached hereto as Schedule 2, to be (i) posted at the principal office of the Utah Board of Higher Education at 60 South 400 West, Salt Lake City, Utah in June 2020; (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 Utah Board of Higher Education pursuant to its subscription to the Utah Public Notice Website (<http://pmn.utah.gov>); and

(c) the Utah Board of Higher Education 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 Utah Board of Higher Education and to members of the public at least 24 hours before the meeting to allow members of the Utah Board of Higher Education and the public to participate in the meeting,

including a description of how they could be connected to the meeting. The Utah Board of Higher Education 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 Utah Board of Higher Education, this December 18, 2020.

(SEAL)

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Secretary



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	\$375,000,000 (exclusive of any prior refunding authorizations that may be combined herewith)
Interest rate not to exceed	5.50%
Discount from par not to exceed	2.0%
Final maturity not to exceed	Thirty (30) years from the date thereof
May be non-callable or callable at the option of University as determined at the time of sale	
No Net Present Value Savings required in order to re- amortize Refunded Bonds	

**[Note: 2019 Refunding Authorization limited to 3% NPV Savings, 5.0% and 25 years  
unless we re-authorize here with higher total amount inclusive of such refunding]**