

April 18, 2023

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 Woolstenhulme:

The purpose of this letter is to inform you of the University of Utah's plans to submit a bonding authority resolution (the "Resolution") to the Utah Board of Higher Education (the "Board"), to be considered during its May 2023 meeting, for the issuance of a General Revenue Bond or Bonds on behalf of the University of Utah (the "University"). The purpose of the financing is for the costs of construction of the West Village Family and Graduate Housing Phase Two (West Village Phase Two) for a potential bonding amount of \$214.0 million, together with other amounts necessary to pay costs of issuance, pay capitalized interest, if necessary, and fund any debt service reserve requirements. The University expects to price General Revenue Bonds for the West Village Phase Two in early June 2023 and close the transaction in July 2023.

Details are as follows:

Authorization to Bond up to \$214,000,000 for the Construction of the West Village Phase Two Project.

The University is currently in construction of Phase One of the West Village Graduate and Married Student Housing ("West Village Phase One"). Construction is expected to be completed in the summer of 2023. The University received legislative approval during the 2023 session for issuing up to \$214.0 million in bonds, together with other amounts necessary to pay costs of issuance, pay capitalized interest, and fund any debt service reserve requirements, for West Village Phase Two. This project has previously received construction and bonding approval from the University's Board of Trustees.

The proposed project will construct 450 apartments with 172 podium level parking stalls. It will also construct a daycare/community building and a central utility plant for a total of 582,620 square feet. Debt service is expected to be paid through housing revenues.

Refunding of outstanding debt for net present value savings - The University has previously received authorization 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, pursuant to certain parameters therein (including net present value savings of at least three percent). Such bonds may be issued in one or more series and combined with any other series of general revenue bonds.

Given current interest rates in today's municipal market, it is highly unlikely that the University will include any refunding in this transaction. However, the University is seeking feedback and information from members of its Underwriting Pool relating to savings refunding opportunities that may exist among outstanding Bonds and which the University should strongly consider as part of its proposed General Revenue Bond issue.

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 "Cathy Anderson", written in a cursive style.

Cathy Anderson
Chief Financial Officer

cc: Taylor Randall, President
Michael Good, Senior Vice President
Mitzi Montoya, Senior Vice President
Robert Muir, Associate Vice President
Nate Talley, Utah System of Higher Education
Malin Francis, Utah System of Higher Education
Randy Larsen, Gilmore & Bell, P.C.
Brad Patterson, Gilmore & Bell, P.C.
Kelly Murdock, Stifel, Nicolaus & Company