

February 13, 2024

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

Dear Interim Commissioner Landward:

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 February 2024 meeting, for the issuance of a General Revenue Bond or Bonds on behalf of the University of Utah (the "University") for the purpose of financing the costs to construct additional in-patient beds at its West Valley site ("West Valley In-Patient Project") for \$400 million, with other amounts necessary to pay costs of issuance, pay capitalized interest, if necessary, and fund any debt service reserve requirements. The timing of a bonding transaction is unknown at this time.

Details are as follows:

Authorization to Bond up to an additional \$400,000,000 for the Construction of the West Valley Project. Based on its current occupancy levels and future occupancy projections, UHealth has the opportunity to expand its in-patient bed footprint at its West Valley site. UHealth desires to have flexibility on its timing to bond and to begin construction as soon as philanthropic and other funds are secured. Bond payments are expected to be made from cash from increased operations, donor monies and University monies.

UHealth is the only academic medical center in the state of Utah and the Mountain West and provides patient care for the people of Utah, Idaho, Wyoming, Montana, western Colorado, and much of Nevada. It also serves as the training organization for the majority of the state's physicians, nurses, pharmacists, therapists, and other health care professionals.

Consistently ranked among the top 10 in the nation for inpatient and outpatient quality among academic medical centers, the University of Utah Schools of Medicine and Dentistry, and Colleges of Nursing, Pharmacy, and Health, are nationally and internationally recognized as leading research and teaching institutions.

The University initially bonded for \$400 million for the West Valley project in July 2022. The University is seeking Board approval for the bonding authorization for the West Valley In-Patient Bed Project in the amount of \$400 million, together with other amounts necessary to pay costs of issuance, pay capitalized interest, and fund any debt service reserve requirements.

The University will also be seeking bonding authorization from the Utah State Legislature in its upcoming 2024 legislative session. The University of Utah Board of Trustees (the "Board of Trustees") approved this additional \$400 million of bonding authorization on February 13, 2024.

Specific timing for the West Valley In-Patient Bed Project is under development.

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Cathy Anderson".

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