

January 10, 2007

MEMORANDUM

TO: State Board of Regents

FROM: Richard E. Kendell

SUBJECT: University of Utah – High-Temperature Water and Co-Generation Equipment

Issue

University officials are requesting approval to finance the purchase and installation of the equipment and related infrastructure to upgrade the supply of high-temperature water to the Main Campus and to develop co-generation capability by entering into lease agreements in an amount not to exceed \$19 million plus amounts required for costs of issuance. Regent Policy requires Board approval of all requests for lease-purchase (nontraditional) acquisition of facilities.

Background

The University's main campus heating plant is in immediate need of replacement. After considering various options to upgrade the supply of high-temperature water to the Main Campus, administrators are recommending that the University develop a co-generation system that would provide both electricity and high-temperature water (the "Cogen Project"). It is expected that the co-generation system would produce 20% of the total electricity used by the institution, and over 40% of the electricity used by the Main Campus.

Due to favorable current interest rates, it is recommended that the University be authorized to sell 20-year, fully-amortizing, insured, long-term certificates of participation (the "Series 2007B Certificates"). This action will allow the University to provide a long-term financing structure for the project at very favorable interest rates. The University also seeks Regent approval to combine the issuance of the Series 2007B Certificates with the Series 2007A Certificates, if such a combined financing will generate economies of scale for costs of issuance.

The Series 2007B Certificates will be issued in an amount not to exceed \$19 million, and will be payable from legally available monies of the University, including student fees, revenues and charges from the Cogen Project (no state appropriations will be used). The Certificates are expected to carry a rating of 'AAA/Aaa' by virtue of bond insurance provided by one of the major bond insurers. The Certificates will be sold as a public offering through negotiation with an underwriter, to be determined after selection through a Request for Proposal process (total underwriter's discount not to exceed 1.00%).

This request was approved by the University's Board of Trustees on January 8, 2007. Also, as required by Regent Policy, copies of the financing documents have been sent to the Office of the Attorney General for legal review and approval.

Commissioner's Recommendation

The Commissioner recommends that the Board of Regents approve the request to finance the purchase and installation of high-temperature water and co-generation equipment by entering into lease agreements.

Richard E. Kendell
Commissioner of Higher Education

REK/MHS/BRF
Attachments

\$19,000,000*

CERTIFICATES OF PARTICIPATION

**Evidencing a Proportionate Beneficial Interest in
Certain Lease Payments to be Made by**

UNIVERSITY OF UTAH

Pursuant to a Lease/Purchase Agreement

FINANCING SUMMARY

Purpose:	To finance the purchase of certain facilities and equipment for the development of a cogeneration plant (the “Cogen Project”) for the University of Utah. (Note: The University also seeks the Regents’ approval to combine the issuance of the Series 2007B Certificates with the Series 2007A Certificates, if such a combined financing will generate economies of scale, in terms of costs of issuance).
Par Amount:	Not-to-exceed \$19,000,000.
Security:	The Series 2007B Certificates will be payable from legally available monies of the University, including student fees, revenues and charges from the Cogen Project.
Ratings:	‘AAA/Aaa’ (expected) by virtue of bond insurance provided by one of the major bond insurers.
Method of Sale:	Public offering through negotiation with underwriters to be determined after selection through a Request for Proposal process. Total underwriter’s discount of not-to-exceed 1.00%.
Total Discount:	Not-to-exceed 2.00% (including Underwriter’s Discount)
Sale Date:	To be determined.

Closing Date: To be determined.

Interest Payment Dates: To be determined.

Interest Basis: 30/360

Principal Payment Dates: To be determined.

Maturity: Not to exceed 21 years from date of issuance.

Redemption: Not-to-exceed 11 years at 101% (10 years at 100% is anticipated).

University of Utah Contact: Arnold B. Combe (581-6404)

Financial Advisor: Kelly Murdock, Wells Fargo Public Finance (246-1732)

Trustee, Paying Agent/Reg.: Wells Fargo Bank, National Association

Certificate Counsel: Ballard Spahr Andrews & Ingersoll, LLP

*Preliminary, subject to change

APPROVING RESOLUTION
UNIVERSITY OF UTAH
(CO-GENERATION PLANT PROJECT)

Salt Lake City, Utah

January 19, 2007

The State Board of Regents of the State of Utah met in regular session (including by electronic means) at Salt Lake Community College in Salt Lake City, Utah on January 19, 2007, commencing at ____:00 __.m. The following members were present:

Jed H. Pitcher	Chair
Bonnie Jean Beesley	Vice Chair
Jerry C. Atkin	Member
Daryl C. Barrett	Member
Janet A. Cannon *	Member
Rosanita Cespedes	Member
Katharine B. Garff	Member
David J. Grant	Member
Ali Hasnain	Member
Greg W. Haws *	Member
Meghan Holbrook	Member
James S. Jardine	Member
Michael R. Jensen	Member
David J. Jordan	Member
Nolan E. Karras	Member
Josh M. Reid	Member
Sara V. Sinclair	Member
Marlon O. Snow	Member

Absent:

Also Present:

Richard E. Kendell	Commissioner of Higher Education
Joyce Cottrell, CPS	Secretary

After the meeting had been duly convened and called to order by the Chair and the roll had been called with the above result, the Chair announced that one purpose of

* Non-voting member from State Board of Education.

the meeting was the consideration of various matters, including a Lease/Purchase Agreement between the University of Utah and Wells Fargo Bank, N.A., as trustee, for purposes of financing a Co-Generation Plant Project for the University.

The following resolution was introduced in written form by Regent _____, 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 FINANCING OF CERTAIN FACILITIES AND EQUIPMENT FOR A CO-GENERATION PLANT PROJECT FOR THE UNIVERSITY OF UTAH (THE "UNIVERSITY"); AUTHORIZING THE EXECUTION OF A LEASE/PURCHASE AGREEMENT BETWEEN THE UNIVERSITY AND WELLS FARGO BANK, N.A., AS TRUSTEE AND THE EXECUTION AND DELIVERY OF CERTIFICATES OF PARTICIPATION, SERIES 2007B IN THE TOTAL PRINCIPAL AMOUNT OF NOT TO EXCEED \$19,000,000 (THE "SERIES 2007B CERTIFICATES") APPROVING THE EXECUTION AND DELIVERY BY THE UNIVERSITY OF AN INDENTURE OF TRUST AND PLEDGE, A CERTIFICATE PURCHASE AGREEMENT, AN OFFICIAL STATEMENT, AND OTHER DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY SUCH DOCUMENTS AND 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; and

WHEREAS, pursuant to Title 53B, Chapter 21, Utah Code Annotated 1953, as amended (and in particular, Section 53B-21-108) (the "Act"), the Board, acting in its capacity as the governing authority of the University of Utah (the "University"), has the authority to authorize the lease/purchase financing by the University of certain facilities and equipment related to a new Co-Generation Plant Project for the University (the "Project"); and

WHEREAS, pursuant to the Act there has been presented to the Board at this meeting the plans, specifications and estimates for, and the costs of, the Project and the Board desires to approve such by this Resolution in compliance with the Act; and

WHEREAS, it is the finding and determination of the Board that financing of the Project through a Lease/Purchase Agreement (the "Lease") between the University, as lessee, and Wells Fargo Bank, N.A., as trustee and lessor (the "Trustee"), is beneficial to the Board and the University; and

WHEREAS, the Lease will be executed in an aggregate principal amount not to exceed \$19,000,000; and

WHEREAS, it is the finding and determination of the Board that the revenues, fees and charges for the use and availability of the Project, including student fees levied

for the services of the type provided by the Project and savings from reduced energy costs will be sufficient to pay the annual debt service on the Lease; and

WHEREAS, in order to accomplish the foregoing, the Board desires to authorize the execution, sale and delivery by the Trustee of Certificates of Participation, Series 2007B (or such other or further designation as the Board and the University may determine), in the total principal amount of not to exceed \$19,000,000 (the "Series 2007B Certificates"), for the purpose of (i) financing the costs of the Project and (ii) paying costs of issuance; and

WHEREAS, the Board further desires to approve the execution and delivery of an Indenture of Trust and Pledge (the "Indenture"), by and among the Board, the University and the Trustee, pursuant to which the Series 2007B Certificates are authorized for issuance, in substantially the form presented to this meeting and herein authorized and approved; and

WHEREAS, the Board and the University expect to negotiate the purchase and sale of the Series 2007B Certificates to an underwriter to be selected by the University (the "Underwriter"), in accordance with an Agreement to Purchase Lease Certificates of Participation (the "Purchase Agreement") in substantially the form presented to this meeting and herein authorized and approved; and

WHEREAS, the lease payments as provided for in the Lease shall be payable solely from the revenues, fees and charges for the use and availability of the Project, including student fees levied for the services of the type provided by the Project and savings from reduced energy costs and other moneys legally available therefor and neither the Lease nor the Series 2007B Certificates shall constitute an obligation of the State of Utah and ad valorem taxes or appropriations from the State of Utah may not be used to pay or discharge the amounts required to be paid thereunder and the Series 2007B Certificates are payable solely from amounts paid by the University under the Lease; and

WHEREAS, there has been presented to the Board at this meeting (i) the plans, specifications and estimates for, and the estimated costs of, the Project and (ii) a form of the Lease, the Indenture, the Purchase Agreement and the Series 2007B Certificates and the form of a Preliminary Official Statement to be used with respect to the offering of the Series 2007B Certificates (the "Official Statement"); and

WHEREAS, the Board desires to authorize and approve the execution of the Lease, the Indenture, the Purchase Agreement, the Official Statement and the Series 2007B Certificates and to authorize and approve all actions to be taken by the Board and the University in connection with the execution of the above documents and the financing of the Project.

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 and the University directed toward the financing of the Project are hereby ratified, approved and confirmed. As required by the Act, the Board hereby approves the plans, specifications and estimates for, and the estimated costs of, the Project.

Section 3. The Lease in substantially the form presented to this meeting is 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 and/or Vice President for Administrative Services of the University are hereby authorized to execute and deliver the Lease in the form and with substantially the same content as 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 9 hereof.

Section 4. The Official Statement in substantially the form presented to this meeting is in all respects authorized, approved and confirmed. The Chair, Vice Chair and/or Chair of the Finance, Facilities and Accountability Committee of the Board and the President and/or Vice President for Administrative Services of the University are hereby authorized to execute and deliver on behalf of the Board and the University a final Official Statement in substantially the form and with substantially the same content as the Official Statement presented to this meeting with any such alterations, changes or additions as may be authorized by Section 9 hereof. The preparation, use and distribution of the Official Statement are also hereby authorized.

Section 5. The Indenture in substantially the form presented to this meeting is 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 and/or Vice President for Administrative Services of the University are hereby authorized to execute and deliver the Indenture in substantially the same form and with substantially the same content as the form of the Indenture 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 9 hereof.

Section 6. For the purpose of providing funds to be used for (i) financing of the Project and (ii) paying costs of issuance of the Series 2007B Certificates, the Board hereby authorizes the issuance of the Series 2007B Certificates in the aggregate principal amount of not to exceed \$19,000,000. The Series 2007B Certificates shall mature on such date or dates, be subject to redemption, and bear interest at the rates, as shall be approved by the Chair, Vice Chair and/or Chair of the Finance, Facilities and Accountability Committee of the Board and the President and/or Vice President for Administrative Services of the University, all within the parameters set forth on Exhibit A attached hereto and incorporated herein by reference. The issuance of the Series 2007B Certificates shall be subject to the final advice of counsel for the University.

Section 7. The form, terms and provisions of the Series 2007B Certificates 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 and/or Vice President for Administrative Services of the University are hereby authorized to execute and seal by manual or facsimile signature the Series 2007B Certificates and to deliver the Series 2007B Certificates to the Trustee for authentication. All terms and provisions of the Indenture and the Series 2007B Certificates 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 Series 2007B Certificates in accordance with the provisions of the Indenture.

Section 8. The Series 2007B Certificates shall be sold to the Underwriter with an Underwriters discount of not to exceed 1.0% of the face amount of the Series 2007B Certificates. The Purchase Agreement in substantially the form presented to this meeting is hereby 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 and/or Vice President for Administrative Services of the University are hereby authorized to execute and deliver the Purchase Agreement in substantially the same form and with substantially the same content as the form of the Purchase Agreement presented at this meeting for and on behalf of the Board and the University with final terms as may be established for the Series 2007B Certificates within the parameters set forth herein and with such alterations, changes or additions as may be necessary or as may be authorized by Section 9 hereof. The Chair, Vice Chair and/or Chair of the Finance, Facilities and Accountability Committee of the Board, and the President and/or Vice President for Administrative Services 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 Series 2007B Certificates 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 Purchase Agreement and the Indenture.

The Board and the University may elect to combine the Series 2007B Certificates and the Lease with other similar lease financing arrangements authorized by the Board for the University and to prepare, execute and deliver one set of the documents authorized hereunder with respect to the financing of the Project and any other similar financing so authorized by the Board for the University and to modify the documents authorized hereunder to accommodate such combined financing.

Section 9. The appropriate officials of the Board and the University, including without limitation the Chair, Vice Chair and/or Chair of the Finance, Facilities and Accountability Committee of the Board, and President and/or Vice President for Administrative Services of the University are authorized to make any alterations, changes or additions to the Lease, the Indenture, the Series 2007B Certificates, the Purchase Agreement, 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.

Section 10. The appropriate officials of the Board and the University, including without limitation the Chair, Vice Chair, Chair of the Finance, Facilities and Accountability Committee, Commissioner of Higher Education and Secretary of the Board, and the President and Vice President for Administrative Services 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 11. The appropriate officers of the Board and the University, including without limitation the Chair, Vice Chair, Chair of the Finance, Facilities and Accountability Committee, Commissioner of Higher Education and Secretary of the Board and the President and/or Vice President for Administrative Services of the University are hereby authorized to take all action necessary or reasonably required by the Lease, the Indenture, the Official Statement, or the 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 12. The lease payments as provided for in the Lease shall be payable solely from the revenues, fees and charges for the use and availability of the Project, including student fees levied for the services of the type provided by the Project and savings from reduced energy costs and other moneys legally available therefor and neither the Lease nor the Series 2007B Certificates shall constitute an obligation of the State of Utah and ad valorem taxes or appropriations from the State of Utah may not be used to pay or discharge the amounts required to be paid thereunder. Upon their issuance, the Series 2007B Certificates will be payable solely from and to the extent of the payments made by the University under the Leases and the other sources (if any) set forth in the Indenture. No provision of this Resolution, the Series 2007B Certificates, the Purchase Agreement, the Official Statement, the Indenture, the Lease or any other instrument authorized hereunder, shall be construed as creating a general obligation of the Board or the University, or of creating an 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 13. After any of the Series 2007B Certificates are delivered by the Trustee to or for the account of the Underwriter and upon receipt of payment therefor, this Resolution shall be and remain irrevocable until the principal of, premium, if any, and interest on the Series 2007B Certificates are deemed to have been fully discharged in accordance with the terms and provisions of the Indenture.

Section 14. 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 15. 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 16. This Resolution shall become effective immediately upon its adoption.

PASSED AND APPROVED BY THE STATE BOARD OF REGENTS OF THE STATE OF UTAH THIS 19TH DAY OF JANUARY, 2007.

THE STATE BOARD OF REGENTS OF
THE STATE OF UTAH

(SEAL)

Chair

ATTEST:

Secretary

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

(SEAL)

Chair

ATTEST:

Secretary

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 19th day of January, 2007.

Secretary

(SEAL)

SCHEDULE 1

NOTICE OF PUBLIC MEETING

SCHEDULE 2

NOTICE OF ANNUAL MEETING SCHEDULE

SCHEDULE 3

ELECTRONIC MEETING POLICY

EXHIBIT A

PARAMETERS OF THE SERIES 2007B CERTIFICATES

Principal Amount not to exceed	\$19,000,000
Interest Rate not to exceed	5.50%
Maximum Discount not to exceed	2.0%
Final Maturity not to exceed	December 31, 2028
Optional Redemption at 101% on or prior to	11 years from Date of Issuance.

APPROVING RESOLUTION
UNIVERSITY OF UTAH
(CO-GENERATION PLANT PROJECT)

Salt Lake City, Utah

January 19, 2007

The State Board of Regents of the State of Utah met in regular session (including by electronic means) at Salt Lake Community College in Salt Lake City, Utah on January 19, 2007, commencing at ____:00 __.m. The following members were present:

Jed H. Pitcher	Chair
Bonnie Jean Beesley	Vice Chair
Jerry C. Atkin	Member
Daryl C. Barrett	Member
Janet A. Cannon *	Member
Rosanita Cespedes	Member
Katharine B. Garff	Member
David J. Grant	Member
Ali Hasnain	Member
Greg W. Haws *	Member
Meghan Holbrook	Member
James S. Jardine	Member
Michael R. Jensen	Member
David J. Jordan	Member
Nolan E. Karras	Member
Josh M. Reid	Member
Sara V. Sinclair	Member
Marlon O. Snow	Member

Absent:

Also Present:

Richard E. Kendell	Commissioner of Higher Education
Joyce Cottrell, CPS	Secretary

After the meeting had been duly convened and called to order by the Chair and the roll had been called with the above result, the Chair announced that one purpose of

* Non-voting member from State Board of Education.

the meeting was the consideration of various matters, including a Lease/Purchase Agreement between the University of Utah and Wells Fargo Bank, N.A., as trustee, for purposes of financing a Co-Generation Plant Project for the University.

The following resolution was introduced in written form by Regent _____, 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 FINANCING OF CERTAIN FACILITIES AND EQUIPMENT FOR A CO-GENERATION PLANT PROJECT FOR THE UNIVERSITY OF UTAH (THE "UNIVERSITY"); AUTHORIZING THE EXECUTION OF A LEASE/PURCHASE AGREEMENT BETWEEN THE UNIVERSITY AND WELLS FARGO BANK, N.A., AS TRUSTEE AND THE EXECUTION AND DELIVERY OF CERTIFICATES OF PARTICIPATION, SERIES 2007B IN THE TOTAL PRINCIPAL AMOUNT OF NOT TO EXCEED \$~~_____~~**19,000,000** (THE "SERIES 2007B CERTIFICATES") APPROVING THE EXECUTION AND DELIVERY BY THE UNIVERSITY OF AN INDENTURE OF TRUST AND PLEDGE, A CERTIFICATE PURCHASE AGREEMENT, AN OFFICIAL STATEMENT, AND OTHER DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY SUCH DOCUMENTS AND 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; and

WHEREAS, pursuant to Title 53B, Chapter 21, Utah Code Annotated 1953, as amended (and in particular, Section 53B-21-108) (the "Act"), the Board, acting in its capacity as the governing authority of the University of Utah (the "University"), has the authority to authorize the lease/purchase financing by the University of certain facilities and equipment related to a new Co-Generation Plant Project for the University (the "Project"); and

WHEREAS, pursuant to the Act there has been presented to the Board at this meeting the plans, specifications and estimates for, and the costs of, the Project and the Board desires to approve such by this Resolution in compliance with the Act; and

WHEREAS, it is the finding and determination of the Board that financing of the Project through a Lease/Purchase Agreement (the "Lease") between the University, as lessee, and Wells Fargo Bank, N.A., as trustee and lessor (the "Trustee"), is beneficial to the Board and the University; and

WHEREAS, the Lease will be executed in an aggregate principal amount not to exceed \$~~_____~~**19,000,000**; and

WHEREAS, it is the finding and determination of the Board that the revenues, fees and charges for the use and availability of the Project, including student fees levied

for the services of the type provided by the Project, and savings from reduced energy costs will be sufficient to pay the annual debt service on the Lease; and

WHEREAS, in order to accomplish the foregoing, the Board desires to authorize the execution, sale and delivery by the Trustee of Certificates of Participation, Series 2007B (or such other or further designation as the Board and the University may determine), in the total principal amount of not to exceed \$~~_____~~ 19,000,000 (the "Series 2007B Certificates"), for the purpose of (i) financing the costs of the Project and (ii) paying costs of issuance; and

WHEREAS, the Board further desires to approve the execution and delivery of an Indenture of Trust and Pledge (the "Indenture"), by and among the Board, the University and the Trustee, pursuant to which the Series 2007B Certificates are authorized for issuance, in substantially the form presented to this meeting and herein authorized and approved; and

WHEREAS, the Board and the University expect to negotiate the purchase and sale of the Series 2007B Certificates to an underwriter to be selected by the ~~Board and the~~ University (the "Underwriter"), in accordance with an Agreement to Purchase Lease Certificates of Participation (the "Purchase Agreement") in substantially the form presented to this meeting and herein authorized and approved; and

WHEREAS, the lease payments as provided for in the Lease shall be payable solely from the revenues, fees and charges for the use and availability of the Project, including student fees levied for the services of the type provided by the Project and savings from reduced energy costs and other moneys legally available therefor and neither the Lease nor the Series 2007B Certificates shall constitute an obligation of the State of Utah and ad valorem taxes or appropriations from the State of Utah may not be used to pay or discharge the amounts required to be paid thereunder and the Series 2007B Certificates are payable solely from amounts paid by the University under the Lease; and

WHEREAS, there has been presented to the Board at this meeting (i) the plans, specifications and estimates for, and the estimated costs of, the Project and (ii) a form of the Lease, the Indenture, the Purchase Agreement and the Series 2007B Certificates and the form of a Preliminary Official Statement to be used with respect to the offering of the Series 2007B Certificates (the "Official Statement"); and

WHEREAS, the Board desires to authorize and approve the execution of the Lease, the Indenture, the Purchase Agreement, the Official Statement and the Series 2007B Certificates and to authorize and approve all actions to be taken by the Board and the University in connection with the execution of the above documents and the financing of the Project.

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 and the University directed toward the financing of the Project are hereby ratified, approved and confirmed. As required by the Act, the Board hereby approves the plans, specifications and estimates for, and the estimated costs of, the Project.

Section 3. The Lease in substantially the form presented to this meeting is 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 and/or Vice President for Administrative Services of the University are hereby authorized to execute and deliver the Lease in the form and with substantially the same content as 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 9 hereof.

Section 4. The Official Statement in substantially the form presented to this meeting is in all respects authorized, approved and confirmed. The Chair, Vice Chair and/or Chair of the Finance, Facilities and Accountability Committee of the Board and the President and/or Vice President for Administrative Services of the University are hereby authorized to execute and deliver on behalf of the Board and the University a final Official Statement in substantially the form and with substantially the same content as the Official Statement presented to this meeting with any such alterations, changes or additions as may be authorized by Section 9 hereof. The preparation, use and distribution of the Official Statement are also hereby authorized.

Section 5. The Indenture in substantially the form presented to this meeting is 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 and/or Vice President for Administrative Services of the University are hereby authorized to execute and deliver the Indenture in substantially the same form and with substantially the same content as the form of the Indenture 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 9 hereof.

Section 6. For the purpose of providing funds to be used for (i) financing of the Project and (ii) paying costs of issuance of the Series 2007B Certificates, the Board hereby authorizes the issuance of the Series 2007B Certificates in the aggregate principal amount of not to exceed \$~~_____~~19,000,000. The Series 2007B Certificates shall mature on such date or dates, be subject to redemption, and bear interest at the rates, as shall be approved by the Chair, Vice Chair and/or Chair of the Finance, Facilities and Accountability Committee of the Board and the President and/or Vice President for Administrative Services of the University, all within the parameters set forth on Exhibit A attached hereto and incorporated herein by reference. The issuance of the Series 2007B Certificates shall be subject to the final advice of counsel for the University.

Section 7. The form, terms and provisions of the Series 2007B Certificates 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 and/or Vice President for Administrative Services of the University are hereby authorized to execute and seal by manual or facsimile signature the Series 2007B Certificates and to deliver the Series 2007B Certificates to the Trustee for authentication. All terms and provisions of the Indenture and the Series 2007B Certificates 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 Series 2007B Certificates in accordance with the provisions of the Indenture.

Section 8. The Series 2007B Certificates shall be sold to the Underwriter with an Underwriters discount of not to exceed ~~—~~1.0% of the face amount of the Series 2007B Certificates. The Purchase Agreement in substantially the form presented to this meeting is hereby 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 and/or Vice President for Administrative Services of the University are hereby authorized to execute and deliver the Purchase Agreement in substantially the same form and with substantially the same content as the form of the Purchase Agreement presented at this meeting for and on behalf of the Board and the University with final terms as may be established for the Series 2007B Certificates within the parameters set forth herein and with such alterations, changes or additions as may be necessary or as may be authorized by Section 9 hereof. The Chair, Vice Chair and/or Chair of the Finance, Facilities and Accountability Committee of the Board, and the President and/or Vice President for Administrative Services 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 Series 2007B Certificates 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 Purchase Agreement and the Indenture.

The Board and the University may elect to combine the Series 2007B Certificates and the Lease with other similar lease financing arrangements authorized by the Board for the University and to prepare, execute and deliver one set of the documents authorized hereunder with respect to the financing of the Project and any other similar financing so authorized by the Board for the University and to modify the documents authorized hereunder to accommodate such combined financing.

Section 9. The appropriate officials of the Board and the University, including without limitation the Chair, Vice Chair and/or Chair of the Finance, Facilities and Accountability Committee of the Board, and President and/or Vice President for Administrative Services of the University are authorized to make any alterations, changes or additions to the Lease, the Indenture, the Series 2007B Certificates, the Purchase Agreement, 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.

Section 10. The appropriate officials of the Board and the University, including without limitation the Chair, Vice Chair, Chair of the Finance, Facilities and Accountability Committee, Commissioner of Higher Education and Secretary of the Board, and the President and Vice President for Administrative Services 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 11. The appropriate officers of the Board and the University, including without limitation the Chair, Vice Chair, Chair of the Finance, Facilities and Accountability Committee, Commissioner of Higher Education and Secretary of the Board and the President and/or Vice President for Administrative Services of the University are hereby authorized to take all action necessary or reasonably required by the Lease, the Indenture, the Official Statement, or the 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 12. The lease payments as provided for in the Lease shall be payable solely from the revenues, fees and charges for the use and availability of the Project, including student fees levied for the services of the type provided by the Project **and savings from reduced energy costs** and other moneys legally available therefor and neither the Lease nor the Series 2007B Certificates shall constitute an obligation of the State of Utah and ad valorem taxes or appropriations from the State of Utah may not be used to pay or discharge the amounts required to be paid thereunder. Upon their issuance, the Series 2007B Certificates will be payable solely from and to the extent of the payments made by the University under the Leases and the other sources (if any) set forth in the Indenture. No provision of this Resolution, the Series 2007B Certificates, the Purchase Agreement, the Official Statement, the Indenture, the Lease or any other instrument authorized hereunder, shall be construed as creating a general obligation of the Board or the University, or of creating an 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 13. After any of the Series 2007B Certificates are delivered by the Trustee to or for the account of the Underwriter and upon receipt of payment therefor, this Resolution shall be and remain irrevocable until the principal of, premium, if any, and interest on the Series 2007B Certificates are deemed to have been fully discharged in accordance with the terms and provisions of the Indenture.

Section 14. 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 15. 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 16. This Resolution shall become effective immediately upon its adoption.

PASSED AND APPROVED BY THE STATE BOARD OF REGENTS OF THE STATE OF UTAH THIS 19TH DAY OF JANUARY, 2007.

THE STATE BOARD OF REGENTS OF
THE STATE OF UTAH

(SEAL)

Chair

ATTEST:

Secretary

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

(SEAL)

Chair

ATTEST:

Secretary

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

I, Joyce Cottrell, 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 19, 2007 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 19th day of January, 2007.

Secretary

(SEAL)

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

I, Joyce Cottrell, 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 I gave public notice of the agenda, date, time and place of the January 19, 2007 public meeting held by the Members of the State Board of Regents by causing a Notice of Public Meeting to be posted at the principal office of the State Board of Regents at 60 South 400 West, in Salt Lake City, Utah, on _____, 2007, at least 24 hours prior to the convening of such meeting, in the form attached hereto as Schedule 1; 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; and causing a copy of said Notice of Public Meeting in the form attached hereto as Schedule 1 to be provided on _____, 2007, at least 24 hours prior to the convening of such meeting, to the Deseret Morning News and The Salt Lake Tribune, newspapers of general circulation within the geographic jurisdiction of the State Board of Regents, and to each local media correspondent, newspaper, radio station or television station which has requested notification of meetings of the State Board of Regents; and

(b) that in accordance with the requirements of Section 52-4-202, Utah Code Annotated 1953, as amended, public notice of the 2007 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 the year, by causing a Notice of Annual Meeting Schedule for the State Board of Regents (in the form attached as Schedule 2) to be posted on _____, 200__ at the principal office of the State Board of Regents in Salt Lake City, Utah and causing a copy of such Notice of Annual Meeting Schedule to be provided on _____, 200__ to a newspaper of general circulation within the geographic jurisdiction of Salt Lake City, Utah.

(c) the Board 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 Board and to members of the public at least 24 hours before the meeting to allow members of the Board and the public to participate in the meeting, including a description of how they could be connected to the meeting. The Board 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 19th day of January, 2007.

Secretary

(SEAL)

SCHEDULE 1

NOTICE OF PUBLIC MEETING

SCHEDULE 2

NOTICE OF ANNUAL MEETING SCHEDULE

SCHEDULE 3

ELECTRONIC MEETING POLICY

EXHIBIT A

PARAMETERS OF THE SERIES 2007B CERTIFICATES

Principal Amount not to exceed \$ 19,000,000

Interest Rate not to exceed 5.50%

Maximum Discount not to exceed 2.0%

Final Maturity not to exceed _____, 20December 31, 2028

Optional Redemption at 101% on or prior to 11 years from Date of Issuance.

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Legend:	
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Split/Merged cell	
Padding cell	

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