



STRICTLY PRIVATE & CONFIDENTIAL

October 23, 2019

Subject: University of Iowa P3 Utility System Transaction – Third Amended and Restated Request for Proposal Submission Process Letter

The University of Iowa (“UI” or the “University”) and Wells Fargo Securities (“Wells Fargo”) appreciate your continued interest in the opportunity to manage and operate the University’s on-campus utility system through a 50-year lease and concession agreement (the “Concession”). The Concession is an important partnership that will help to support the University’s goal of providing a high-quality educational experience to its students while still maintaining or improving the utility service that it provides to its on-campus users.

As part of Request for Proposal (“RFP”) stage of the process, each of the teams advanced to this RFP stage (the “Bidders”) have been provided with a draft of the Long-Term Lease and Concession Agreement for the University of Iowa Utility System (the “Concession Agreement”), additional technical data, site access, the ability to submit additional due diligence questions and engage in management presentations with key UI management and other utility system personnel. The University would also like to visit select operational sites and/or corporate offices of each Bidder during this stage of the process. Should you wish to continue to pursue this opportunity, you are asked to prepare and submit a written, binding proposal (“RFP Submission”) in accordance with the requirements and procedures contained herein.

Capitalized terms not otherwise defined herein shall have the meaning set forth in the Concession Agreement issued on October 23, 2019. This Third Amended and Restated Request for Proposal Submission Process Letter (the “RFP Submission Process Letter”) amends and restates in its entirety the Second Amended and Restated Request for Proposal Submission Process Letter dated October 10, 2019 issued by Wells Fargo with respect to the RFP.

The objective of the RFP is to further gather information so that the University may evaluate and select a preferred counterparty (the “Preferred Bidder”) for the Concession. Following selection

as the Preferred Bidder, and prior to execution of the Concession Agreement, the Preferred Bidder must form a special purpose vehicle for the sole purpose of executing the Concession Agreement and fulfilling its obligations thereunder in accordance with Section 3.6 of the Concession Agreement (such entity formed by the Preferred Bidder, the “SPV”). If a RFP Submission meets the University’s goals and the University elects to proceed with the Concession, the SPV would execute the Final Draft (as defined herein) of the Concession Agreement and become the “Concessionaire” under the Concession Agreement.

The University intends to work towards the finalization of all legal and transaction documentation as quickly as possible following receipt of the RFP Submissions. The University’s goal is to achieve commercial close by the end of December 2019 and financial close by the end of March 2020.

### **Request for Proposal Submission Content**

The RFP Submission should address the following items. Failure to fully and completely address each of the listed items below may result in disqualification of such RFP Submission in the University’s sole discretion. Any information in the RFP Submission you consider to be proprietary or a trade secret must be marked “Proprietary Information”, but this remains subject to the limitations set forth in “Open Records Law” below. Each member of a Bidder and their Affiliates may only be associated with one RFP Submission and may not be a member of multiple RFP Submissions.

*Included within certain sections or subsections (in parentheses) is a limitation of the maximum number of pages for such section or subsection in the RFP Submission, and if any section in such RFP Submission exceeds such limitations, it may be subject to disqualification. The page limits exclude charts, graphics and financing related documents which may be included as supporting attachments.*

#### 1) Concession Agreement Submission

- a. Provide confirmation in a signed writing that the Bidder’s SPV will execute the final draft of the Concession Agreement, including all schedules attached thereto, that will be provided to each Bidder in October 2019 as the Final Draft (see “RFP Submission Process Logistics” section of this process letter for further details). Bidders may not submit any comments, questions or proposed revisions relating to the Concession Agreement after the issuance of the Final Draft, and the University will disregard any such comments, questions or proposed revisions.

2) Concessionaire / Team Overview (5 pages)

- a. Please provide the following information:
  - i. Details of the proposed SPV, including type of legal entity, legal domicile, official company name, location of headquarters, names of ultimate equity holders and their respective stake. Please identify the controlling person of the SPV and list any other direct or indirect co-owners and percentages of consideration expected to be contributed by each co-owner.
  - ii. Organizational chart to highlight anticipated legal relationship as appropriate (e.g. governance and capital structure).
  - iii. 3<sup>rd</sup> party advisors engaged.
  - iv. Key terms of engagement or contract(s) with the Operator, including the fee to be paid to the Operator, and/or staffing and subcontracting plans at the Concessionaire level to perform the required scope of work.
  - v. A detailed personnel chart of key roles within the SPV and the Operator.
  - vi. Any current, potential or reasonably perceived conflicts of interest and existing business relationships the SPV, its Equity Participants, the Bidder or the Operator may have with the University and, if any, the Bidder's plan to address such conflicts.
- b. If any of the foregoing information with respect to the Bidder or the SPV changes after the RFP Submission has been submitted, the Bidder shall promptly notify Randy Campbell ([randall.s.campbell@wellsfargo.com](mailto:randall.s.campbell@wellsfargo.com)) and Chase Robinson ([chase.robinson@wellsfargo.com](mailto:chase.robinson@wellsfargo.com)) of Wells Fargo of such change.

3) Operational Strategy / Optimization (8 pages)

- a. Please detail your expected approach to the following:
  - i. Operations plan and system design
  - ii. Utilization of existing employees during Concession
  - iii. Approach to assisting the University in procuring Supplies in accordance with Section 7.3 of the Concession Agreement if requested by the University and the benefits you could provide the University in such procurement
  - iv. Organizational approach for meeting HR, IT and accounting support needs
  - v. Operating costs and capital expenditures
  - vi. Safety

- b. Provide commentary as necessary to explain any expected material deviations from the University's current operating expense and capital expenditure projections.
- c. Please confirm that you have the ability to operate the UI utility system on a coal-free basis by January 1, 2025 pursuant to the University's plan presented to the Bidder's technical team in connection with the Bidder's Technical Focused Site Visit (described below) held in August 2019 and posted in the virtual data room.

4) Employees (8 pages)

- a. Please provide a written statement of commitment that you agree to use your best efforts to, or to cause the Operator to, interview all University employees identified as in-scope in accordance with the Concession Agreement who apply for a position with the Concessionaire or the Operator, as the case may be.
- b. Recognizing that University employees have the option to remain employees of the University, retaining a non-utility position with similar pay and benefits, please describe your team's plan for a competitive employment package that will attract current employees from the University to the Concessionaire. Please include details on the following:
  - i. Employee salary
  - ii. Health insurance benefits
  - iii. Enrollment in a 401k account with employer match
  - iv. Rollover of existing retirement accounts
  - v. Transfer of existing vacation and sick leave to Concessionaire and setting of vacation and sick leave earning rates based on seniority
  - vi. Other benefits, including parking, athletic ticket discounts, recreation facility membership incentives, employee assistance/safety/wellness programs, etc.
  - vii. Interview schedule for existing University employees interested in employment with the SPV, the proposed Operator or any critical contractors of either of the foregoing
- c. Please describe the plan to transition employees.

5) Concession Agreement Closing Consideration and Valuation Assumptions

- a. Please provide the Closing Consideration that you agree to pay the University and the time period between full execution of the Concession Agreement and Closing thereunder (between 60 and 90 days), if selected as the Preferred Bidder, upon closing

of the Concession Agreement, denominated in U.S. dollars, and based on a \$35 million annual Fixed Fee that escalates at 1.5% beginning in 2025 and all other terms of the Final Draft as further detailed in sections 5.a.i and 5.a.ii of the RFP Submission Process Logistics section of this RFP Submission Process Letter.

6) Financing

- a. Please confirm that your RFP Submission is not subject to a financing condition and detail your plans to finance the Closing Consideration as well as the plan to finance required Capital Improvements over the term of the Concession Agreement as demonstrated by the information requested under 6.b. Please note that a financing contingency or lack of committed financing may disqualify your RFP Submission, other than market standard material adverse change clauses and the University materially changing the Concession Agreement from the Final Draft.
- b. Please include detailed information regarding the terms and conditions of any third-party financing, including copies of any commitment papers from all debt financing sources, which should be in customary form, including confirmation that all diligence has been completed and that all required committee approvals have been achieved, and may be subject only to market standard material adverse change clauses and the University materially changing the Concession Agreement from the Final Draft.
- c. If the prospective buyer is a private equity / infrastructure fund or is backed by a private equity / infrastructure fund, please provide evidence that the transaction is permitted within your fund documents and the amount of uncalled capital commitments in your current fund.
- d. If you will fund the capital necessary to finance the up-front payment pursuant to an existing credit facility or cash on hand, please provide a copy of all documents relating to such facility or documentation evidencing that you have such cash on hand.
- e. Please submit documentation confirming a minimum of one advisory or indicative investment grade credit rating for the Leasehold Mortgage Debt to be issued from any of Standard & Poor's Rating Services, Moody's Investor Services, Fitch Investors Service, Inc. or Kroll Bond Rating Agency, Inc. (or any affiliate thereof), as required by Section 2.4(b)(iv) of the Concession Agreement or, if such confirmation is not available, an analysis and documentation providing reasonable assurance that such investment credit rating will be achieved at Closing.

- f. Please provide the Section 467 and Section 1060 tax allocation schedules referenced in Section 2.6 of the Concession Agreement.
- g. Please submit bid security for the RFP Submission in the amount of \$25 million to be held in escrow (the “Proposal Security”), which Proposal Security shall, if the Bidder is selected, be converted into a portion of the Cash Deposit and/or the Closing Deposit, as applicable, on execution of the Concession Agreement by the Concessionaire. Proposal Security can be provided in (i) cash; or (ii) a Letter of Credit from an institution rated A-2 or higher by Standard & Poor’s Rating Services in accordance with the terms set forth in the Concession Agreement for the Closing Deposit, which may not expire or be revocable until February 1, 2020. If a Bidder is not selected by the University as the Preferred Bidder, then such Bidder’s Proposal Security shall be returned on or before execution of the Concession Agreement by the Concessionaire, provided that, in no event shall it be returned later than February 1, 2020. If a Bidder is selected by the University as the Preferred Bidder, and such Bidder fails to cause its SPV to execute the Concession Agreement and deliver it to the University within 15 business days after its selection, then the University shall have the right to retain and/or draw down on the Proposal Security, as applicable, and select another Bidder as the Preferred Bidder.

7) Required Approvals and Timing

- a. Please confirm that all required corporate approvals, including authorization of your company’s Board of Directors, investment committee or equivalent body and any necessary shareholder approvals to enter into a binding agreement, have been obtained prior to your RFP Submission.
- b. Confirm that any regulatory approvals required to enter into the Concession Agreement have been obtained.
- c. Please provide the time from execution of the Concession Agreement by the Concessionaire to Closing that you propose, which must be between 60 Days and 90 Days pursuant to Section 2.2(a) of the Concession Agreement.

8) Transition Plan (8 pages)

- a. Please provide details on your team’s plan to transition operational control of the utility system from the University to the Concessionaire.

9) Engagement with University Community (3 pages)

- a. Please provide details on your team’s plan to maintain existing agreements and develop new partnerships between the Concessionaire and the University community, including faculty, staff and students, over the term of the Concession, such as academic collaborations consisting of research and development opportunities and student internships.
- b. Please provide details on your team’s capacity to continue to engage students as interns and research assistants consistent with the University’s past practice.

10) Key Contacts

- a. Please provide the key contact information with whom we can discuss your RFP Submission.

**RFP Submission Process Logistics**

1) Site Visits

- a. Executive Level Site Visits
  - i. Executive-level site visits concluded on August 2, 2019.
- b. Technical Focused Site Visits
  - i. 2 day site visit focused on a technical review of the Utility system concluded on August 23, 2019.
- c. Reverse Due Diligence Site Visits
  - i. The University management team visited select Bidder operational sites and / or corporate offices during the month of September (post Labor Day).

2) Concession Agreement Drafting Process

- a. In order to meet the University’s goal of financial close by the end of March 2020, the University expects to issue a final form of the Concession Agreement and final form of all schedules attached thereto, including the Performance Standards and Key Performance Indicators (“KPIs”) simultaneously with this RFP Submission Process Letter. Key dates for Bidders to provide comments on drafts of the Concession Agreement and Performance Standards and KPIs as well as dates that the University is targeting for the issuance of updated drafts of the Concession Agreement and Performance Standards and KPIs are listed below:

- i. Initial Draft of Concession Agreement posted to the virtual data room on July 3, 2019.
- ii. Bidders provided the University with their top 10 comments / 5 value drivers ahead of scheduled Executive Level Site Visits.
- iii. University to receive any additional comments related to the Concession Agreement posted on July 3, 2019 from Bidders no later than 12:00p.m. EST on August 14, 2019.
- iv. University provided Draft #2 of Concession Agreement and initial draft of Performance Standards and KPIs on August 30, 2019.
- v. Bidders provided material final comments on Draft #2 of Concession Agreement no later than 12:00p.m. EST on September 10, 2019.
- vi. If requested, Bidders had a telephone conference with the University and its legal counsel from September 16, 2019 through September 20, 2019.
- vii. Bidders provided comments on Performance Standards and KPIs no later than 12:00p.m. EST on September 20, 2019.
- viii. University provided Draft #3 of the Concession Agreement and revised draft of the Performance Standards and KPIs to Bidders tentatively on October 10, 2019.
- ix. Bidders to provide material final comments on the Performance Standards and KPIs no later than 12:00p.m. EST on October 17, 2019.
- x. University to provide the revised and final draft of the Concession Agreement and all schedules thereof, including the Performance Standards and KPIs (the "Final Draft") October 23, 2019. Bidders are to use the Final Draft for their binding RFP Submission with no modification in any form whatsoever.

### 3) Diligence Request Process

- a. We would ask that one representative designated by each Bidder submit their list of diligence questions / requests using the excel based Project Hercules Diligence Tracker template uploaded to the virtual data room no later than 12:00p.m. EST on Monday of each week.
- b. A Wells Fargo representative will send an updated tracker reflecting any new responses no later than 12:00p.m. EST on Thursday of each week.

- c. Wells Fargo and the University will focus on responding to questions and diligence requests based on the level of priority indicated by your team.

4) RFP Submission Timing

Please send your RFP Submission in written form, via an attachment to an e-mail, to the Wells Fargo contacts listed below no later than 12:00p.m. EST on November 5, 2019 (“Bid Deadline”).

Randy Campbell  
*Managing Director*  
212-214-6832  
randall.s.campbell@wellsfargo.com

Chase Robinson  
*Director*  
416-607-2994  
chase.robinson@wellsfargo.com

5) Bid Submission

- a. On or before the Bid Deadline submit:
  - i. Proposed Closing Consideration and timing between the execution of the Concession Agreement and Closing thereunder using the form attached hereto as Schedule 1 without any modification whatsoever except for the name of the Bidder and the Closing Consideration.
  - ii. Proposed Closing Consideration using the form attached hereto as Schedule 2 without any modification whatsoever except for the name of the Bidder and the Closing Consideration based on a modified definition of “Uncapped O&M Costs” in the Concession Agreement that would include “an amount equal to the sum of (a) the federal income Taxes that the Concessionaire would pay on the income generated solely by the Variable Fee Component (which for the avoidance of doubt is the amount equal to sub-part (ii) only in the calculation of the Utility Fee as set forth on Schedule 5 of the Concession Agreement) assuming the highest corporate income tax rate and (b) the Taxes that the Concessionaire would pay on the income solely generated by the Variable Fee Component (which for the avoidance of doubt is the amount equal to sub-part (ii) only in the calculation of the Utility Fee as set forth on Schedule 5 of the Concession Agreement) to the State of Iowa for the corporate income tax imposed by the State of Iowa, in each case regardless of the amount of such Taxes actually paid by the Concessionaire”.

- iii. Proposed dollar value ascribed to a 1 basis point shift in the applicable 30-year, mid-market Benchmark Interest Rate selected (defined below) using the form attached hereto as Schedule 3 without any modification whatsoever except for the name of the Bidder and such dollar value.
- b. Closing Consideration will be adjusted between the Bid Deadline and execution of the Concession Agreement by the Concessionaire as follows. Using either the LIBOR swap spot curve (USD Semi Annual 30/360 (vs. 3M Libor) 30 year swap rate) or the U.S. spot rate treasury curve (single old 30 year bond, just off-the run) (the “Benchmark Interest Rate”) as provided by Bloomberg as of 9:00a.m. Central Time on the Bid Deadline through 10:00a.m. Central Time on the date of execution of the Concession Agreement by the Concessionaire, the amount of the Closing Consideration will be decreased by the dollar amount set forth in Schedule 3 for every 1 basis point increase in the applicable 30-year, mid-market Benchmark Interest Rate selected; during the same period, the amount of the Closing Consideration will be increased by the dollar amount set forth in Schedule 3 for every 1 basis point decrease in the applicable 30-year, mid-market Benchmark Interest Rate selected; provided that any such protection may not exceed 25 basis points without the prior written consent of the University or the Bidder, as the case may be. Any change to the Benchmark Interest Rate selected, regardless of its impact on the Closing Consideration, shall not alter the binding nature of the Bidder’s RFP Submission or the University’s right to draw on the Bidder’s Proposal Security as provided for herein.
- c. Following selection of the Preferred Bidder, which is at the sole discretion of the University and, for the avoidance of doubt, will constitute the University’s approval for purposes of Section 3.3(a) of the Concession Agreement of any Operator proposed by the Preferred Bidder in its RFP Submission, the University will require that the Preferred Bidder irrevocably submit the Final Draft (with the addition of the language to the definition of “Uncapped O&M Costs” set forth in Schedule 2 as determined by the University in its sole discretion as part of its selection) signed by the SPV formed by the Preferred Bidder within 15 business days after such selection with the Closing Consideration as set forth in Schedule 1 or in Schedule 2 if the University elects to add the language to the definition of “Uncapped O&M Costs” as set forth in Schedule 2 by written notice to the Concessionaire. Following receipt thereof, the University shall execute and return

the Final Draft to the Concessionaire, conditioned upon receipt of all approvals, and thereafter the relationship between the Preferred Bidder, the SPV and the University shall be governed thereafter by the Concession Agreement, which includes a requirement for the Concessionaire to provide a Closing Deposit (which Closing Deposit shall be in same form as the Proposal Security) and/or Cash Deposit in a combined amount of \$100 million of the Closing Consideration, of which the Proposal Security previously provided to the University shall form a part. If the University does not execute the Concession Agreement by February 1, 2020, then the SPV formed by the Preferred Bidder may withdraw its signature to the Concession Agreement and will not be bound thereby, in which case, unless the SPV or the Preferred Bidder has breached any of its obligations under this RFP Submission Letter, the University will reimburse the SPV for its actual, out-of-pocket costs incurred in obtaining an interest rate hedge from the date of its execution of the Concession Agreement through February 1, 2020, not to exceed an agreed upon amount prior to the SPV's execution of the Concession Agreement. Once the Concession Agreement is executed, the University and the Concessionaire shall cooperate in transitioning the Utility System from the University to the Concessionaire in accordance with the Concession Agreement. If a Bidder is selected by the University as the Preferred Bidder, and such Bidder fails to cause its SPV to execute and irrevocably submit the Final Draft within 15 business days after its selection or if such SPV retracts or withdraws its execution of the Concession Agreement prior to the University's execution thereof, then, and only in those instances, the University shall have the right to retain and/or draw down on the Proposal Security, as applicable, and select another Bidder as the Preferred Bidder.

6) Increase to Best-and-Final Offer

Each Bidder's RFP Submission should represent the Bidder's best-and-final offer. However, if the Closing Consideration of one or more RFP Submission is within 5.00% of the highest Closing Consideration in the RFP Submissions (the "Preliminary High Bid"), the University may allow the Bidder who submitted the Preliminary High Bid and Bidders who submitted RFP Submissions that are within 5.00% of the Preliminary High Bid to increase their Closing Consideration (as set forth in Schedule 1 and Schedule 2) by

submitting a revised RFP Submission in the form to be provided by the University at that time.

The University will provide further instructions for submitting such revised RFP Submissions as necessary; however, the timing for submission will be at the sole discretion of the University and no revisions will be permitted other than revisions to the Closing Consideration. Proposers should not assume that they will be given the opportunity to revise their RFP Submission under any circumstances.

### **No Liability for Costs**

The University and its advisors are not responsible for costs or damages incurred by teams, subcontractors, or other interested parties in connection with the solicitation process, including, but not limited to, costs associated with preparing responses, qualifications, and proposals, and participating in any conferences, oral presentations, or negotiations.

### **Modification, Termination, and Rejection Rights**

By submitting its RFP Submission, each Bidder acknowledges and agrees to the following conditions:

1. The University reserves the right (1) to modify or terminate this solicitation at any time for any reason, (2) to reject any or all proposals, and (3) to waive minor, technical defects in any Bidder's RFP Submission.
2. The receipt of proposals or other documents at any stage of either the RFP or the procurement or transaction process will in no way obligate the University to enter into a contract of any kind.
3. The selection of a RFP Submission by the University shall not waive or limit any assumptions of risk, provision of indemnity, or other obligations of the Bidder or the SPV under the Concession Agreement as may be executed between the SPV and the University.
4. Only 1 RFP Submission from each Bidder shall be considered in selecting the Preferred Bidder.
5. Bids shall comply with all content requirements described herein. Failure to comply with such requirements may result in a Bid being deemed non-responsive and disqualified.
6. If a Bidder withdraws its RFP Submission after it has submitted its RFP Submission, the University shall have the right to retain and/or immediately draw down on the Bidder's Proposal Security, as applicable.

7. If a Bidder is selected as the Preferred Bidder, it acknowledges and agrees that if it fails to cause its SPV to execute the Final Draft within 15 business days after such selection that the Bidder could be disqualified as the Preferred Bidder thereafter, and the University shall have the right to retain and/or immediately draw down on the Bidder's Proposal Security, as applicable.

### **Relationship Disclosure**

The University reserves the right to disqualify any Bidder that, in the University's opinion, has a conflict of interest, whether such conflict exists now, is likely to arise in the future, or may reasonably be perceived to exist, which conflict has not already been waived. The following companies (and their affiliates, parents, subsidiaries and other subsidiaries of their parent companies) are providing advice or services to the University with respect to the Concession and are not eligible to participate as part of a Bidder or provide advice to a Bidder regarding this Concession:

- Wells Fargo Securities
- Jones Day
- Jacobs Engineering
- Duff & Phelps

### **Non-Disclosure**

The terms of this letter and the RFP Submission are subject to the non-disclosure agreement that you have executed. Your participation as outlined in this letter (whether or not you put forward a RFP Submission) confirms your understanding of, and constitutes your consent to, the terms and procedures set forth in this letter.

It is the intent of the University and Wells Fargo to solicit RFP Submissions in such a way that minimizes disruption to the operations, employees, students and other stakeholders of the University and preserves the confidentiality of these discussions. The University requires that all contact related to the RFP Submission be made through Wells Fargo and that the University and its related parties as noted in the non-disclosure agreement not be contacted directly. Failure to abide by such requirement may lead to the disqualification of a team.

### **Open Records Law**

As a public entity, the University is subject to Iowa's open records laws, which require procurement records to be made public. At the conclusion of the selection process, the contents of RFQ Proposals, RFP Submissions, final contract documents, and related materials from all participants will be subject to disclosure and inspection by interested parties. Certain types of records are considered confidential and exempt from disclosure, including records containing trade secrets or proprietary information that are recognized as such and protected by Iowa law. To the extent the University concurs in its sole discretion, information marked "Proprietary Information" in your RFP Submission will not be considered public information, but please note that by submitting a RFP Submission, each Bidder agrees that if, after a request for disclosure is made, litigation is brought or a complaint is filed with the Iowa Public Information Board attempting to compel production of the material or to protect the materials from production, such Bidder shall be solely responsible, at its cost, for establishing the basis for non-disclosure of the information, provided that the University may elect, in its reasonable discretion, not to protect certain information if it reasonably believes it is not protected by applicable state and/or federal laws. Bidders may also seek an injunction to restrain examination of such public records pursuant to Iowa Code Section 22.8 *Injunction to Restrain Examination*. Further, if an appropriate tribunal determines that the information must be disclosed or fails to protect the information from disclosure, the University will release the material and the applicable Bidder shall release, indemnify and hold the University and any of its agents, representatives, employees, consultants and advisers harmless and immune from any and all claims for injury or damages arising out of the litigation including, but not limited to, attorneys' fees.

### **RFP Documents**

This letter, as supplemented, will not form a part of the Concession Agreement, and if the Concession Agreement is executed, this letter, as supplemented, shall be superseded in its entirety by the executed Concession Agreement. The University makes no representation or guarantee as to the accuracy, completeness or fitness of this letter, as supplemented. The University is making no representation or warranty in connection with this letter, as supplemented or the Concession, except as expressly set forth in the Concession Agreement. The University takes no responsibility for this letter, as supplemented, and Bidders are responsible for any conclusions they may draw from the information provided herein or otherwise provided to Bidders and their direct and indirect owners. The University is making documents available to Bidders and their direct and indirect owners for the sole purpose of providing information in the possession of the University,

regardless of whether such information is accurate, complete, pertinent, or of any value. The Concession Agreement, if executed, is intended to serve as the final, binding contract document between the University and the Preferred Bidder. Bidders should not expect to be able to negotiate any of the terms and conditions in the Concession Agreement, and by submitting a RFP Submission the Bidder agrees to be bound by the terms and conditions of the Concession Agreement as written other than completing factual information left blank in the draft of the Concession Agreement provided in connection herewith, if selected as the Preferred Bidder.

By submitting its RFP Submission, the Bidder acknowledges that it has engaged various advisers, consultants and experts to evaluate the material provided, and that the Bidder is responsible for all financial, legal and tax advice provided by such advisers, consultants and experts. The Bidder must satisfy itself by personal investigation and other means it deems necessary, as to the conditions affecting the Concession and the cost thereof. Bidders are solely responsible for conducting their own independent research and due diligence for the preparation of their RFP Submissions.

Should you have any questions regarding this letter or any other matter, please feel free to contact any of the Wells Fargo deal team previously listed in this letter. On behalf of the University of Iowa, we appreciate your continued interest in this important opportunity and look forward to receiving your RFP Submission.

Sincerely,

WELLS FARGO SECURITIES



**Schedule 1**  
**Closing Consideration and Binding Commitment Letters**

Name of Bidder: \_\_\_\_\_ Date: \_\_\_\_\_

The Bidder hereby acknowledges and affirms that the information below and the attached documentation constitute its full and complete submission for Schedule 1.

The amount of Closing Consideration that the Bidder will pay pursuant to Section 2.1 of the Concession Agreement will be:

US\$ \_\_\_\_\_ [in numbers]

\_\_\_\_\_ [in words]

The period of time between full execution of the Concession Agreement and the Closing (as defined in the Concession Agreement) shall not exceed \_\_\_\_\_ [in numbers] Days (which must be between 60 Days and 90 Days) which shall be input into Section 2.2(a) of the Concession Agreement.

This offer will be valid until 5:00p.m. Central Time on February 1, 2020, unless extended by mutual consent of both the University and the Bidder.

**BIDDER**

**Entity Name:** \_\_\_\_\_

**By:** \_\_\_\_\_

**Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_



**Schedule 2**  
**Tax Gross Up Closing Consideration and Binding Commitment Letters**

Name of Bidder: \_\_\_\_\_

Date: \_\_\_\_\_

The Bidder hereby acknowledges and affirms that the information below and the attached documentation constitute its full and complete submission for Schedule 2.

The amount of Closing Consideration that the Bidder will pay pursuant to Section 2.1 of the Concession Agreement assuming the definition of “Uncapped O&M Costs” is revised to include “an amount equal to the sum of (a) the federal income Taxes that the Concessionaire would pay on the income generated solely by the Variable Fee Component (which for the avoidance of doubt is the amount equal to sub-part (ii) only in the calculation of the Utility Fee as set forth on Schedule 5 of the Concession Agreement) assuming the highest corporate income tax rate and (b) the Taxes that the Concessionaire would pay on the income solely generated by the Variable Fee Component (which for the avoidance of doubt is the amount equal to sub-part (ii) only in the calculation of the Utility Fee as set forth on Schedule 5 of the Concession Agreement) to the State of Iowa for the corporate income tax imposed by the State of Iowa, in each case regardless of the amount of such Taxes actually paid by the Concessionaire” will be:

US\$ \_\_\_\_\_ [in numbers]

\_\_\_\_\_ [in words]

This offer will be valid until 5:00p.m. Central Time on February 1, 2020, unless extended by mutual consent of both the University and the Bidder.

**BIDDER**

**Entity Name:** \_\_\_\_\_

**By:** \_\_\_\_\_

**Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_



**Schedule 3**  
**Closing Consideration and Binding Commitment Letters**

Name of Bidder: \_\_\_\_\_ Date: \_\_\_\_\_

The Bidder hereby acknowledges and affirms that the information below and the attached documentation constitute its full and complete submission for Schedule 3.

The Bidder selects \_\_\_\_\_ [either the LIBOR swap spot curve or the U.S. spot rate treasury curve] as the applicable 30-year, mid-market Benchmark Interest Rate.

The Bidder *proposes* that the amount of the Closing Consideration will be decreased by US\$ \_\_\_\_\_ [in numbers] for every 1 basis point increase in the applicable 30-year, mid-market Benchmark Interest Rate; during the same period, the amount of the Closing Consideration will be increased by US\$ \_\_\_\_\_ [in numbers] for every 1 basis point decrease in the applicable 30-year, mid-market Benchmark Interest Rate.

**BIDDER**

**Entity Name:** \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_