

April 16, 2003

Idaho State Board of Education selects Larry Prince to lead U of I management review

The Idaho State Board of Education announced today that it has selected Mr. Larry Prince, an attorney with the Boise office of Holland and Hart LLP, a regional law firm, to lead the Board's management review of personnel issues related to the University of Idaho's involvement in the University Place-Boise project.

State Board of Education earlier announced its intent to conduct an independent review to determine whether the financing and management of the University Place-Boise project by the University of Idaho and the University of Idaho Foundation complied with Board policies and procedures.

On December 17, 2002, State Board members approved the master facility lease with the Idaho State Building Authority for the Idaho Water Center, including occupancy by the University of Idaho, the Idaho Department of Water Resources, and the Idaho Water Resources Research Institute. In addition, at this same meeting, the Board approved the parking access agreement and the operating agreement for the project. In pursuing the property development initiative in downtown Boise, the University of Idaho Foundation borrowed approximately \$28 million for project development costs, including \$10 million from the University of Idaho. Although officials at the University authorized these loans to the Foundation, the State Board of Education was not notified nor did they approve these loan transactions.

Mr. Prince, a graduate of Hastings College of Law, specializes in the areas of commercial real estate, business transactions, debtor and creditor law, corporate finance and commercial litigation. "Larry Prince is highly qualified with considerable experience in areas relevant to the Board of Education's review of issues involving the University of Idaho and the University Place project in Boise. The Board is undertaking a comprehensive, independent review of the issues associated with the University's handling of the University Place project and of related actions before the Board of Education. Larry has the skills and judgment necessary to assist the Board in completing this task," stated Board member Rod Lewis.

It is currently anticipated that the management review process will take approximately 3-4 months to complete. The cost of the review will be paid by the State Board of Education. At the Board's request, the Office of the Attorney General will hire Mr. Prince as a Special Deputy Attorney General for the purpose of the management review.