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STATE BOARD OF EDUCATION APPROVES TEMPORARY RESOLUTION OF OUSTANDING LOANS

Approved Agreement Establishes 5-year Extension of Repayment Deadline

BOISE, IDAHO - The State Board of Education and Board of Regents of the University of Idaho today approved an agreement that will temporarily resolve the matter of past due repayment of agency account funds used in the University Place project in Boise.

Under the agreement, the deadline for repayment of the agency account funds, approximately \$7,071,000.00, is extended to December 31, 2010. The agreement also addresses the pending University Place litigation in which the University of Idaho Foundation and the University are asserting claims for damages against their former law firms, lawyers and other individuals involved in the project. The agreement provides that:

- Monies recovered by the Foundation as a result of the University Place litigation will first be used towards the Foundation's remaining debt to its Consolidated Investment Trust and will then, after netting out the Foundation's legal expenses, be paid over to the University.
- The University and Foundation are preserving the status quo and not waiving any claims or defenses they may have against one another.
- The Foundation's board of directors must also approve the terms of the agreement. A board meeting is being scheduled for this week.

"Although the agreement still requires Foundation approval, we are pleased that the State Board has approved a solution that ensures the best long-term outcome for the University of Idaho and the UI Foundation," said University of Idaho president, Timothy P. White. "The University and the Foundation will continue to work together in the University Place litigation to maximize their recovery of losses."