

**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**OCTOBER 17, 2019**

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<b>TAB</b>	<b>DESCRIPTION</b>	<b>ACTION</b>
1	<b>IDAHO STATE UNIVERSITY</b> Authorization for Issuance of General Revenue Bonds	Motion to approve

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**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**OCTOBER 17, 2019**

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**IDAHO STATE UNIVERSITY**

**SUBJECT**

Authorization for issuance of general revenue bonds

**REFERENCE**

- |              |   |
|--------------|---|
| January 2019 | Idaho State Board of Education approved Idaho State University (ISU) acquiring property owned by West Ada School District not to exceed \$1,710,000, and authorized ISU to proceed with the design for a parking lot.   |
| April 2019   | Idaho State Board of Education approved ISU to proceed with the planning and construction of the Meridian Parking Lot in the amount of \$2,000,000; approved the purchase of property in Meridian for the ISU Meridian Health Sciences Center in the amount of \$3,500,000; approved the bidding and construction for the Davis Field renovation in the amount of \$5,000,000; and approved the request for ISU for the authority to use future bond proceeds to reimburse itself for costs and expenses of these projects, subject to future Board approval of the financing plan and bond issuance. |
| August 2019  | Idaho State Board of Education approved the request for ISU to use future bond proceeds to reimburse itself for costs and expenses of the acquisition of property owned by the West Ada School District; approved the development of a housing refresh and renovation project for four Residence Halls not to exceed \$5,000,000; approved the request by ISU to refinance the debt associated with the Stephens Performing Arts Center in the amount of \$3,500,000, with these projects subject to future Board approval of the financing plan and bond issuance.                                   |

**APPLICABLE STATUTE, RULE, OR POLICY**

Idaho State Board of Education Governing Policies & Procedures, Section V.F.  
Section 33-3805, Idaho Code

**ALIGNMENT WITH STRATEGIC PLAN**

State Board of Education Governance Item

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**OCTOBER 17, 2019**

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**BACKGROUND/DISCUSSION**

Idaho State University is seeking approval to finance five projects through issuance of tax exempt bonds in the principal amount of not to exceed \$21,110,000. The Series 2019 Bonds would be issued by ISU to fund the following projects:

- Purchase of Meridian Property for ISU Meridian Health Sciences Center
- Construction of the Meridian Parking Lot
- Construction of the Davis Field renovation
- Housing refresh and renovation project for four Residence Halls
- Refinance the debt associated with the Stephens Performing Arts Center

*PRINCIPAL AMOUNT*

Total not to exceed \$21,110,000, including estimated costs of issuance in the amount of \$400,000.

*MATURITIES AND AMORTIZATION PLAN*

To be determined on the day of pricing, which is scheduled on October 31, 2019. The Series 2019 Bonds will mature in the years 2020 through 2049, subject to final pricing. The debt service on the Series 2019 Bonds will be amortized on a level debt service basis.

*INTEREST RATES*

To be determined on the day of pricing.

*SOURCE OF SECURITY*

Pledge of Pledged Revenues as amended in the proposed Supplemental Resolution.

*RATING*

ISU's current rating by Moody's Investors Service is A1. The rating agency meeting for the Series 2019 Bonds is scheduled on October 3, 2019.

*DOCUMENTS TO BE PROVIDED AT THE BOARD MEETING*

Once pricing is concluded, the University will provide the following at the Board meeting:

1. Bond sizing analysis showing final amounts, interest rates and maturities on the bonds;
2. Final Supplemental Bond Resolution showing rates and maturities of the bonds;
3. Update to the Bond Purchase Agreement showing bond rates and maturities; and
4. Moody's Rating Agency Report

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**IMPACT**

The current ISU annual debt service is approximately \$5.6M per year. The Series 2019 Bonds will increase the ISU debt services by approximately \$1.1M per year. The issuance of the Series 2019 Bonds will increase ISU debt burden ratio based on 2019 expenditures from 2.49% to 2.97%, well below the 8% limit prescribed in Board Policy V.F.4.c.

Total ISU Projected Debt Service Payments Including Issuance of 2019 Bonds

2020	\$5.9M
2021	\$6.7M
2022	\$6.7M
2023	\$6.8M
2024	\$3.4M
2025	\$3.4M
2026	\$3.4M
2027	\$3.4M
2028	\$2.6M
2029	\$1.8M

**ATTACHMENTS**

- Attachment 1 – Draft Supplemental Resolution
- Attachment 2 – Draft Preliminary Official Statement
- Attachment 3 – Draft Bond Purchase Agreement
- Attachment 4 – Debt Service Projection
- Attachment 5 - Draft Continuing Disclosure Agreement (exhibit to Supplemental Resolution and POS)
- Attachment 6 – Draft Bond Counsel Opinion (exhibit to POS)
- Attachment 7 – Draft Delegation Certificate (exhibit to Supplemental Resolution)

**STAFF COMMENTS AND RECOMMENDATIONS**

Board approval of this bond issuance would increase ISU's total projected annual debt service to approximately \$6.7M until 2024. The debt burden ratio is calculated by the actual debt service (including interest expense plus principal payments) divided by the annual adjusted expenses (total operating expenses plus total nonoperating expenses minus depreciation expense and principal payments). The Board has set a limit of 8% for the debt burden ratio. After issuance of these bonds, ISU calculates their debt burden ratio to be 2.97%.

The Series 2019 Bonds would be secured by Pledged Revenues on a parity with the other Bonds. Pledged Revenues include:

- (i) student fees;
- (ii) sales and service revenues;
- (iii) other operating revenues;
- (iv) investment income;

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- (v) proceeds from the sale of a Series of Bonds and investment earnings;  
and
  - (vi) other revenues as the Board shall designate as Pledged Revenues.
- Pledged Revenues do not include State appropriations, which by law cannot be pledged.

Staff recommends approval.

**BOARD ACTION**

I move to approve the finding that the proposed projects are economically feasible and necessary for the proper operation of Idaho State University and to approve a Supplemental Resolution for the Series 2019 Bonds in the principal amount not to exceed \$21,110,000, the title of which is as follows:

SUPPLEMENTAL RESOLUTION of the Board of Trustees of Idaho State University authorizing the issuance of General Revenue Bonds, in one or more series, of Idaho State University; delegating authority to approve the terms and provisions of the bonds and the principal amount of the bonds not to exceed \$21,110,000; authorizing the execution and delivery of a Bond Purchase Agreement upon sale of the bonds, and providing for other matters relating to the authorization, issuance, sale and payment of the bonds, including amendment to Pledged Revenues.

A roll call vote is required.

Moved by \_\_\_\_\_ Seconded by \_\_\_\_\_ Carried Yes \_\_\_\_\_ No \_\_\_\_\_

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**BOARD OF TRUSTEES OF IDAHO STATE UNIVERSITY**

**SUPPLEMENTAL RESOLUTION**

Authorizing the Issuance and Providing for the Sale of

**IDAHO STATE UNIVERSITY  
GENERAL REVENUE BONDS, SERIES 2019**

Adopted \_\_\_\_\_, 2019

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## SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION of the Board of Trustees of Idaho State University authorizing the issuance of General Revenue Bonds, in one or more series, of Idaho State University; delegating authority to approve the terms and provisions of the bonds and the principal amount of the bonds up to \$\_\_\_\_\_ ; authorizing the execution and delivery of a Bond Purchase Agreement upon sale of the bonds, and providing for other matters relating to the authorization, issuance, sale and payment of the bonds, including amendment to Pledged Revenues.

\* \* \* \* \*

WHEREAS, Idaho State University (the “**University**”) is a state institution of higher education and body politic and corporate organized and existing under and pursuant to the Constitution and laws of the State of Idaho; and

WHEREAS, the Idaho State Board of Education, acting in its capacity as the Board of Trustees of the University (the “**Board**”), is authorized, pursuant to the Constitution of the State of Idaho and title 33, chapter 38, Idaho Code (collectively, the “**Act**”), to issue bonds to finance “projects,” as defined in such Act; and

WHEREAS, on September 17, 1992, the Board adopted a resolution providing for the issuance of revenue bonds thereunder pursuant to supplemental resolutions thereof for future projects or refinancing purposes, which resolution has been amended and supplemented from time to time (as amended, supplemented and from time to time restated, the “**Resolution**”); and

WHEREAS, the University is authorized under the provisions of Article VII of the Resolution to issue Additional Bonds (as defined in the Resolution) upon compliance with the requirements thereof; and

WHEREAS, the Board has determined, pursuant to Section 33-3805, Idaho Code, that it is both necessary and economically feasible for the University to finance (i) certain improvements to the University’s housing facilities (the “**Housing Project**”); (ii) certain improvements to Davis Field at the University’s Pocatello campus (the “**Davis Field Project**”); (iii) construction of a parking lot on the University’s Meridian campus (the “**Parking Project**”); and (iv) acquisition of land at the University’s Meridian campus (the “**Land Acquisition**”); and

WHEREAS, the Board has determined to pay the outstanding indebtedness of the Idaho State University Foundation, Inc., owed to Wells Fargo Bank, National Association, under that certain Promissory Note in the original principal amount of \$5,000,000 dated December 1, 2015 (the “**Foundation Project**”), the proceeds of which refinanced the construction of the L.E. and Thelma E. Stephens Performing Arts Center in Pocatello, Idaho, and completed the University’s acquisition thereof;



WHEREAS, to provide funds to finance the Housing Project, Davis Field Project, Parking Project, Land Acquisition, and Foundation Project (collectively, the “**2019 Project**”) and to pay the Costs of Issuance thereof, the Board desires to authorize the issuance of its general revenue bonds in one or more series of tax-exempt and/or taxable general revenue bonds (collectively, for purposes of this Supplemental Resolution, the “**Series 2019 Bonds**” or “**2019 Bonds**”);

WHEREAS, by this Supplemental Resolution the Board desires to pledge additional revenues to secure Bonds issued under the Resolution, as amended, including the 2019 Bonds and Additional Bonds issued subsequent thereto, and, with respect thereto, to amend, add or delete certain definitions under the Resolution as provided under Section 10.1B(1) and Section 10.1B(2) of the Resolution, as applicable (the “**Amendments**”);

WHEREAS, pursuant to Section 57-235, Idaho Code, the Board desires to delegate authority, in accordance with the specific instructions and procedures set forth herein, for determination and approval of certain final terms and provisions of the 2019 Bonds and other matters.

NOW, THEREFORE, be it resolved by the Board of Trustees of Idaho State University as follows:

## **ARTICLE I DEFINITIONS**

### **Section 101. Definitions.**

(a) Certain terms are defined in the preambles hereto. Except as provided in the preambles and subparagraph (b) of this Section, all capitalized terms contained in this Supplemental Resolution shall have the same meanings as set forth in the Resolution.

(b) As used in this Supplemental Resolution, unless the context shall otherwise require, the following terms shall have the following meanings:

“**Bond Purchase Agreement**” means the Bond Purchase Agreement between the Board and the Underwriter in substantially the form authorized in Section 203 herein, setting forth the terms and conditions of the negotiated sale of the 2019 Bonds, the final version of which to be presented to the Delegated Officer of the University for approval and execution upon sale of the 2019 Bonds.

“**Bond Register**” means the registration records of the University, maintained by the Trustee, on which shall appear the names and addresses of the Registered Owners of the 2019 Bonds.

“**Book-Entry System**” means the book-entry system of registration of the 2019 Bonds described in Section 208 of this Supplemental Resolution.

“**Cede & Co.**” means Cede & Co., as nominee of DTC.

**“Continuing Disclosure Undertaking”** means the Continuing Disclosure Undertaking with respect to the 2019 Bonds authorized by Section 203 of this Supplemental Resolution.

**“Delegated Officer”** means the President or Vice President for Finance and Business Affairs of the University, each acting solely.

**“Delegation Certificate”** means the Certificate as to Bond Pricing and Related Matters signed and delivered by the Delegated Officer to approve the final terms and provisions of the 2019 Bonds upon the sale thereof, substantially in the form of **Exhibit C** hereto.

**“DTC”** means The Depository Trust Company, New York, New York.

**“DTC Participants”** means those financial institutions for whom the Securities Depository effects book entry transfers and pledges of securities deposited with the Securities Depository.

**“Representation Letter”** means the Blanket Representations Letter executed by the University on file with DTC.

**“Resolution”** means the Resolution providing for the issuance of revenue bonds adopted by the Board on September 17, 1992, as previously amended and supplemented, and as further amended and supplemented by this Supplemental Resolution, and from time to time restated.

**“Securities Depository”** means DTC or any successor securities depository appointed pursuant to Section 209.

**“Supplemental Resolution”** means this Supplemental Resolution adopted by the Board on \_\_\_\_\_, 2019, authorizing the issuance of the 2019 Bonds upon the sale thereof, setting forth certain requirements of the terms of sale of the 2019 Bonds, delegating authority to approve the final terms and provisions of the 2019 Bonds, and providing for related matters, including amendment to Pledged Revenues.

**“Trustee”** means U.S. Bank National Association, as bond registrar, authenticating agent, paying agent and transfer agent with respect to the 2019 Bonds, or its successors in functions, as now or hereafter designated.

**“2019 Costs of Issuance Fund”** means the account created pursuant to Section 301 of this Supplemental Resolution, from which the Costs of Issuance of the 2019 Bonds shall be paid.

**“2019 Project Account”** means the account created under the Construction Fund pursuant to Section 301 of this Supplemental Resolution from which the Cost of Acquisition and Construction of the Project shall be paid.

**“Underwriter”** means Piper Jaffray & Co.

The terms **“hereby,” “hereof,” “hereto,” “herein,” “hereunder,”** and any similar terms as used in this Supplemental Resolution refer to this Supplemental Resolution.

**Section 102. Authority for Supplemental Resolution.** This Supplemental Resolution is adopted pursuant to the provisions of the Act and the Resolution.

**Section 103. Effective Date.** This Supplemental Resolution contemplates the issuance and sale of the 2019 Bonds through a delegation of authority as provided in Section 204 hereof. Unless the context clearly indicates otherwise -- for example, the provisions of Section 203(a) through Section 203(c) take effect upon adoption of this Supplemental Resolution-- this Supplemental Resolution shall not take effect and no provision thereof shall be binding upon the University unless and until the 2019 Bonds are sold and issued.

## ARTICLE II AUTHORIZATION, TERMS AND ISSUANCE OF 2019 BONDS

**Section 201. Authorization of 2019 Bonds, Principal Amount, Designation, and Confirmation of Pledged Revenues.** In order to provide funds for financing the 2019 Project and to pay Costs of Issuance of the 2019 Bonds, and in accordance with and subject to the terms, conditions and limitations established in the Resolution and this Supplemental Resolution, the 2019 Bonds are hereby authorized to be issued in the aggregate principal amount up to \$\_\_\_\_\_. The 2019 Bonds, in one or more series, shall be designated as follows, as applicable: “General Revenue Bonds, Series 2019.” The 2019 Bonds shall be issued as Additional Bonds under the Resolution in fully-registered form, without coupons, in denominations of \$5,000 each or any integral multiple thereof within a maturity.

The 2019 Bonds are secured by the pledge of the Pledged Revenues under Section 5.1 of the Resolution, equally and ratably with all Bonds issued under the Resolution.

**Section 202. Issue Date.** The 2019 Bonds shall be dated the date of their original issuance and delivery.

**Section 203. Authorization of Actions Preliminary to Sale of 2019 Bonds.**

(a) The Board desires to sell the 2019 Bonds pursuant to negotiated sale to the Underwriter pursuant to the Act.

(b) The Preliminary Official Statement (the “POS”), in substantially the form presented at this meeting, with such changes, omissions, insertions and revisions as the Bursar shall approve, is hereby authorized, and the actions of the University, including the certification by the Bursar as to the “deemed finality” of the POS pursuant to Rule 15c2-12 of the Securities Exchange Commission adopted pursuant to the Securities Exchange Act of 1934, as amended (“**Rule 15c2-12**”) in connection with the offering of the 2019 Bonds, are hereby acknowledged, approved and ratified.

(c) The Bond Purchase Agreement in substantially the form attached hereto as **Exhibit A**, with such changes, omissions, insertions and revisions as the Delegated Officer shall approve, is hereby ratified and approved. Upon the sale of 2019 Bonds, the Delegated Officer is hereby authorized to execute and deliver the Bond Purchase Agreement to the Underwriter. The President of the University and the Bursar of the University are authorized to do or perform all

such acts as may be necessary or advisable to comply with the Bond Purchase Agreement and to carry the same into effect.

(d) Upon the sale of the 2019 Bonds, the POS together with such changes, omissions, insertions and revisions to reflect the final terms and provisions of the 2019 Bonds (hereafter referred to as the “**Official Statement**”), shall be approved and signed by the Bursar or President of the University to authorize delivery thereof to the Underwriter for distribution to prospective purchasers of the 2019 Bonds and other interested persons.

(e) In order to comply with subsection (b)(5) of Rule 15c2-12, the Underwriter has provided in the Bond Purchase Agreement that it is a condition to delivery of the 2019 Bonds that the University and the Trustee, as disclosure agent thereunder, shall have executed and delivered the Continuing Disclosure Undertaking. The Continuing Disclosure Undertaking in substantially the form attached hereto as **Exhibit B** is hereby ratified and approved in all respects, and the Board authorizes the Underwriter to include a copy thereof in the POS and Official Statement. Upon delivery of the 2019 Bonds, the Bursar or President of the University is hereby authorized to execute and deliver the Continuing Disclosure Undertaking. Such Continuing Disclosure Undertaking shall constitute the University’s undertaking for compliance with Rule 15c2-12.

#### **Section 204. Sale of 2019 Bonds and Related Documents; Delegation Authority.**

(a) Pursuant to Section 57-235, Idaho Code, as amended, the Board hereby delegates to the Delegated Officer the power to make the following determinations on the date(s) of sale of the 2019 Bonds, without any requirement that the members of the Board meet to approve such determinations, but subject to the limitations provided:

(i) The rates of interest to be borne on the 2019 Bonds, provided that the true interest cost of the 2019 Bonds, as certified by the University’s municipal advisor and the Underwriter, shall not exceed \_\_\_\_ percent (\_\_.00%).

(ii) The aggregate principal amount of the 2019 Bonds on the sale date(s); provided, the principal amount of the 2019 Bonds shall not exceed \$\_\_\_\_\_.

(iii) The amount of principal of the 2019 Bonds maturing, or subject to mandatory sinking fund redemption in any particular year, and the rate of interest accruing thereon.

(iv) The final maturity of the 2019 Bonds; provided that the final maturity date of the 2019 Bonds shall not exceed [\_\_] years from the date of issuance.

(v) The price at which the 2019 Bonds will be sold (including any underwriter’s discount, original issue premium and original issue discount), provided that the underwriter’s discount shall not exceed 0. \_\_% of the principal amount of the 2019 Bonds.

(vi) The dates, if any, on which, and the prices at which, the 2019 Bonds will be subject to optional and mandatory sinking fund redemption.

(vii) The terms of any contract for credit enhancement of the 2019 Bonds.

(b) Upon the sale of the 2019 Bonds, the Delegated Officer shall execute a Delegation Certificate substantially in the form attached hereto as **Exhibit C** and incorporated by reference herein reflecting the final terms and provisions of the 2019 Bonds and certifying that the final terms and provisions of the 2019 Bonds are consistent with, not in excess of and no less favorable than the terms set forth in subparagraph (a) above.

**Section 205. Execution and Delivery of 2019 Bonds.** The 2019 Bonds shall be manually executed on behalf of the University by the President of the Board, countersigned by the Bursar of the University, and attested by the Secretary to the Board. The 2019 Bonds shall be delivered to the Underwriter upon compliance with the provisions of Section 3.2 of the Resolution and at such time and place as provided in, and subject to, the provisions of the Bond Purchase Agreement.

**Section 206. Redemption of 2019 Bonds.** Upon the sale of the 2019 Bonds, the 2019 Bonds will be subject to redemption pursuant to the terms of the Bond Purchase Agreement, as approved by the Delegated Officer, and if subject to redemption, the following provisions shall apply:

(a) Selection for Redemption. If less than all Series 2019 Bonds are to be redeemed, the particular maturities of such Series 2019 Bonds to be redeemed and the principal amounts of such maturities to be redeemed shall be selected by the University. If less than all of the bonds of any maturity of the Series 2019 Bonds are to be redeemed, the Series 2019 Bonds to be redeemed will be selected by lot. If less than all of a Series 2019 Bond that is subject to mandatory sinking fund redemption is to be redeemed, the redemption price shall be applied to such mandatory sinking fund installments as the University shall direct.

(b) Notice of Redemption. The Resolution requires the Trustee to give notice of any redemption of the 2019 Bonds not less than 35 days nor more than 60 days prior to the redemption date, by first class mail, postage prepaid, addressed to the registered owners of such 2019 Bonds to be redeemed at the addresses appearing on the registry books kept by the Trustee. With respect to any notice of optional redemption of 2019 Bonds, unless upon the giving of such notice such 2019 Bonds shall be deemed to have been paid within the meaning of the Resolution, such notice may state that the redemption is conditioned upon the receipt by the Trustee on or prior to the date fixed for such redemption of money sufficient to pay the redemption price of and interest on the 2019 Bonds to be redeemed, and that if such money shall not have been so received, the notice shall be of no force and effect and the University shall not be required to redeem such 2019 Bonds. In the event that such notice of redemption contains such a condition and such money is not so received, the redemption will not be made and the Trustee will promptly thereafter give notice, in the manner in which the notice of redemption was given, that such money was not so received and that such redemption was not made.

**Section 207. Form of 2019 Bonds.** The 2019 Bonds are hereby authorized to be issued in the form set forth in **Exhibit D** attached hereto and incorporated herein by this reference, with such revisions and designations as required pursuant to the terms of sale thereof.

**Section 208. Book-Entry Only System.**

(a) The 2019 Bonds shall initially be registered on the Bond Register in the name of Cede & Co., the nominee for the Securities Depository, and no Beneficial Owner will receive certificates representing their respective interests in the 2019 Bonds, except in the event that the Trustee issues Replacement Bonds, as defined and provided below. It is anticipated that during the term of the 2019 Bonds, the Securities Depository will make book-entry transfers among the DTC Participants and receive and transmit payments of principal of and interest on the 2019 Bonds until and unless the Trustee authenticates and delivers Replacement Bonds to the Registered Owners as described below. So long as any of the 2019 Bonds are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal of, premium, if applicable, and interest on the 2019 Bonds and all notices with respect to the 2019 Bonds shall be made and given in the manner provided in the Representation Letter.

(b) If the Securities Depository determines to discontinue providing its services with respect to the 2019 Bonds, and the University cannot obtain a qualified successor Securities Depository, or if the University determines not to use the Book-Entry System of the Securities Depository, the University shall execute, and the Trustee shall authenticate and deliver, one or more 2019 Bond certificates (the “**Replacement Bonds**”) to the DTC Participants in principal amounts and maturities corresponding to the identifiable Registered Owners’ interests in the 2019 Bonds, with such adjustments as the Trustee may find necessary or appropriate as to accrued interest and previous calls for redemption, if any. In such event, all references to the Securities Depository herein shall relate to the period of time when the Securities Depository has possession of at least one 2019 Bond. Upon the issuance of Replacement Bonds, all references herein to obligations imposed upon or to be performed by the Securities Depository shall be deemed to be imposed upon and performed by the Trustee, to the extent applicable with respect to such Replacement Bonds.

(c) With respect to 2019 Bonds registered in the name of Cede & Co. as nominee for the Securities Depository, neither the University nor the Trustee shall have any responsibility to any Registered Owner with respect to:

(i) the sending of transaction statements, or maintenance, supervision, or review of records of the Securities Depository;

(ii) the accuracy of the records of the Securities Depository or Cede & Co. with respect to any ownership interest in the 2019 Bonds;

(iii) the payment to any Registered Owner, or any person other than the Securities Depository, of any amount with respect to principal of, interest on, or redemption premium, if any, on the 2019 Bonds; or

(iv) any consent given or other action taken by the Securities Depository or Cede & Co. as owner of the 2019 Bonds.

(d) The Representation Letter executed and delivered by the University to DTC is for the purpose of effectuating the Book-Entry System for the 2019 Bonds through DTC as Securities Depository and shall not be deemed to amend, supersede or supplement the terms of

this Supplemental Resolution, which are intended to be complete without reference to the Representation Letter. In the event of any conflict between the terms of the Representation Letter and the terms of this Supplemental Resolution, the terms of this Supplemental Resolution shall control. The Securities Depository may exercise the rights of a Registered Owner hereunder only in accordance with the terms hereof applicable to the exercise of such rights.

**Section 209. Successor Securities Depository.** In the event the Securities Depository resigns, is unable to properly discharge its responsibilities, or is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, or other applicable state or federal statute or regulation, the Trustee, with the written consent of the University, may appoint a successor Securities Depository, provided the Trustee receives written evidence satisfactory to the Trustee with respect to the ability of the successor Securities Depository to discharge its responsibilities. Any such successor Securities Depository shall be a securities depository that is a registered clearing agency under the Securities and Exchange Act of 1934, as amended, or other applicable state or federal statute or regulation. Upon the appointment of a successor Securities Depository, the former Securities Depository shall surrender the 2019 Bonds to the Trustee for transfer to the successor Securities Depository, and the Trustee shall cause the authentication and delivery of 2019 Bonds to the successor Securities Depository in appropriate denominations and form as provided herein.

### **ARTICLE III**

#### **CREATION OF ACCOUNTS, APPLICATION OF 2019 BOND PROCEEDS**

**Section 301. Creation of Accounts.**

(i) There is hereby established in the Construction Fund a Project Account designated as the “2019 Project Account,” to be held by the University to finance the cost of the 2019 Project. The University shall invest the moneys on deposit in the 2019 Project Account in Investment Securities.

(ii) There is hereby established a separate fund designated as the “2019 Costs of Issuance Fund.” Moneys in the 2019 Costs of Issuance Fund shall be used for the payment of the Costs of Issuance of the 2019 Bonds. Any moneys remaining in the 2019 Costs of Issuance Fund forty-five (45) days after issuance of the 2019 Bonds shall be transferred promptly to the 2019 Project Account to pay the costs of the 2019 Project.

**Section 302. Application of Proceeds of 2019 Bonds Upon Sale Thereof.** Pursuant to the Written Certificate(s) of the University to be delivered prior to the issuance of the 2019 Bonds, the proceeds of the sale of the 2019 Bonds (net of the Underwriter’s fee for its services with respect to the 2019 Bonds), shall be deposited as follows:

(i) Proceeds of the Series 2019 Bonds in the amount of accrued interest on the Series 2019 Bonds to the date of delivery thereof, if any, shall be deposited in the Debt Service Account under the Bond Fund.

(ii) Proceeds of the Series 2019 Bonds in the amount reflected in the Written Certificate of the University shall be wired to the University for deposit into the 2019 Project Account, or to others on the University’s behalf, to finance the 2019 Project. Before any

payment is made from the 2019 Project Account, the University shall execute a Written Certificate of the University as required by Section 5.4(E) of the Resolution.

(iii) Proceeds of the Series 2019 Bonds in the amount reflected in the Written Certificate of the University required by Section 5.6 of the Resolution shall be wired to the University for deposit into the 2019 Costs of Issuance Fund to pay Costs of Issuance of the 2019 Bonds.

#### **ARTICLE IV AMENDMENTS TO RESOLUTION**

**Section 401. Amendments to Pledged Revenues.** Pursuant to subparagraph B(1) of Section 10.1 of the Resolution authorizing the Board to amend the Resolution for the purpose of adding covenants and agreements of the University, without the consent of any Registered Owners, the Board amends the Resolution as follows:

(a) The following definitions are hereby added to Section 1.1 of Article I of the Resolution:

Campus Technology and Dedicated Activity Fees are fees supporting various infrastructure and activities.

Graduate Fees are the fees charged to students pursuing graduate level degrees.

Investment Income includes all unrestricted investment income.

Non-Resident Tuition is the additional fee charged non-residents.

Other Operating Revenues includes miscellaneous revenues received in the course of the University's operations, including revenues generated through certain non-auxiliary advertising, vending machines in non-auxiliary facilities, and postage and printing services.

Sales and Services Revenues include revenues generated through educational activities and operations of auxiliary enterprises, the majority of which auxiliary enterprise revenues are generated through Revenues of the Housing System, CAES Base Rent, and student union operations; bookstore sales; ticket and event sales from the L.E. and Thelma E. Stephens Performing Arts Center; parking charges; recreation center activity charges; revenues generated incidentally to the conduct of instruction, research and public service activities, including unrestricted revenues generated by testing services provided by University labs, and sales of scientific and literary publications; and revenues from miscellaneous operations.

Student Fees include (i) the Tuition Fee [also known as the Matriculation Fee]; (ii) Student Facilities Fees; (iii) Campus Technology and Dedicated Activity Fees; (iv) Graduate Fees, and (v) Non-Resident Tuition. Student Fees also include a variety of other charges for services and course fees for which the authority to approve has been delegated by the Board to the University President. Fees for services include admission, orientation and testing fees, as well as late fees. Course fees include fees for field trips, fees for supplies for specific classes and labs, and special workshop fees.



(b) The following definitions amend and replace the definitions for the same defined terms, in entirety, in Section 1.1 of Article I of the Resolution:

Matriculation Fee(s) or Tuition Fee shall mean the student matriculation fee established by the Board for maintenance and operation of physical plant, student services, and institutional support for full-time students enrolled in academic credit courses and vocational pre-employment, preparatory programs at the University, as said fee now exists and may hereafter be revised by the Board. The Matriculation Fee shall include general education fees for part-time and summer students which are currently designated by the Board as the “Part-time Educational Fee” and “Summer School Fee.”

Pledged Revenues shall include (i) Student Fees; (ii) Sales and Services Revenues; (iii) Other Operating Revenues; (iv) Investment Income; (v) proceeds from the sale of a Series of Bonds and moneys and investment earnings thereon except as otherwise provided in the Resolution or a Supplemental Resolution; and (vi) such other revenues of University enterprises or sources of funds as shall be designated by the Board as Pledged Revenues. Upon approval of the annual budget by the Board, the amounts of fees and other revenues so approved by the Board shall become Pledged Revenues and, when deposited into the Revenue Fund, shall become available for payment into the Bond Fund for payment of Debt Service in accordance with this Bond Resolution.

Revenues Available for Debt Service shall mean revenues in clauses (i), (iii), (iv), (v) and (vi) of the definition of Pledged Revenues, plus revenues described in clause (ii) of the definition of Pledged Revenues less Operation and Maintenance Expenses of any University enterprises the revenues of which have been included in Pledged Revenues by virtue of such clause (ii).

Tuition Fee is the Matriculation Fee.

**Section 402. Further Amendments to Resolution.** Pursuant to subparagraph B(2) of Section 10.1 of the Resolution authorizing amendments to the Resolution, without the consent of any Registered Owners, for the purpose of curing ambiguities, or curing or correcting defective provisions therein which do not adversely affect the interests of the Trustee or the Registered Owners of the Bonds, the Board amends the Resolution as follows:

(a) Certain defined terms under Section 1.1 of the Resolution do not appear in the text of the Resolution. Therefore, the following defined terms are deleted in their entirety from Section 1.1:

Book-Entry System shall mean the book-entry system of registration of a series of Bonds described in Section 3.1D of this Resolution.

Estimated Pledged Revenues means, for any year, the Estimated Pledged Revenues for such year, based upon estimates prepared by the Bursar and approved in accordance with procedures established by the Board. In computing Estimated Pledged Revenues, Pledged Revenues may be adjusted as necessary to reflect any changed schedule of fees or other charges adopted and to become effective not later than the next succeeding Fiscal Year of the University and any estimated gain in enrollments of students subject to payment of fees in the academic year next succeeding the delivery of a series of bonds in connection with which an estimate is

made. The estimated Operation and Maintenance Expenses shall not be considered in computing Estimated Pledged Revenues unless Operation and Maintenance Expenses are expected to be paid from Pledged Revenues.

Private Person shall mean any natural person engaged in a trade or business, the United States of America or any agency thereof, or any trust, estate, partnership, association, company or corporation. A state or local governmental unit is not a private person.

Private Person Use shall mean the use of property in a trade or business by a Private Person if such use is other than as a member of the general public. Private Person Use includes ownership of the property by the Private Person as well as other arrangements that transfer to the Private Person the actual or beneficial use of the property (such as a lease, management or incentive payment contract or other special arrangement) in such a manner as to set the Private Person apart from the general public. Use of property as a member of the general public includes attendance by the Private Person at municipal meetings or business rental of property to the Private Person on a day-to-day basis if the rental paid by such Private Person is the same as the rental paid by any Private Person who desires to rent the property. Use of property by nonprofit community groups or community recreational groups is not treated as Private Person Use if such use is incidental to the governmental uses of property, the property is made available for such use by all such community groups on an equal basis and such community groups are charged only a de minimis fee to cover custodial expenses.

Representation Letter means the Blanket Representation Letter dated June 26, 2003, from the University to DTC.

2004A Insurer means Financial Security Assurance Inc., as insurer of the Series 2004A Bonds.

2004B and 2004C Insurer means Financial Security Assurance Inc., as insurer of the Series 2004B Bonds and Series 2004C Bonds.

2006 Insurer means Ambac Assurance Corporation, as insurer of the Series 2006 Bonds.

2007 Insurer means Financial Guaranty Insurance Company, as insurer of the Series 2007 Bonds.

(b) The following Section 9.8 is amended by striking the term “Housing System” and inserting therefor the word “Facilities”:

**Section 9.8 Power to Own and Operate the Facilities and Collect Fees.** The University has, and will have so long as any Bonds are Outstanding, good right and lawful power to own and operate the Facilities and to fix and collect the Pledged Revenues.

**ARTICLE V  
MISCELLANEOUS**

**Section 501. Other Actions With Respect to 2019 Bonds.** The officers and employees of the University shall take all actions necessary or reasonably required to carry out, give effect to, and consummate the transactions contemplated hereby and shall take all action necessary in conformity with the Act to carry out the sale and issuance of the 2019 Bonds, including, without limitation, the execution and delivery of any closing and other documents required to be delivered in connection with the sale and delivery of the 2019 Bonds. All actions heretofore taken in connection therewith are hereby ratified, approved and confirmed. If the President of the Board or the Bursar shall be unavailable to execute the 2019 Bonds or the other documents that they are hereby authorized to execute, the same may be executed by any Vice President of the Board.

**Section 502. Partial Invalidity.** If any one or more of the covenants or agreements, or portions thereof, provided in the Resolution or this Supplemental Resolution, should be contrary to law, such covenant or covenants, such agreement or agreements, or such portions thereof shall be null and void and shall be deemed separable from the remaining covenants and agreements or portions thereof and shall in no way affect the validity of the Resolution, this Supplemental Resolution or the 2019 Bonds, but the holders of the 2019 Bonds shall retain all the rights and benefits accorded to them under the Act or any other applicable provisions of law.

**Section 503. Conflicting Resolutions.** All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed.

*[The remainder of this page has been left blank intentionally;*

ADOPTED AND APPROVED this \_\_\_\_ day of \_\_\_\_\_, 2019.

BOARD OF TRUSTEES OF IDAHO STATE  
UNIVERSITY

\_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary

**EXHIBIT A**  
**FORM OF BOND PURCHASE AGREEMENT**

**EXHIBIT B**

**FORM OF CONTINUING DISCLOSURE UNDERTAKING**

**EXHIBIT C**  
**FORM OF DELEGATION CERTIFICATE**

**EXHIBIT D**  
**[FORM OF 2019 BONDS]**

R- \$ \_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF IDAHO

IDAHO STATE UNIVERSITY

GENERAL REVENUE BONDS, SERIES 2019

INTEREST RATE:	MATURITY DATE	DATED DATE:	CUSIP:
		___/___/2019	451470___

Registered Owner: CEDE & CO.

Principal Amount: \_\_\_\_\_ DOLLARS

KNOW ALL MEN BY THESE PRESENTS that Idaho State University, a body politic and corporate and an institution of higher education of the State of Idaho (the "University"), for value received, hereby promises to pay, from the Bond Fund hereinafter defined, to the registered owner identified above, or registered assigns, on the maturity date specified above, the principal sum indicated above, and to pay interest thereon from the Bond Fund from the dated date hereof, or the most recent date to which interest has been paid or duly provided for, at the rate per annum specified above, payable on April 1, 2020, and semiannually on each April first and October first thereafter, until the date of maturity or prior redemption of this 2019 Bond, whichever occurs first. Interest shall be calculated on the basis of a 360-day year and twelve 30-day months.

Both principal of and interest on this 2019 Bond are payable in lawful money of the United States of America to the registered owner hereof whose name and address shall appear on the registration books of the University (the "Bond Register") maintained by the Corporate Trust Department of U.S. Bank National Association (the "Trustee"), in St. Paul, Minnesota. Interest shall be paid to the registered owner whose name appears on the Bond Register on the fifteenth day of the calendar month next preceding the interest payment date, at the address appearing on the Bond Register, and shall be paid by check or draft of the Trustee mailed to such registered owner on the due date at the address appearing on the Bond Register or at such other address as may be furnished in writing by such registered owner to the Trustee. Principal shall be paid to the registered owner upon presentation and surrender of this 2019 Bond at the principal corporate trust office of the Trustee on or after the date of maturity or prior redemption.



This 2019 Bond is one of a duly authorized issue of General Revenue Bonds, Series 2019 (the “2019 Bonds”) of like date, tenor, and effect, except for variations required to state numbers, denominations, rates of interest, and dates of maturity, aggregating \$\_\_\_\_\_ in principal amount. The 2019 Bonds are issued pursuant to and in full compliance with the Constitution and statutes of the State of Idaho, particularly chapter 38 of Title 33, Idaho Code, and proceedings duly adopted and authorized by the Board on behalf of the University, more particularly the Resolution adopted by the Board on September 17, 1992, as previously amended and supplemented, and from time to time restated, and as supplemented by Supplemental Resolution adopted by the Board on \_\_\_\_\_, 2019, authorizing the issuance of the 2019 Bonds (collectively, the “Bond Resolution”).

The 2019 Bonds are issued for the purpose of providing funds with which to finance (i) certain improvements to the University’s housing facilities; (ii) certain improvements to Davis Field at the University’s Pocatello campus; (iii) construction of a parking lot on the University’s Meridian campus; (iv) acquisition of land at the University’s Meridian campus; (v) pay-off of certain outstanding indebtedness related to the construction and acquisition of the L.E. and Thelma E. Stephens Performing Arts Center in Pocatello, Idaho; and (vi) costs of issuing the 2019 Bonds. The principal of, interest on, and redemption price of the 2019 Bonds is payable solely from the revenues and funds of the University pledged therefor and consisting generally of the University’s Matriculation Fee, Student Facilities Fee/Facilities, Net Revenues of the Housing System and certain other fees and revenues, as more particularly set forth in the Bond Resolution.

This 2019 Bond is an obligation of the University payable solely in accordance with the terms hereof and is not an obligation, general, special, or otherwise of the State of Idaho, does not constitute a debt, legal, moral, or otherwise, of the State of Idaho, and is not enforceable against the State, nor shall payment hereof be enforceable out of any funds of the University other than the revenues, fees, and charges pledged thereto in the Bond Resolution. Pursuant to the Bond Resolution, sufficient revenues have been pledged and will be set aside into the Bond Fund (as defined in the Bond Resolution) to provide for the prompt payment of the principal of, interest on, and redemption price of the 2019 Bonds of which this 2019 Bond is a part. For a more particular description of the Bond Fund, the revenues to be deposited therein, and the nature and extent of the security afforded thereby, reference is made to the provisions of the Bond Resolution.

*[insert final redemption provisions]*

The 2019 Bonds are initially issued in the form of a separate single certificated fully registered bond for each maturity, and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”).

Unless this 2019 Bond is presented by an authorized representative of DTC to the University or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE,

OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

The 2019 Bonds shall not be transferable or exchangeable except as set forth in the Bond Resolution.

Reference is hereby made to the Bond Resolution for the covenants and declarations of the University and other terms and conditions under which this 2019 Bond and the bonds of this issue have been issued. The covenants contained herein and in the Bond Resolution may be discharged by making provisions at any time for the payment of the principal of and interest on this 2019 Bond in the manner provided in the Bond Resolution.

This 2019 Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication hereon shall have been manually signed by the Trustee.

IT IS HEREBY CERTIFIED AND DECLARED that all acts, conditions, and things required by the Constitution and statutes of the State of Idaho to exist, to have happened, been done, and performed precedent to and in the issuance of this 2019 Bond have happened, been done, and performed, and that the issuance of this 2019 Bond and the bonds of this issue does not violate any constitutional, statutory, or other limitation upon the amount of bonded indebtedness that the University may incur.

IN WITNESS WHEREOF, the Board of Trustees of Idaho State University (the "Board"), has caused this 2019 Bond to be executed by the manual or facsimile signature of the President of the Board and of the Bursar of the University and attested by the manual or facsimile signature of the Secretary of the Board, and a facsimile or original of the official seal of the University to be imprinted hereon, as of this \_\_\_ day of \_\_\_, 2019.

IDAHO STATE UNIVERSITY

\_\_\_\_\_  
President of the Board of Trustees  
of Idaho State University

COUNTERSIGNED:

\_\_\_\_\_  
Bursar

ATTEST:

\_\_\_\_\_  
Secretary of the Board of Trustees  
of Idaho State University  
(SEAL)

\* \* \* \* \*

CERTIFICATE OF AUTHENTICATION

Date of Authentication: \_\_\_\_\_

This 2019 Bond is one of the General Revenue Bonds, Series 2019, of Idaho State University, described in the within-mentioned Bond Resolution.

U.S. BANK NATIONAL ASSOCIATION,  
as Trustee

By: \_\_\_\_\_  
Authorized Signature

\* \* \* \* \*

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

Name of Transferee: \_\_\_\_\_

Address: \_\_\_\_\_

Tax Identification No.: \_\_\_\_\_

the within 2019 Bond and hereby irrevocably constitutes and appoints \_\_\_\_\_

of \_\_\_\_\_

to transfer said 2019 Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Registered Owner

NOTE: The signature on this Assignment must correspond with the name of the registered owner as it appears upon the face of the within 2019 Bond in every particular, without alteration or enlargement or any change whatever.

SIGNATURE GUARANTEED:

\_\_\_\_\_  
Bank, Trust Company or Member  
Firm of the New York Stock Exchange

\_\_\_\_\_  
Authorized Officer

NOTICE: Signature(s) must be guaranteed by an "eligible guarantor institution" that is a member of or a participant in a "signature guarantee program" (e.g., the Securities Transfer Agents Medallion Program, the Stock Exchange Medallion Program or the New York Stock Exchange, Inc. Medallion Signature Program).

## PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER \_\_, 2019

New Issue—Book Entry Only

MOODY'S RATING: \_\_\_\_

*In the opinion of Hawley Troxell Ennis & Hawley LLP, Bond Counsel, assuming continuous compliance with certain covenants described herein: (i) interest on the 2019 Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the 2019 Bonds (the "Tax Code"); (ii) interest on the 2019 Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code; and (iii) interest on the 2019 Bonds is excluded from gross income for purposes of income taxation by the State of Idaho. See "TAX MATTERS—2019 Bonds."*



\$ \_\_\_\_\_ \*

**IDAHO STATE UNIVERSITY**  
**GENERAL REVENUE BONDS, SERIES 2019**

**Dated: Date of Delivery****Due: April 1, as shown on the inside cover**

The above captioned Idaho State University General Revenue Bonds, Series 2019 in the aggregate principal amount of \$ \_\_\_\_\_\* (the "2019 Bonds"), will be issued by Idaho State University (the "University") pursuant to a Master Resolution adopted by the Board of Trustees of the University on September 17, 1992, as supplemented and amended, including a Supplemental Resolution adopted on October \_\_, 2019 (collectively the "Resolution").

The proceeds of the 2019 Bonds will be used to (i) refinance a promissory note issued by the Idaho State University Foundation, Inc., to finance the L. E. and Thelma E. Stephens Performing Arts Center; (ii) finance certain improvements to the University's housing facilities; (iii) finance certain improvements to Davis Field; (iv) finance construction of a parking lot on the University's Meridian campus; (v) finance the acquisition of two parcels of land at the University's Meridian campus; and (vi) pay costs of issuing the 2019 Bonds. The 2019 Bonds are initially issuable in book-entry form only through The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the 2019 Bonds. Interest on the 2019 Bonds is payable on each October 1 and April 1, commencing April 1, 2020. The 2019 Bonds are subject to optional [and mandatory sinking fund] redemption as described herein. The 2019 Bonds are payable solely from and secured solely by the Pledged Revenues, which include certain student fees, known as the Student Facilities Fee/Facilities and the Tuition Fee, plus Revenues of the Housing System and CAES Base Rent (each as deferred in the Resolution), and certain other revenues. See "SECURITY FOR THE 2019 BONDS" herein.

THE 2019 BONDS SHALL BE EXCLUSIVELY OBLIGATIONS OF THE UNIVERSITY, PAYABLE ONLY IN ACCORDANCE WITH THE TERMS THEREOF, AND SHALL NOT BE OBLIGATIONS, GENERAL, SPECIAL OR OTHERWISE, OF THE STATE OF IDAHO. THE 2019 BONDS SHALL NOT CONSTITUTE A DEBT—LEGAL, MORAL OR OTHERWISE—OF THE STATE OF IDAHO, AND SHALL NOT BE ENFORCEABLE AGAINST THE STATE, NOR SHALL PAYMENT THEREOF BE ENFORCEABLE OUT OF ANY FUNDS OF THE UNIVERSITY OTHER THAN THE INCOME AND REVENUES PLEDGED AND ASSIGNED TO, OR IN TRUST FOR THE BENEFIT OF, THE REGISTERED OWNERS OF THE 2019 BONDS. THE UNIVERSITY IS NOT AUTHORIZED TO LEVY OR COLLECT ANY TAXES OR ASSESSMENTS, OTHER THAN THE PLEDGED REVENUES DESCRIBED HEREIN, TO PAY THE 2019 BONDS. THE UNIVERSITY HAS NO TAXING POWER.

\_\_\_\_\_  
**See Inside Cover for Maturity Schedule**  
\_\_\_\_\_

The 2019 Bonds are offered when, as and if issued and received by the Underwriter (hereinafter defined), subject to the approval of legality by Hawley Troxell Ennis & Hawley LLP, bond counsel, and certain other conditions. Certain matters will be passed on for the University by its Office of General Counsel, and for the Underwriter by its legal counsel, Kutak Rock LLP, and by Hawley Troxell Ennis & Hawley LLP, in its capacity as disclosure counsel to the University. It is expected that the 2019 Bonds will be available for delivery through the facilities of DTC on or about November \_\_, 2019. This coverage page contains certain information for quick reference only. It is not a summary. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

**PiperJaffray**<sup>™</sup>

\_\_\_\_\_  
\* Preliminary, subject to change.

**BAHR - SECTION II****TAB 1 Page 1**

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This Preliminary Official Statement and the information contained herein are subject to completion, amendment or other change without any notice. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

IDAHO STATE UNIVERSITY

\$ \_\_\_\_\_ \*

GENERAL REVENUE BONDS,  
SERIES 2019

<u>DUE APRIL 1</u>	<u>PRINCIPAL AMOUNT</u>	<u>INTEREST RATE</u>	<u>YIELD</u>	<u>CUSIP No.</u> ** <u>451470</u>
	\$	%	%	
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
2029				
2030				
2031				
2032				
2033				
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2039				
2040				
2041				
2042				
2043				
2044				
2045				
2046				
2047				
2048				
2049				

\* Preliminary, subject to change.

\*\* The CUSIP data herein is provided by CUSIP Global Services, managed on behalf of the American Banker Association by S&P Global Market Intelligence. The CUSIP numbers are not intended to create a data base and do not serve in any way as a substitute for CUSIP service. CUSIP numbers have been assigned by an independent company not affiliated with the University and are provided solely for convenience of reference. The CUSIP numbers for a specific maturity are subject to change after the issuance of the 2019 Bonds. The University and the Underwriter are not responsible for the accuracy of the CUSIP numbers.

**THE IDAHO STATE BOARD OF EDUCATION**

**AND BOARD OF TRUSTEES OF IDAHO STATE UNIVERSITY**

Debbie Critchfield, President  
Andrew Scoggin, Secretary  
[Don Soltman]  
[Richard Westerberg]

David Hill, Vice President  
Emma Atchley  
Sherri Ybarra  
Linda Clark

Matt Freeman—Executive Director

**UNIVERSITY OFFICIALS**

Kevin Satterlee—President

Laura Woodworth-Ney—Vice President and  
Provost

Dani Dunstan—Chief of Staff

Glen R. Nelson – Vice President for Finance &  
Business Affairs

Lyn Redington— Vice President for  
Student Affairs & Enrollment Management

Kent Tingey —Vice President for  
University Advancement

Joanne Hirase-Stacey—General Counsel  
and Chief Compliance Officer

Rex Force – Vice President for  
Health Sciences

Scott Snyder – Interim Vice President for  
Research

**UNDERWRITER**

Piper Jaffray & Co.  
101 S. Capitol Blvd.  
Boise, ID 83702  
(208) 344-8561

**BOND AND DISCLOSURE COUNSEL**

Hawley Troxell Ennis & Hawley LLP  
877 Main Street, Suite 1000  
Boise, Idaho 83701-1617  
Phone: (208) 344-6000

**TRUSTEE, PAYING AND ESCROW AGENT**

U.S. Bank National Association  
170 S. Main St., Suite 200  
Salt Lake City, UT 84101  
(801) 534-6051

**MUNICIPAL ADVISOR**

Zions Public Finance, Inc.  
800 W. Main St., suite 700  
Boise, ID 83702  
(208) 501-7533

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APPENDIX B – Schedule of Student Fees

APPENDIX C – Glossary of Terms Used in the Resolution and Official Statement

APPENDIX D – Summary of Certain Provisions of the Resolution

APPENDIX E – Proposed Form of Continuing Disclosure Undertaking

APPENDIX F – Proposed Form of Opinion of Bond Counsel

APPENDIX G – Book Entry Only System

**GENERAL INFORMATION**

No dealer, broker, salesperson or other person has been authorized by the Board (as hereafter defined), the University or Piper Jaffray & Co. (the “Underwriter”) to give any information or to make any representations with respect to the 2019 Bonds, other than as contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the Board, the University or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy the 2019 Bonds, nor shall there be any sale of the 2019 Bonds by any person, in any jurisdiction in which it is unlawful for such persons to make such offer, solicitation or sale.

The information set forth herein has been furnished by the University, the Board, DTC and certain other sources that the University believes to be reliable, but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Underwriter. The information and expressions of opinion contained herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the University or any other person or entity discussed herein since the date hereof.

In connection with this offering, the Underwriter may over-allot or effect transactions that stabilize or maintain the market price of the 2019 Bonds at levels above that which might otherwise prevail in the open market. Such stabilization, if commenced, may be discontinued at any time.

The Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

The Municipal Advisor has provided the following sentence for inclusion in this Official Statement. The Municipal Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Municipal Advisor does not guarantee the accuracy or completeness of such information.

THE SECURITIES OFFERED HEREBY HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

This Official Statement contains “forward-looking statements” that are based upon the University’s current expectations and its projections about future events. When used in this Official Statement, the words “project,” “estimate,” “intend,” “expect,” “scheduled,” “pro forma” and similar words identify forward-looking statements. Forward-looking statements are subject to known and unknown risks, uncertainties and factors that are outside of the control of the University. Actual results could differ materially from those contemplated by the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. The University has no plans to issue any updates or revise these forward-looking statements based on future events.

The Preliminary Official Statement has been “deemed final” by the University, pursuant to Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, except for information which is permitted to be excluded from this Preliminary Official Statement under Rule 15c2-12.

The information available at websites referenced in this Official Statement, including the University’s website, has not been reviewed for accuracy and completeness. Such information has not been provided in connection with the offering of the 2019 Bonds and is not a part of this Official Statement.

**PRELIMINARY OFFICIAL STATEMENT**  
**IDAHO STATE UNIVERSITY**  
 \$ \_\_\_\_\_ \*  
**GENERAL REVENUE BONDS,**  
**SERIES 2019**

**INTRODUCTION**

GENERAL

This Official Statement, including the cover page, the inside cover page and the information contained in the Appendices hereto, is furnished in connection with the offering of the \$ \_\_\_\_\_ \* Idaho State University General Revenue Bonds, Series 2019 (the “2019 Bonds”).

The descriptions and summaries of various documents hereinafter set forth do not purport to be comprehensive or definitive, and reference should be made to each document for the complete details of all terms and conditions. All statements herein are qualified in their entirety by reference to each document. The Appendices are integral parts of this Official Statement and should be read in their entirety.

Capitalized terms used but not defined herein shall have the meanings assigned to such terms in “APPENDIX C–GLOSSARY OF TERMS USED IN THE RESOLUTION AND OFFICIAL STATEMENT.”

IDAHO STATE UNIVERSITY

Idaho State University (the “*University*”) is a publicly supported, multi-disciplinary institution of higher education located in Pocatello, Idaho. It has served the citizens of the State of Idaho (the “*State*”) since 1901, when it was first established as the Academy of Idaho. It was renamed the Idaho Technical Institute in 1915 and reorganized as the Southern Branch of the University of Idaho in 1927. It became Idaho State College in 1947, and was established as Idaho State University in 1963. The University is governed by the State Board of Education, whose members serve as the Board of Trustees for the University (the “*Board*”). In addition to the University Place campus in Idaho Falls, the University operates a campus focused on medical education in Meridian and an outreach center in Twin Falls.

AUTHORIZATION FOR AND PURPOSE OF THE 2019 BONDS

The 2019 Bonds are being issued pursuant to and in compliance with Constitution of the State of Idaho and Title 33, Chapter 38, Idaho Code, as amended, and a resolution adopted by the Board on September 17, 1992, as previously supplemented and amended (the “*Master Resolution*”), and as further supplemented by a resolution adopted by the Board on October \_\_\_\_, 2019 authorizing the issuance of the 2019 Bonds (the “*2019 Supplemental Resolution*” and collectively with the Master Resolution, the “*Resolution*”).

Pursuant to the Master Resolution, the Board has previously authorized the issuance of various series of General Revenue Bonds (the “*Outstanding Bonds*”), which as of June 30, 2019, were outstanding in the principal amount of \$30,360,000.00.\*\* The 2019 Bonds, the Outstanding Bonds, and any Additional Bonds hereafter issued under the Resolution are referred to herein as the “*Bonds*.” See “DEBT SERVICE REQUIREMENTS” and “FINANCIAL INFORMATION REGARDING THE UNIVERSITY–Outstanding Debt.”

The proceeds of the 2019 Bonds will be used to (i) refinance a promissory note issued by the Idaho State University Foundation, Inc. (the “*Foundation*”) to finance the L. E. and Thelma E. Stephens Performing Arts Center (the “*Stephens Performing Arts Center*”) and complete the University’s acquisition thereof (the “*Foundation Project*”); (ii) finance certain improvements to the University’s housing facilities (the “*Housing Project*”); (iii) finance certain improvements to Davis Field (the “*Davis Field Project*”); (iv) finance the acquisition of land and construction of a parking lot on the University’s Meridian campus (the “*Parking Project*”); (v) finance acquisition of two parcels of land at the University’s Meridian campus (the “*Land Acquisition*” and collectively with the Foundation Project, the Housing Project,

\* Preliminary, subject to change.

\*\* unaudited

the Davis Field Project and the Parking Project, the “Series 2019 Project”); and (vi) pay costs of issuing the 2019 Bonds. The 2019 Bonds are initially issuable in book-entry form only through The Depository Trust Company, New York, New York (“DTC”), which will act as securities depository for the 2019 Bonds. Interest on the 2019 Bonds is payable on each October 1 and April 1, commencing April 1, 2020. The 2019 Bonds are subject to optional [and mandatory sinking fund] redemption as described herein. The 2019 Bonds are payable solely from and secured solely by the Pledged Revenues, which include certain student fees, known as the Student Facilities Fee/Facilities, the Tuition Fee, plus Revenues of the housing system and rent received (the “CAES Base Rent”) through a lease of a portion of the Idaho Falls Center for Higher Education Campus to Battelle Energy Alliance, LLC, and certain other revenues. See “SECURITY FOR THE 2019 BONDS” herein.

**SECURITY FOR THE 2019 BONDS**

Prior to adoption of the 2019 Supplemental Resolution, Pledged Revenues included: (i) the Student Facilities Fee/Facilities; (ii) the Tuition Fee; (iii) revenues of the housing system and CAES Base Rent; (iv) other revenues of other University enterprises or sources of funds as shall be designated by the Board; (v) any investment income derived from the Revenue Fund and the Bond Fund; and (vi) proceeds from the sale of a series of Bonds and money and investment earnings thereon. In connection with the issuance of the 2019 Bonds, the 2019 Supplemental Resolution includes amendments to the Resolution to add other University revenues to Pledged Revenues. See “SECURITY FOR THE 2019 BONDS” for a description of Pledged Revenues following amendment to the Resolution. Pledged Revenues do not include State appropriations and other restricted revenues, which by law cannot be pledged.

Under the Resolution, the University has covenanted to establish and maintain Pledged Revenues sufficient, together with other revenues available or to be available in the Debt Service Account to pay Debt Service for the Fiscal Year, to produce Revenues Available for Debt Service (as defined in the below) in each Fiscal Year equal to not less than 110% of Debt Service on the Bonds Outstanding for each such Fiscal Year. See “SECURITY FOR THE 2019 BONDS–Rate Covenant and SECURITY FOR THE 2019 BONDS–Additional Bonds.”

The University has reserved the right in the Resolution to issue Additional Bonds payable from and secured by the Pledged Revenues on parity with the 2019 Bonds, and its other parity Outstanding Bonds, subject to the satisfaction of certain conditions contained in the Resolution. See “SECURITY FOR THE 2019 BONDS–Additional Bonds.”

**TAX MATTERS**

In the opinion of Bond Counsel, assuming continuous compliance with certain covenants described herein: (i) interest on the 2019 Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the 2019 Bonds (the “Tax Code”); (ii) interest on the 2019 Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code; and (iii) interest on the 2019 Bonds is excluded from gross income for purposes of income taxation by the State of Idaho. See “TAX MATTERS–2019 Bonds.”

**THE 2019 BONDS**

**DESCRIPTION OF THE 2019 BONDS**

The 2019 Bonds will be dated their date of original issuance and delivery and will mature on April 1 of the years and in the amounts as set forth on the inside cover page of this Official Statement.

The 2019 Bonds shall bear interest from their date at the rates set forth on the inside cover page of this Official Statement. Interest on the 2019 Bonds is payable on April 1 and October 1 of each year, beginning April 1, 2020. Interest on the 2019 Bonds shall be computed on the basis of a 360-day year of twelve 30-day months. The U.S. Bank National Association is the trustee and paying agent for the 2019 Bonds (the “Trustee”).

The 2019 Bonds will be issued as fully-registered bonds, initially in book-entry form only, in denominations of \$5,000 or any integral multiple thereof.

**BOOK-ENTRY SYSTEM**

The Depository Trust Company, New York, New York (“DTC”), will act as initial securities depository for the 2019 Bonds. The ownership of one fully registered 2019 Bond for each maturity as set forth on the inside cover page of this Official Statement, each in the aggregate principal amount of such maturity, will be registered in the name of Cede and Co., as nominee for DTC. For so long as the 2019 Bonds remain in a “book-entry only” transfer system, the Trustee will make payments of principal and interest only to DTC, which in turn is obligated to remit such payments to its participants for subsequent disbursement to Beneficial Owners of the 2019 Bonds. See “APPENDIX G—BOOK ENTRY ONLY SYSTEM” for additional information. *As indicated therein, certain information in Appendix G has been provided by DTC. The University and the Underwriter make no representation as to the accuracy or completeness of the information in Appendix G provided by DTC. Purchasers of the 2019 Bonds should confirm this information with DTC or its participants.*

**REDEMPTION AND OPEN MARKET PURCHASE**

*Optional Redemption.* The 2019 Bonds maturing on or after April 1, \_\_\_\_\_ are subject to redemption at the election of the University at any time on or after \_\_\_\_\_, in whole or in part, from such maturities as may be selected by the University. Such optional redemption of the 2019 Bonds shall be at a price of 100% of the principal amount of the 2019 Bonds to be so redeemed, plus accrued interest, if any, to the date fixed for redemption.

*Mandatory Sinking Fund Redemption.* The 2019 Bonds maturing on April 1, \_\_\_\_\_ are subject to mandatory sinking fund redemption prior to their stated maturity, at a price of 100% of the principal amount of the 2019 Bonds to be so redeemed, plus accrued interest, if any, to the date fixed for redemption, on April 1 of the years, and in the amounts, shown below:

<u>APRIL 1 OF THE YEAR</u>	<u>MANDATORY REDEMPTION AMOUNT</u>
*	\$

\*Stated Maturity.

*Notice of Redemption.* The Resolution requires the Trustee to give notice of any redemption of the 2019 Bonds not less than 35 days nor more than 60 days prior to the redemption date, by first-class mail, postage prepaid, addressed to the registered owners of such 2019 Bonds to be redeemed at the addresses appearing on the Bond Register kept by the Trustee.

*Selection for Redemption.* If less than all of the 2019 Bonds are called for redemption and if the 2019 Bonds shall mature on more than one date, the 2019 Bonds shall be redeemed from the 2019 Bonds in inverse order of maturities. If less than all of the 2019 Bonds maturing on any single date are called for redemption, the Trustee shall select the 2019 Bonds to be redeemed, from the 2019 Bonds maturing on that date not previously called for redemption, in such random manner as in the Trustee’s sole discretion it shall deem appropriate and fair; provided, however, that subject to other applicable provisions of the Resolution or of any Supplemental Resolution, the portion of any 2019 Bond to be redeemed shall be in a principal amount equal to a denomination in which 2019 Bonds are authorized to be issued.

*Effect of Redemption.* When called for redemption as described above, the 2019 Bonds will cease to accrue interest on the specified redemption date, provided funds for redemption are on deposit at the place of payment at that time, and such 2019 Bonds will not be deemed to be Outstanding as of such redemption date.

*Open Market Purchase.* The University has reserved the right to purchase the 2019 Bonds on the open market at a price equal to or less than par. In the event the University purchases the 2019 Bonds at a price (exclusive of accrued interest) of less than the principal amount thereof, the 2019 Bonds so purchased are to be credited at the par amount thereof against the Debt Service requirement next becoming due. In the event the University purchases term 2019 Bonds at a price (exclusive of accrued interest) of less than the principal amount thereof, the term 2019 Bonds so purchases are to be credited against the Mandatory Redemption Amounts next becoming due. All 2019 Bonds so purchased are to be cancelled.

**SECURITY FOR THE 2019 BONDS**

GENERAL

The 2019 Bonds are secured by Pledged Revenues pursuant to the Resolution on a parity with all Outstanding Bonds. Prior to adoption of the 2019 Supplemental Resolution, Pledged Revenues included: (i) the Student Facilities Fee/Facilities; (ii) the Tuition Fee; (iii) Revenues of the Housing System and CAES Base Rent; (iv) other revenues of the other University enterprises or sources of funds as shall be designated by the Board; (v) any investment income derived from the Revenue Fund and the Bond Fund; and (vi) proceeds from the sale of a series of Bonds and money and investment earnings thereon. See also “HISTORICAL PLEDGED REVENUES AND DEBT SERVICE.” Pledged Revenues do not include State appropriations and other restricted revenues, which by law cannot be pledged.

In connection with the issuance of the 2019 Bonds, the 2019 Supplemental Resolution amends the Resolution to add other University revenues to Pledged Revenues. Pledged Revenues now includes: (i) Student Fees (as defined below); (ii) Sales and Services Revenues (as defined below); (iii) [various revenues generated from miscellaneous sources, including non-auxiliary advertising, vending in non-auxiliary buildings, postage, and printing, but excluding general account appropriated funds] (the “Other Operating Revenues”); (iv) income generated on investment of moneys in all funds and accounts of the University (the “Investment Income”); (v) proceeds from the sale of a Series of Bonds and money and investment earnings thereon except as otherwise provided in the Resolution or a supplemental resolution; and (vi) such other revenues as the Board shall designate as Pledged Revenues. The various student fees and revenue sources are described below.

In conjunction with the additions to Pledged Revenues, the University is changing the definitions of the components of Pledged Revenues to match the descriptions of revenue sources in the University’s audited financial statements (the “Audit”) as provided in “APPENDIX A.” Using the revenue sources outlined in the Audit will simplify internal accounting of Pledged Revenues.

The effect of the amendment of the definition of Pledged Revenues under the Resolution is to pledge all revenues of the University to payment of debt service on the Bonds except (i) general account appropriated funds of the State of Idaho (the “State”), which by law cannot be pledged; and (ii) restricted gift and grant revenues. See “APPENDIX A–UNAUDITED FINANCIAL STATEMENTS OF THE UNIVERSITY FOR THE FISCAL YEARS ENDED JUNE 30, 2019, AUDITED FINANCIAL STATEMENTS OF THE UNIVERSITY FOR THE FISCAL YEAR ENDED JUNE 30, 2018.”

## STUDENT FEES

The University assesses and collects a variety of fees from students enrolled at the University. Board approval for most of these student fees is required, but the Board has delegated approval of certain student fees to the University President. The Board may assess fees at any time during the year, and has authority to establish the fees unilaterally, without review or approval by the students, the State, or any other governmental or regulatory body. In practice, however, the Board sets Board-approved student fees annually. Prior to the Board meeting at which fees are set, public hearings concerning the fees are held and student participation is actively solicited. Board-approved “Student Fees” include (i) the Tuition Fee; (ii) Student Facilities Fees; (iii) Campus Technology and Dedicated Activities Fees; (iv) Graduate Fees, and (v) Non-Resident Tuition as further described below. For the academic year 2019-2020, total Board-approved Student Fees per full-time undergraduate student per semester were \$3,936 for Idaho residents and \$8,148 for non-resident students. For the 2018-2019 academic year, such Student Fees were, respectively, \$3,710 and \$11,470 per semester.

*Tuition Fee.* The Tuition Fee is an existing fee charged to full-time and part-time students attending the University and is pledged under the Resolution. The Tuition Fee was previously referred to (including in the Resolution) as the Matriculation Fee. This fee is used to provide general operating revenues for the University. For the 2018-19 academic year, the Tuition fee was \$ 2,822.50 per semester for each full-time student and \$318.89 per semester-hour for part-time and summer-session students. The Tuition Fee for the 2019-2020 academic year is \$2,964.02 per semester for each full-time student and \$335.03 per semester-hour for part-time and summer-session students. The University received \$49,615,000 in Revenues from Tuition in the Fiscal Year ended June 30, 2018, and \$49,576,805\* in the Fiscal Year ending June 30, 2019.

*Student Facilities Fee/Facilities.* The Student Facilities Fee/Facilities is an existing student fee charged to full-time students established by the Board and constitutes a portion of Pledged Revenues under the Resolution. For the Fiscal Years 2018 and 2019, the Student Facilities Fee/Facilities rate is \$255.00 per student, per semester for full-time students, and produced revenue of \$3,595,000 for the Fiscal Year ending June 30, 2018, and \$ 3,525,209\* for the Fiscal Year ending June 30, 2019.

*Campus Technology and Dedicated Activity Fees.* The University charges a wide variety of fees to students to support various infrastructure and activities. Currently, these fees fall into two categories: (i) the Campus Technology Fee; (ii) Dedicated Activity Fees, which include the Technology Fee and the Student Support System Fee; and (iii) Activity Fees, which include 18 fees assessed to support various programs and activities. The revenues derived from the Campus Technology Fee and Dedicated Activity Fees for Fiscal Year 2018 and 2019 were 10,551,344 and \$10,431,167\*, respectively.

*Graduate Fees.* The University’s Graduate Fees are charged to students pursuing graduate level degrees. The revenues derived from the Graduate Fees for Fiscal Year 2018 and 2019 were \$2,288,040 and \$2,580,489\* respectively.

*Non-Resident Tuition.* Non-Residents are charged additional fees, which result in revenues for Fiscal Year 2018 and 2019 of \$20,994,262 and \$19,557,244\*, respectively.

Student Fees also include a variety of other charges for services and course fees for which the authority to approve has been delegated by the Board to the University President. Fees for services include admission, orientation and testing fees, as well as late fees. Course fees include fees for field trips, fees for supplies for specific classes and labs, and special workshop fees. Revenues generated from these other charges for Fiscal Year 2018 and 2019 were \$5,095,908 and \$4,556,424\*, respectively. See “APPENDIX B— SCHEDULE OF STUDENT FEES” for a list of Student Fees assessed for Fall 2019.

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\* Unaudited

**SALES AND SERVICES REVENUES.**

Sales and Services Revenues include revenues generated through educational activities and operations of auxiliary enterprises. The majority of the auxiliary enterprise revenues are generated through housing and student union operations; bookstore sales; ticket and event sales from the Stephens Performing Arts Center, [other facilities], parking charges; and recreation center activity charges. Sales and Services Revenues also include revenues generated incidentally to the conduct of instruction, research and public service activities, including unrestricted revenues generated by testing services provided by University labs, and sales of scientific and literary publications, and revenues from miscellaneous operations. See “THE UNIVERSITY–Certain University Facilities” for a description of the University’s major facilities from which Sales and Services Revenues are derived.

Revenues of the housing system and CAES Base Rent, both pledged under the Resolution prior to the amendments to Pledged Revenues made in the 2019 Supplemental Resolution, are included in Sales and Services Revenues.

Sales and Services Revenues for Fiscal Year 2018 and 2019 were \$18,991,258 and \$20,709,783\*, respectively. SEE “APPENDIX A– UNAUDITED FINANCIAL STATEMENTS OF THE UNIVERSITY FOR THE FISCAL YEARS ENDED JUNE 30, 2019, AUDITED FINANCIAL STATEMENTS OF THE UNIVERSITY FOR THE FISCAL YEAR ENDED JUNE 30, 2018.”

**OTHER OPERATING REVENUES.**

The University receives other miscellaneous revenues in the course of its operations. Examples of Other Operating Revenues include revenues generated through certain non-auxiliary advertising, vending machines in non-auxiliary facilities, and postage and printing services. In Fiscal Year 2018 and Fiscal Year 2019, the University generated Other Operating Revenues of \$4,556,937 and \$4,712,646\*, respectively. SEE “APPENDIX A– UNAUDITED FINANCIAL STATEMENTS OF THE UNIVERSITY FOR THE FISCAL YEARS ENDED JUNE 30, 2019, AUDITED FINANCIAL STATEMENTS OF THE UNIVERSITY FOR THE FISCAL YEAR ENDED JUNE 30, 2018.”

**INVESTMENT INCOME.**

Investment Income included in Pledged Revenues includes all unrestricted investment income. For Fiscal Year 2018 and Fiscal Year 2019, Investment Income included in Pledged Revenues was \$234,814 and \$908,464\*, respectively. See “APPENDIX A– UNAUDITED FINANCIAL STATEMENTS OF THE UNIVERSITY FOR THE FISCAL YEARS ENDED JUNE 30, 2019, AUDITED FINANCIAL STATEMENTS OF THE UNIVERSITY FOR THE FISCAL YEAR ENDED JUNE 30, 2018.”

**LIMITED OBLIGATION**

The 2019 Bonds are limited obligations of the University and do not constitute a debt or liability of the State of Idaho, its Legislature, or any of its political subdivisions or agencies other than the University and then only to the extent herein described. The University is not authorized to levy or collect any taxes or assessments other than the revenues and fees described herein to pay the 2019 Bonds and the Outstanding Bonds. The University has no taxing power.

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\* Unaudited



**HISTORICAL REVENUES AVAILABLE FOR DEBT SERVICE**

The following table shows the Pledged Revenues and the Revenues Available for Debt Service for Fiscal Years 2015 through 2019. Revenues Available for Debt Service includes Student Fees, Other Operating Revenues, Investment Income, proceeds from the sale of a series of Bonds and moneys and investment earnings thereon except as otherwise provided in the Resolution or a Supplemental Resolution, and such other revenues of University enterprises or sources of funds as shall be designated by the Board as Pledged Revenues, along with Sales and Services Revenues less operations and maintenance expenses of any University enterprises the revenues of which have been included in Pledged Revenues by virtue as Sales and Services Revenues. As described under “DEBT SERVICE REQUIREMENTS,” the University estimates that the maximum annual debt service on the Bonds upon the issuance of the 2019 Bond will be approximately \$ \_\_\_\_\_.\*

**Historical Revenues Available for Debt Service**

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019*</b>
Student Fees	\$56,818,086	\$56,776,956	\$53,887,778	\$53,210,000	\$53,102,014
Sales and Services Revenues	7,145,036	7,263,937	6,939,041	7,402,104	8,178,031
Other Operating Income	0	0	0	0	0
Investment Income	0	0	0	0	0
<b><u>TOTAL PLEDGED REVENUES</u></b>	\$63,963,122	\$64,040,893	\$60,826,819	\$60,612,104	\$61,280,045
Less Operation and Maintenance Expenses	(7,421,984)	(8,168,344)	(7,868,813)	(7,172,123)	(8,644,612)
Revenues Available for Debt Service	\$56,541,138	\$55,872,549	\$52,958,006	\$53,439,981	\$52,635,433

\* Unaudited.

**FLOW OF FUNDS**

The Resolution creates the Revenue Fund, which is held by the University. All Pledged Revenues are required to be deposited in the Revenue Fund. At least five days before each Payment Date, money in the Revenue Fund is required to be transferred to the Debt Service Account held by the Trustee, for payment of interest, principal, and redemption premium, if any, coming due on the Bonds.

Amounts remaining in the Revenue Fund may be applied, free and clear of the lien of the Resolution, for any lawful purpose of the University, as provided in the Resolution. The University has historically used, and intends to continue to use, any excess money in the Revenue Fund primarily to pay for operation and maintenance expenses and capital improvements.

**RATE COVENANT**

Under the Resolution, the University has covenanted to establish and maintain Pledged Revenues sufficient, together with other revenues available or to be available in the Debt Service Account to pay Debt Service for the Fiscal Year, to produce Revenues Available for Debt Service in each Fiscal Year equal to not less than 110% of Debt Service on the Bonds Outstanding for each such Fiscal Year.

\* Preliminary, subject to change

**ADDITIONAL BONDS**

The Resolution currently provides that Additional Bonds (such as the 2019 Bonds) secured by Pledged Revenues may be issued by the University upon the satisfaction of various conditions specified therein. The amount of Additional Bonds that may be issued is not limited by law.

The Resolution provides for the issuance of Additional Bonds to finance projects (as defined in the Resolution) or to refund the Bonds or Additional Bonds issued under the Resolution upon satisfaction of certain conditions.

In connection with the issuance of Additional Bonds to finance Projects (as defined in the Resolution), the University is required to file, among other things, the following documents with the Trustee:

1. a copy of the Supplemental Resolution authorizing such Additional Bonds;
2. a certificate of the University to the effect that, upon the delivery of the Additional Bonds, the University will not be in default in the performance of any of the covenants, conditions, agreements, terms or provisions of the Resolution or any of the Outstanding Bonds;
3. a Written Certificate of the University signed by an Authorized Officer of the University, setting forth the then estimated completion date and the then estimated cost of construction of the Project(s), if any, being financed by the Additional Bonds; and
4. either (a) an Accountant's Certificate which demonstrates that, for any twelve-month period in the preceding twenty-four months, Revenues Available for Debt Service shall have equaled at least 110% of the Maximum Annual Debt Service for all Bonds then Outstanding and any Additional Bonds proposed to be issued; or (b) a Written Certificate of the University showing that Estimated Revenues Available for Debt Service (assuming completion of the proposed Project on its then estimated Completion Date) will equal at least 110% of the Maximum Annual Debt Service on all Bonds then Outstanding and the Additional Bonds proposed to be issued for (i) each of the Fiscal Years of the University during which any of the Bonds will be Outstanding following the estimated completion date of the Project being financed by the Additional Bonds, if interest during construction of the Project being financed by the Additional Bonds is capitalized; or (ii) the University's current Fiscal Year and any succeeding Fiscal Year during which any of the Bonds will be Outstanding, if interest during construction of the Project being financed by the Additional Bonds is not capitalized.

In addition to Additional Bonds issued to finance Projects as described above, the University may issue Additional Bonds for the purpose of refunding any Outstanding Bonds, provided that the Debt Service in each year on the refunding bonds does not exceed by more than \$25,000 the Debt Service on the Bonds to be refunded.

The University will satisfy the requirements of the Resolution for issuance of Additional Bonds for the 2019 Bonds prior to closing.

**NO DEBT SERVICE RESERVE**

There is no debt service reserve requirement with respect to the 2019 Bonds or the Outstanding Bonds.

**SERIES 2019 PROJECT**

**FOUNDATION PROJECT**

Approximately \$3,500,000 of the 2019 Bonds will be used to refinance the remaining balance of Foundation's promissory note dated December 1, 2015, in the original principal amount of \$5,000,000 issued to Wells Fargo Bank, National Association (the "Foundation Note"), the proceeds of which refinanced the Stephens Performing Arts Center, which was originally financed by the Foundation in 2001. The Foundation Project will complete the University's acquisition of the Stephens Performing Arts Center. The Foundation Note is a general obligation of the Foundation, but secured by pledges of charitable donations that are restricted to the Stephens Performing Arts Center. In consideration for

the University refinancing the Foundation Note, the Foundation has agreed to transfer to the University the receipts from all such pledges within 30 days after receipt by the Foundation. See “THE UNIVERSITY—Certain University Facilities” for a description of the Stephens Performing Arts Center.

**HOUSING PROJECT**

The Housing Project will fund approximately \$5,000,000 capital improvements to Turner Hall, Dyer Hall, Nicholas Hall and Owen Redfield Hall to update and modernize features of these residence halls to provide a more comfortable and inviting living and studying space for students. Air conditioning will be added to the living units and common areas of Turner Hall and the common areas of Dyer, Nicholas and Owen Redfield Halls. In addition, the bathrooms in Dyer, Nicholas and Owen Redfield Halls will be redesigned to offer more privacy.

**DAVIS FIELD PROJECT**

Davis Field, constructed in 1936, is a historic venue on the University’s Pocatello Campus. The Davis Field Project, estimated in the amount of \$5,000,000 will reorient the field, add lighting, and address safety issues for both participants and spectators. The changes will allow the field to qualify for hosting NCAA and conference championships. The renovated Davis Field will be the venue for University soccer and track and field events. The renovated field will also allow for the hosting of local high school athletic events.

**LAND ACQUISITION PROJECT**

The University’s Meridian Campus is currently at its maximum occupancy of 750 students. Thus, to further its strategic plan to provide relevant health care education, the University recently purchased an additional 22 acre parcel of property for future program expansions. Parking is currently inadequate, and the University purchased an acre parcel to utilize for the construction of the Parking Project. The 2019 Bonds will reimburse the University approximately \$5,210,000 for the cost the two parcels comprising the Land Acquisition Project.

**PARKING PROJECT**

The Parking Project will add 561 parking spaces on recently acquired property on the Meridian campus. Approximately \$2,00,000 of the proceeds of the 2019 Bonds will be used to pay for the cost of making parking improvements to the parcel Parking Project.

**SOURCES AND USES OF FUNDS**

The sources and uses of funds with respect to the 2019 Bonds are estimated to be as follows:

<b>Sources of Funds</b>	
Par Amount of Bonds	\$
Original Issue Premium/Discount	
Total Sources of Funds	<u><u>\$</u></u>
<b>Uses of Funds</b>	
Project Deposit	\$
Underwriting and Costs of Issuance*	
Total Uses of Funds	<u><u>\$</u></u>

\* Includes legal, rating agency, trustee, paying agent, and municipal advisor fees and Underwriter’s discount.

DEBT SERVICE REQUIREMENTS

The following table shows the debt service requirements for the Outstanding Bonds and the 2019 Bonds.

FISCAL YEAR ENDING <u>6/30</u>	OUTSTANDING <u>BONDS</u>	<u>2019 BONDS</u>		
		<u>PRINCIPAL</u> *	<u>INTEREST</u>	<u>TOTAL</u>
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
2029				
2030				
2031				
2032				
2033				
2034				
2035				
2036				
2037				
2038				
2039				
2040				
2041				
2042				
2043				
2044				
2045				
2046				
2047				
2048				
2049				
TOTAL	\$ _____	\$ _____	\$ _____	\$ _____

\* Preliminary, subject to change.

THE UNIVERSITY

Idaho State University, a Carnegie-classified doctoral research and teaching institution founded in 1901, attracts students from around the world to its Idaho campuses. At the main campus in Pocatello and at locations in Meridian, Idaho Falls and Twin Falls, the University offers access to high-quality education and training in more than 280 programs. Approximately \_\_\_\_\_ students attend the University throughout the academic year with \_\_\_\_\_ enrolled for Fall 2019. [update with 10<sup>th</sup> day numbers] The University is housed in approximately 102 buildings on 1,280 acres in the city of Pocatello, which serves as an economic center for the southeastern part of the State.

The University serves a diverse population that includes traditional students entering the University directly from high school, non-traditional students who have delayed their university education, working professionals and senior citizens. The University provides both general education and specialized programs in the arts, humanities, sciences, the professions and technologies. Bachelors and masters degrees are awarded in a variety of fields by the Colleges of Arts and Letters, Business, Education, Science and Engineering, Technology, as well as the Graduate School and the Division of Health Professions. Terminal degrees offered include: Master of Business Administration; Master of Fine Arts; Doctor of Pharmacy; Doctor of Philosophy; Doctor of Arts; and Doctor of Education. Through its programs in pharmacy, health professions and the Family Practice Medical Residency, the University is a center for education in the health professions. The University also has the first Dental Residency Program and the first and only Dentistry Degree Program in the State.

UNIVERSITY GOVERNANCE AND ADMINISTRATION

The responsibility for overall management and determination of University policy and standards is vested in the Board of Trustees of Idaho State University (the “Board”), which also serves as the Idaho State Board of Education, the Regents of the University of Idaho in Moscow, the Board of Trustees for Boise State University in Boise, the Board of Trustees for Lewis Clark State College in Lewiston, and the State Board for Professional Technical Education and Vocational Rehabilitation. The Board also oversees K-12 education and certain aspects of the four two-year community colleges that operate under the governance of five-person elected boards in community college districts encompassing one or more counties in separate regions of the state. The Governor appoints seven of the members to the Board for five year terms. The membership, terms and occupations of the current board members are listed below. The elected State Superintendent of Public Instruction serves *ex officio* as the eighth member of the Board for a four-year term.

The State Board of Education has a full time professional staff of 33 headed by Matt Freeman, Executive Director. His appointment became effective in 2015

BOARD OF TRUSTEES OF IDAHO STATE UNIVERSITY  
AND STATE BOARD OF EDUCATION

NAME	RESIDENCE	OCCUPATION	TERM EXPIRES
Debbie Critchfield (President)	Oakley	Community Education Leader	2020
David Hill (Vice President)	Boise	Retired Deputy Director at ID National Laboratory	2022
Andrew Scoggin (Secretary)	Boise	Executive VP for Albertsons Companies	2021
Emma Atchley	Ashton	Community Leader	2020
Linda Clark	Meridian	Retired Superintendent	2020
[Don Soltman]	Twin Lakes	Retired Hospital Executive	2019
[Richard Westerberg]	Preston	Retired Officer of PacifiCorp	2019
Sherri Ybarra *	Mountain Home	Superintendent of Public Instruction	Elected

\* Ms. Ybarra was re-elected State Superintendent of Public Instruction in 2018 for a four year term ending January 1 2023.

*University Officers.* The President of the University and his staff are responsible for the operation of the University and the fulfillment of its academic mission. The President is selected by and serves at the pleasure of the Board. Members of the President’s management team are appointed by the President and serve at his pleasure. The President and his principal staff are listed below, with brief biographical information concerning each.

**Kevin D. Satterlee, President.** Mr. Satterlee was named the University's thirteenth President in 2018. Prior to serving as President, Mr. Satterlee served as Chief Operating Officer, Vice President and Special Counsel of Boise State University. Prior to his appointment as Chief Operating Officer, Mr. Satterlee served Boise State as the Vice President for Campus Operations and General Counsel from 2012-2015, as well as Vice President and General Counsel from 2011 to 2012, Associate Vice President and General Counsel from 2005 to 2011, and Associate Vice President of Planning. Mr. Satterlee also served as Chief Legal Officer for the State Board of Education, Deputy Attorney General for the State representing numerous state agencies including the Office of the Governor, and worked in private practice. Mr. Satterlee received his undergraduate degree in political science magna cum laude from the Boise State University and his Juris Doctor from the University of Idaho, also magna cum laude.

**Laura Woodworth-Ney, Executive Vice President and Provost.** Dr. Woodworth-Ney was appointed as Executive Vice President and Provost in June of 2013. She oversees all academic aspects of the University. She works with University leadership and the State Board of Education to advance campus initiatives-leading to excellence in pursuing the University's mission. She is the University Accreditation Liaison to the Northwest Commission on Colleges and University's mission. Woodworth-Ney began at the University in 1999 in the Department of History. She later served as the Chair of the Department of History, the Co-Director of Women's Studies, and the University's Associate Vice President for Academic Affairs.

**Glen R. Nelson, Vice President for Finance & Business Affairs.** Dr. Nelson was appointed as the Vice President for Finance and Business Affairs in January 2019. He has an extensive background in finance, business affairs and higher education. His experience includes positions as Senior Vice President for Finance and Administration for the Arizona Board of Regents of the Arizona University System, Associate VP for Financial Administration at the University of Wisconsin System and Assistant Vice Chancellor and Chief Budget Officer for the Oregon University System. He earned his PhD. from the University of Nebraska.

**Kent M. Tingey, Vice President for University Advancement.** Dr. Tingey was appointed to the position of Vice President for University Advancement in 1998. Dr. Tingey joined the University as Director of University Relations in 1989, after having served as Executive Assistant to U.S. Congressman Wayne Owens in Washington, D.C. Prior to that, he served as Director of Public Relations at Dixie College in St. George, Utah, and BYU-Hawaii Campus. Dr. Tingey is retiring at the end of December 2019. His replacement should be finalized and on campus by November 2019.

**Lyn Redington, Vice President of Student Affairs and Enrollment Management.** Dr. Lyn Redington serves Idaho State University as Vice President for Student Affairs and Enrollment Management. Before joining the University, Redington worked at the University of Iowa, University of Northern Iowa, the University of Arizona, Indiana University, and the University of Wisconsin – Whitewater. Redington earned her B.S., M.S. and Ph.D. from Iowa State University.

**Rex Force, Vice President for Health Sciences.** Dr. Force, who joined the University faculty in 1993, assumed his new duties July 1, 2016 after serving as the Associate Dean for Clinical Research in the Kasiska Division of Health Sciences. He also directed the Idaho Center for Health Research and the Family Medicine Clinical Research Center at the University. Force has received numerous honors and recognition for his teaching, research, clinical practice and professional service. He has been instrumental in developing the telepharmacy program with Bengal Pharmacy at the University. Force holds a Bachelor of Science degree in pharmacy from Oregon State University and a Doctor of Pharmacy degree from the University of Texas and the University of Texas Health Science Center in San Antonio.

**Scott Snyder, Interim Vice President for Research.** Dr. Snyder was the Dean of the College of Science and Engineering prior to his appointment as the Vice President for Research in January of 2019. Previously Dr. Snyder served for nearly eight years as the Chief Research Officer and Associate Vice Chancellor at the University of Nebraska Omaha and two years as a program director at the National Science Foundation. Scott earned his Ph.D. in parasitology at the University of Nebraska-Lincoln, where he also earned his B.S. in biology. His M.S., also in parasitology, comes from Wake Forest University.

***Dani Dunstan, Chief of Staff.*** Ms. Dunstan was appointed Chief of Staff in August of 2018. In this role, she is responsible for the execution of the President’s agenda and high-level priorities. Dunstan participates in institutional planning, policy development, and problem resolution. She also acts as an emissary and liaison to the campus community on behalf of the President.

***Joanne Hirase-Stacey, General Counsel and Chief Compliance Officer.*** Joanne Hirase-Stacey, JD is General Counsel, Chief Compliance Officer, and Risk Manager, as well as an adjunct professor in the College of Business. Before coming to the University, she was corporate counsel for Hoku Corporation, ON Semiconductor, and State Farm Fire & Casualty Company. Ms. Hirase-Stacey earned her Bachelor of Arts degree in Political Science and her Juris Doctor from the University of Utah.

**CAMPUS LOCATIONS**

***Pocatello Campus.*** The University’s main campus in Pocatello includes approximately 3.6 million square feet of facilities with 102 buildings on 1,280 acres. See “THE UNIVERSITY” above for more information about the Pocatello Campus.

***Meridian Campus.*** The University’s presence in the Treasure Valley began in the early 1970s with clinical pharmacy rotations at the Veteran Affairs Medical Center in Boise and the Nampa State School. Since then, the University has built a thriving 38.3 acres satellite campus with the addition of more than 32 graduate and undergraduate degrees to its academic offerings in the Treasure Valley. Most fields of study are in the health professions and sciences. New health care programs at the Meridian Campus include the Doctor of Physical Therapy, MS in Clinical Psychopharmacology, MS in Nutrition, PhD in Rehabilitative and Communication Sciences, as well as an increase in the Accelerated Nursing Program. The Land Acquisition Project and the Parking Project will help facilitate the University’s expansion plans at the Meridian Campus.

Construction of the \$32 million, privately funded Idaho College of Osteopathic Medicine (“ICOM”) building began in 2017 near the east entrance of the Meridian campus. The building was completed in time for the first entering class in the Fall of 2018. ICOM leases the land from the University through an affiliation agreement signed the Summer of 2017. This collaboration enhances existing University health science programs, as well as provides new research opportunities for University faculty, staff and students in Meridian and Pocatello.

***Idaho Falls Campus.*** The University’s campus in Idaho Falls, currently serving [REDACTED] students, offers a comprehensive general education curriculum as well as 40 complete degree programs. The Idaho Falls campus is the largest of the University’s statewide network of higher education centers. It provides upper Snake River Valley students the opportunity to complete associate, bachelor, master, and doctoral degrees in Idaho Falls.

***Twin Falls Campus.*** The University has offered courses in Twin Falls since the 1960s. As part of the University mission to serve southern Idaho residents, a center was officially established in Twin Falls in 1981 and soon after relocated to the campus of the College of Southern Idaho. As of 2018, residents of the Magic Valley are able to choose from 30 programs available to them through a hybrid of face-to-face, video conferencing and web courses, or fully online. They include associate through doctoral degrees and a variety of certification programs.

**CERTAIN UNIVERSITY FACILITIES**

***Student Housing.*** The University operates a dormitory system consisting of six traditional residence halls accommodating up to 856 students, most of whom are undergraduates. The residence halls include traditional dormitory style rooms (556 beds) and suite-style residences (300 beds, grouped in 78 3 and 4-bedroom units). The residence halls are intended primarily for freshmen and sophomores and offer a strong community atmosphere and student interaction through educational, social, and cultural programming. The University’s residency hall charges are adjusted annually to an amount deemed necessary by University officials to pay operation, maintenance and debt amortization expenses.

Meal plans are required for all freshmen and sophomores living in the residence halls. Meal plans are optional for juniors, seniors and graduate students, as well as for all students 21 years and older. Students can use their meal plan at the

Garrison-Turner Dining Hall, Rendezvous Food Court, and the Pond Student Union. The food service operations are provided through a management contract with Chartwells.

The University currently has six on-campus apartment complexes, with a total of 372 rental units (including approximately 1,323 beds in total). These apartments consist of a mix of efficiency, studio, one and two bedroom rental units. Apartments are available to non-traditional students and students who have already completed their first year at the University. Rental charges are collected monthly and continuing students are allowed to remain in the apartments during the summer term, even if the student does not attend summer sessions. Rental rates are reviewed and adjusted at the end of each Fiscal Year.

For the past five years the average occupancy rate for the residence halls is 79% and for the on-campus apartments is 93%.

All of the dormitory and apartment facilities of the University are professionally maintained and kept in a sound state of repair. The University's traditional residence style halls, Turner Hall (constructed in 1966) and the Dyer Hall, Nichols Hall, Owen Redfield Hall complex (constructed prior to 1960) were designed to build community through intentional living, learning environments on campus. However, those halls are not fully occupied due to the condition of the facilities. There has been very little updating, refreshing and renovation to these halls and current condition and amenities do not appeal to students and their families. Research has shown the condition and feel of residence halls has a significant impact on college choice. Creating a welcoming, safe and comfortable environment also leads to student success and in their retention beyond the freshman year. The Housing Project is intended to update these traditional residence halls with a modern look and feel.

*Student Unions.* The University offers student union services in three locations: The Earl R. Pond Student Union and Hypostyle (Pocatello lower campus), the Samuel H. Bennion Student Union (Idaho Falls), and Student Union facilities in the new Rendezvous Center (Pocatello mid campus). These locations serve the campus as focal points for experiential education and provide student opportunities for campus employment.

*Earl R. Pond Student Union.* The Earl R. Pond Student Union provides students with lounges, automatic teller machine, food service, bowling, billiards, movie theater, computer lab, copy service, ballroom, barber shop, bookstore, meeting rooms, guest rooms, and much more. This facility is in constant use by students, organizations, University departments, and community groups.

*Samuel H. Bennion Student Union.* The Samuel H. Bennion Student Union provides students with lounges, automatic teller machine, food service areas, computer lab, multi-purpose room, bookstore, meeting rooms, the Student Health Center, TRiO Student Services, Parking and Bengal Card Services, Counseling, Testing, Career Services, Early Learning Center, and the offices of Student Services.

*Rendezvous Center.* The Rendezvous Center on the Pocatello campus offers additional student lounging areas, automatic teller machine, food service areas, computer lab, meetings rooms, and a convenience store.

*Spectator and Recreation Facilities.* The University's spectator and recreation facilities include the following facilities, all of which are located in Pocatello, Idaho at the University's main campus.

*The Stephens Performing Arts Center.* The Stephens Performing Arts Center being refinanced with the 2019 Bonds, was completed in 2004 and is located on 16.8 acres, high on a hill on the perimeter of the campus, adjacent to Interstate 15. This 123,000 square foot facility includes a 1,200 seat concert hall, an elegant rotunda, a 446 seat thrust theatre, and a 200 seat black box theatre. The three-level concert hall, the Center's largest venue, incorporates state-of-the-art design and technology to optimize sound. The Center also includes classroom space, offices for the Department of Theatre and Dance, and a conference room.

*Holt Arena.* Occupied in 1971, Holt Arena was the first enclosed football stadium on any Idaho university campus. The arena is used for football and basketball games, indoor track meets, and various trade and garden shows, as well as championship rodeos.



**Reed Gymnasium.** Remodeled in 2002, Reed Gymnasium provides a unique and exciting venue for basketball games, volleyball, and other sporting events. A world-class climbing wall is located in the Recreation Center along with racquetball courts, a running track, weight rooms, and other sports equipment as well as an Olympic-size swimming pool. The Recreation Center was expanded in 1996. A new \$7.7 million expansion, completed in April 2010, includes weight, cardio-training and fitness areas, dance/multipurpose rooms, offices, and lobby.

**Davis Field.** Historic Davis Field provides a multi-use field and outdoor running track where the University hosts a variety of events including soccer and track tournaments and Special Olympics. This historic venue was built in 1936 as the original “Spud Bowl.” The venue has not had substantial renovations and the bleachers on the east side are unusable and have been condemned, while the bleachers on the West side continue to deteriorate. Currently the University’s track and field and women’s soccer teams utilize the facility. The University has not hosted a home track meet there since 2007 due to the scheduling needs of two sports, the deterioration of the bleachers, and the facility not meeting regulation sizing standards. Further, the University is ineligible to host Big Sky or NCAA Regional Championships in either sport, as the venue does not meet specifications. The planned renovation will provide for moving the field event out of the oval and into the venue’s south berm area. Planned lighting will extend the hours that the facility can be used by both track and soccer. These renovations will allow the University’s track & field team to host home meets. The lighted field will increase scheduling capacity for both teams, and allow soccer to play at the prime times for fan and student attendance rather than in the middle of the day. Most importantly, the renovation eliminates significant safety hazards, which place student athletes and other users at risk.

**STUDENT BODY**

The University admits all Idaho residents who graduate from accredited high schools in the State with an overall grade point average of at least 2.5, or who received a math score of at least 18 on the ACT or 490 on the SAT, an English score of at least 18 on the ACT or 500 on the SAT writing exam, and who have successfully met all Idaho Core Requirements and statewide admission standards established by the Board. Approximately 86% of the University’s Fall 2019 student body are residents of Idaho. The table below sets out certain statistics concerning the University’s enrollment for the fall terms of the years indicated. The majority of the University’s students attend its main Pocatello campus; approximately 81% of Fall 2019 enrollment, measured by head count, were located on the Pocatello campus. The remaining 19% are located on the Idaho Falls, Meridian, and Twin Falls campuses.

While the University’s main campus in southeast Idaho serves students with a wide variety of programs in many locations through a variety of traditional and technological strategies, the University provides educational services to students in communities throughout the State. Many students take courses in more than one location; for example, they might complete general education requirements with the University in the Snake River Valley or Magic Valley, before completing a program on the main campus in Pocatello. Most off-site students are traditional, full-time undergraduate students, but many are mid-career professionals seeking new skills or other educational fulfillment by taking individual courses.

The University’s Early College Program offers academic enrichment opportunities for qualified high school students. Dual or concurrent enrollment allows high school students to enroll in college level courses while continuing their high school courses and activities.

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**ENROLLMENT AND GRADUATION STATISTICS**  
(Fall Semester)

	2017	2018	2019 <sup>1</sup>
<b>ENROLLMENT</b>			
Headcount	12,643	12,387	12,200
Full Time Equivalents (FTE)	9,827	9,690	9,600
<b>UNDERGRADUATE STUDENTS</b>			
Headcount	10,688	10,416	10,300
FTE	8,241	8,074	8,000
<b>GRADUATE STUDENTS</b>			
Headcount	1,955	1,971	2,053
FTE	1,586	1,616	1,697
<b>STUDENTS FROM IDAHO</b>	8,574	8,240	8,294
<b>FIRST YEAR UNDERGRADUATES/TRANSFERS</b>			
Applied	3,259	3,271	4,521
Admitted	3,211	3,212	4,476
Enrolled	1,552	1,514	1,460
ACT Mean Score	22	22	22
SAT Mean Score	1,039	1,037	1,034
<b>DEGREES CONFERRED</b>			
Associate	405	472	428
Bachelor	1,168	1,166	1,233
Master	389	459	441
Doctorate	160	154	167
Certificate*	234	286	285

<sup>1</sup> Estimated.

\* Includes undergraduate graduate certificates and post-undergraduate certificates.

Based upon early Fall 2019 enrollment statistics, undergraduate enrollment has decreased approximately 1.4%, while graduate enrollment has increased approximately 4%. International student enrollment is down 126 students from 2018, leaving the University with a total of 355 international students. This change is related to the on-going development of agreements with partner universities abroad. First year students enrolling at the University is down 4%, or 54 students, from Fall 2018 statistics. Transfer students are down 3%, or 15 students, from Fall 2018 statistics.

The University believes there is opportunity for enrollment growth based on population growth in the State, along with many other factors. To capture this growth and improve enrollment numbers, the University has implemented ongoing enhanced recruitment, retention and student success efforts. These efforts will be evaluated for their success on an ongoing basis. Following are brief descriptions of some of the University's most important efforts in this area:

- In April 2019, Enrollment Management was moved from under the purview of Academic Affairs and placed in the Division of Student Affairs. This organizational move helps to streamline services provided to students and seamlessly connect students from initial exploration of the university through admission, orientation, advising and registration of classes. The Enrollment Management unit brings together Admissions, Advising, Financial Aid,

Registration, Records, Scholarships, Orientation and First Year Experience, as well as other services to streamline student recruitment and retention.

- Recent initiatives for the Enrollment Management unit include a three year contract with industry leader Ruffalo Noel Levitz (RNL) for their “demand builder” product, which uses data to predict which prospective recruits are more likely to enroll in the University. With this data, the University can more narrowly target which recruits to spend time developing, and can help to target, with greater precision, which students should receive print pieces. This data helps to drive a strategic communication plan. An additional contract with RNL examines our financial aid awarding practices and will provide recommendations on ways to adjust our aid packages to increase enrollment. These initiatives are on-going and will be in place for the Fall 2020 and 2021 recruiting cycles.
- On the Idaho Falls campus, the University is creating a new recruiter/transfer coordinator position that will also be the interface with the local community college, College of Eastern Idaho (CEI). Transfer students are increasingly important to the University’s strategic recruiting plan. This position will coordinate with all community colleges in the state to ensure that the University has adequate representation at each college to provide transfer students with the guidance they need to smoothly transfer from a community college to the University. The recruiter will also be focusing efforts on adult learners and non-traditional students.
- The Career Path Internship (CPI) program began as a pilot program in 2011 as a means to provide students with "real world" internships that correspond with their field of study. Through participation in this program, students are able to graduate with a degree as well as experience in their chosen field. This combination assists students in finding post-graduation employment or admission into graduate or professional programs. The program has expanded from an initial investment of \$300,000 in Fiscal Year 2011, to \$2.34 million in Fiscal Year 2019. This total includes a contribution of \$500,000 annually from the Idaho Legislature. The program has proven to be very successful for students, the hosting organizations, and the University, and since its inception, has provided over 6,500 internship opportunities. Each year, approximately 800-1000 students are placed in high-impact internship positions. Students frequently state that the CPI program was the deciding factor for why they chose to attend the University. Many other participants have expressed that their CPI internship was the defining experience during their degree, the reason that they were accepted into a graduate program, and a major factor in obtaining their first job after graduation. The University intends to continue this program's legacy of providing life-changing internship opportunities that enrich students' professional lives.
- The University Veterans Sanctuary assists veterans with program selection and course registration, GI Bill educational benefits, and the transition from military to campus life. The University has developed targeting recruiting efforts to veterans nationwide, and the University was recently awarded a Veteran’s TRIO grant to assist this population.
- The University also shares its story through various media outlets, and in 2018 launched a state-wide marketing and re-branding campaign. The marketing campaign was intended to canvass the state of Idaho. The rebranding was just launched in August 2019 with new logos. In addition to commercial advertising, the University publishes the *Idaho State University Magazine*. The University continues to grow its social media presence and it currently connects to over 42,600 alumni, students and friends through Linked In and 28,000 on Facebook.

## EMPLOYEES

As of September 6, 2019, the University had 2,088 employees, including faculty, support and professional staff. The University is not a party to any collective bargaining agreement, although there are employee associations that bring salary issues and other concerns to the attention of the University. The University considers relations with its employees to be good. There are as many as 2,000 students who work part time in various capacities for the University.

## EMPLOYEE RETIREMENT BENEFITS

All benefit eligible employees, which consist of employees who work 20 or more hours per week for five consecutive months, must enroll in one of two retirement plans—the State’s Public Employees’ Retirement System of Idaho (“*PERSI*”) or the Optional Retirement Program (“*ORP*”), which is a plan offered to faculty and non-classified staff effective 1990 and thereafter.

*PERSI*. The University’s classified employees, including its faculty hired prior to July 1, 1990, are covered under *PERSI*. Additionally, new faculty and professional staff who are vested in *PERSI* have the option of remaining in or returning to *PERSI* with written affirmation of this decision within 60 days of employment. *PERSI* is the administrator of a multiple-employer cost-sharing defined benefit public employee retirement system. A retirement board (the “*PERSI Board*”), appointed by the governor and confirmed by the State Senate, manages the system, including selecting investment managers to direct the investment, exchange and liquidation of assets in the managed accounts and establishing policy for asset allocation and other investment guidelines. The *PERSI Board* is charged with the fiduciary responsibility of administering the system.

*PERSI* is the administrator of seven fiduciary funds, including three defined benefit retirement plans, the Public Employee Retirement Fund Base Plan (“*PERSI Base Plan*”), the Firefighters’ Retirement Fund and the Judges’ Retirement Fund; two defined contribution plans, the Public Employee Retirement Fund Choice Plans 414(k) and 401(k); and two Sick Leave Insurance Reserve Trust Funds, one for State employers and one for school district employers.

*PERSI* membership is mandatory for eligible employees of participating employers. Employees must be: (i) working 20 hours per week or more; (ii) teachers working a half-time contract or greater; or (iii) persons who are elected or appointed officials. Membership is mandatory for State agency and local school district employees, and membership by contract is permitted for participating political subdivisions such as cities and counties. As of June 30, 2018, *PERSI* had 71,112 active members, 37,588 inactive members (of whom 13,133 are entitled to vested benefits), and 46,907 annuitants. In addition, there were 797 participating employers in the *PERSI Base Plan* and total membership in *PERSI* was 155,607.

The net position for all pension and other funds administered by *PERSI* increased \$1.2 billion during Fiscal Year 2018 and increased \$1.62 billion during Fiscal Year 2017. The increase in the defined benefit plans reflects the total of contributions received and an investment return less benefits paid and administrative expenses. All of the plans experienced investment gains in Fiscal Year 2018 as a result of positive market performance. Net investment income for all of the funds administered by *PERSI* for the Fiscal Years ended June 30, 2018 and 2017 was \$1.4 billion and \$1.9 billion respectively.

Based on the July 1, 2018 actuarial valuation, *PERSI*’s actuarial gain is \$186.5 million resulting in a change in funding status from an 89.6% funding ratio on July 1, 2017 to 91.2% on June 30, 2018. The funding ratio is the ratio of the actuarial value of the assets over the value of the actuarial accrued liability. The higher the funding ratio, the better the plan is funded.

Annual actuarial valuations for PERSI are provided by the private actuarial firm of Milliman, which has provided the actuarial valuations for PERSI since PERSI’s inception. As a result of the statutory requirement that the amortization period for the unfunded actuarial liability be 25 years or less, the PERSI Board, at its October 18, 2016 meeting, approved a total contribution rate increase of 1% scheduled to take effect July 1, 2018. During its October 2017 meeting, the PERSI Board voted to delay implementation of the 1.0% contribution rate increase for one year, making the new effective date July 1, 2019. During its October 2018 meeting, the PERSI Board voted to implement the 1.0% contribution rate increase effective July 1, 2019. The prior contribution rates and the current contribution rate effective as of July 1, 2019 are as follows:

**Contribution Rates**

	<u>Member</u>		<u>Employer</u>	
	<u>General/Teacher</u>	<u>Fire/Police</u>	<u>General/Teacher</u>	<u>Fire/Police</u>
<b>Rates through 6/30/19:</b>	6.79%	8.36%	11.32%	11.66%
<b>Rates effective 7/1/19:</b>	7.16%	8.81%	11.94%	12.28%

*Source: Financial Statements June 30, 2018 Public Employee Retirement System of Idaho*

The most recent major experience study, completed in June 2018, covered the period July 1, 2011 through June 30 2017. The next major PERSI experience study is to be completed in 2022 and will cover the period of July 1, 2017 through June 30, 2021.

The University’s required and paid contributions to PERSI for Fiscal Years 2018 and 2019 were \$2,745,604 and \$2,883,204\*, respectively. Contribution requirements of PERSI and its members are established by the PERSI Board within limitations, as defined by state law.

Under GASB 68, the University is required to record a liability and expense equal to its proportionate share of the collective net pension liability and expense of PERSI. The University recorded a net pension liability as of June 30, 2018 of \$13,087,288 and \$11,119,175\* as of June 30, 2019, representing its proportionate share of liability under PERSI.

PERSI issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained at, [www.persi.idaho.gov](http://www.persi.idaho.gov) (which website is provided purely for convenience and is not incorporated or made a part of this Official Statement by this reference). Much of the information in this section comes from the PERSI Financial Statements, June 30, 2018, and therefore the information is from a source not within the University’s control.

*ORP.* Faculty and non-classified staff hired on or after July 1, 1990 have been enrolled in ORP, and faculty and staff hired before that date were offered a one-time opportunity in 1990 to withdraw from PERSI and join ORP. ORP is a portable, multiple-employer, defined contribution retirement plan with options offered by Teachers’ Insurance and Annuity Association/College Retirement Equities Fund and Variable Annuity Life Insurance Company.

Contribution requirements for ORP are based on a percentage of total payroll. The University’s contribution rate for Fiscal Years 2018 and 2019 was 9.325%.

For Fiscal Years 2018 and 2019, the University’s required and paid contributions to ORP were \$7,099,583 and \$7,481,559\*, respectively. The employee contribution rate for Fiscal Years 2016 through 2019 was 11.32% of covered payroll. These employer and employee contributions, in addition to earnings from investments, fund ORP benefits. The University has no additional obligation to fund ORP benefits once it makes the required contributions at the applicable rate. The University has made all contributions that it is required to make to ORP to date.

\* Unaudited

For additional information concerning the University's pension benefits, see Note 10 of “APPENDIX A— UNAUDITED FINANCIAL STATEMENTS OF THE UNIVERSITY FOR THE FISCAL YEAR ENDED JUNE 30, 2019, AUDITED FINANCIAL STATEMENTS OF THE UNIVERSITY FOR THE FISCAL YEAR ENDED JUNE 30, 2018.”

*OPEB.* The University participates in other multiple-employer defined benefit post-employment benefit plans relating to health and disability for retired or disabled employees that are administered by the State of Idaho, as agent, as well as a single-employer defined benefit life insurance plan. Idaho Code establishes the benefits and contribution obligations relating to these plans. The most recent actuarial valuation of these plans is as of July 1, 2015. The University funds these benefits on a pay-as-you-go basis, which the University has continued to make on a timely basis: the University has not set aside any assets to pay future benefits under such plans. As of July 1, 2015, the University’s proportionate share of the combined unfunded accrued actuarial liability for such plans equaled approximately \$10.5 million. For additional information concerning post-retirement benefits other than pensions, see Note 11 of “APPENDIX A— APPENDIX A— UNAUDITED FINANCIAL STATEMENTS OF THE UNIVERSITY FOR THE FISCAL YEAR ENDED JUNE 30, 2019, AUDITED FINANCIAL STATEMENTS OF THE UNIVERSITY FOR THE FISCAL YEAR ENDED JUNE 30, 2018.”

**INSURANCE**

The University has liability coverage under commercial insurance policies and self-insurance through the State of Idaho Retained Risk Fund. University buildings are covered by all risk property insurance on a replacement cost basis.

**FINANCIAL INFORMATION REGARDING THE UNIVERSITY**

The principal sources of University revenues are direct appropriation of State revenues by the State legislature (the “*Legislature*”), Student Fees, Sales and Services Revenues, federal government appropriations, grants, contracts and related cost recovery, gifts to the University, Investment Income and Other Operating Revenues. The following describes revenue sources that are not included in Pledged Revenues, as well as certain University fiscal policy and process. See “SECURITY FOR THE 2019 BONDS” for a description of Pledged Revenues.

**STATE APPROPRIATIONS**

Legislatively-approved State appropriations represent approximately 39% of the University’s total annual revenues for Fiscal Year 2019. Such revenues are not included as Pledged Revenues. The Legislature meets beginning in January of each calendar year and sets budgets and appropriations for all agencies and departments of State government for the Fiscal Year beginning the following July 1. The Legislature may also make adjustments to budgets and appropriations for the Fiscal Year during which the Legislature is meeting.

If, in the course of a Fiscal Year, the Governor determines that the expenditures authorized by the Legislature for the current Fiscal Year exceed anticipated revenues expected to be available to meet those expenditures, the Governor, by executive order, may reduce (“*Holdback*”) the spending authority on file in the office of the Division of Financial Management for any department, agency or institution of the State, or request a reversion (“*Reversion*”) of appropriations back to the State to balance the State budget. There have been no Holdbacks or Reversions since Fiscal Year 2010; the University does not anticipate a Holdback or Reversion during Fiscal Year 2020. Although State appropriations are not included in Pledged Revenues, Holdbacks, Reversions or reductions in the amount appropriated to the University could adversely affect the University’s financial and operating position.

The table below sets forth the Legislative appropriations from the State General Fund for all higher education institutions and for the University for the Fiscal Years shown. Legislative appropriations reached a pre-recession high in 2009 of approximately \$285 million for all higher education, but declined sharply during the recession to an approximate low of \$209 million in 2012. Since the 2012 low, State appropriations have steadily climbed to approximately \$306 million in Fiscal Year 2020.

## State General Fund Appropriations

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Colleges and Universities <sup>(1)</sup>	\$279,546,500	\$287,053,200	\$295,763,200	\$306,030,600
Idaho State University <sup>(2)(3)</sup>	\$ 74,793,900	\$ 77,050,300	\$ 79,822,400	\$ 88,220,400
Percentage Increase (Decrease) over prior year for the University	8.0%	2.7%	3.0%	4.8%

<sup>(1)</sup> Source: Sine Die Report for the respective legislative years.

<sup>(2)</sup> Source: Legislative appropriations bills for the respective legislative years: 2016 Legislature House Bill No. 637; 2017 Legislature Senate Bill No. 1152; 2018 Legislature Senate Bill No. 1344; 2019 Legislature, House Bill No. 267.

<sup>(3)</sup> Amounts do not tie to University's audited financial statements due to adjustments during the respective Fiscal Years.

## FINANCIAL AID

Direct financial aid to students, primarily in the form of student loans, scholarships, grants, student employment, awards, tuition waivers, fee reductions and waivers, and deferred payments, is available. The University believes that the amount of available financial aid, which totaled approximately \$99,551,157\* in the Fiscal Year ended June 30, 2019, is adequate to enable students who desire to attend the opportunity to do so. During the 2019 Fiscal Year, the direct financial aid to students in the form of scholarships and grants was approximately \$46,838,295\* and in the form of loans was \$52,712,862\*.

## GRANTS AND CONTRACTS

The United States government and various other public and private sponsoring agencies, through various grant and contract programs, provide a substantial percentage of the University's current fund revenues. In Fiscal Year 2018 grant and contracts accounted for approximately 11% of the University revenue. The use of such funds is usually restricted to specific projects and is not included in the budget for the University. Such revenues include grants and contracts for research, public service, instruction and training programs, fellowships, scholarships, endowment scholarship programs, student aid programs, and grants for construction projects. The University believes it has complied with all material conditions and requirements of these various grants and contracts. Such revenues are not pledged as security for the Bonds. It is important to note that the University has remained true to its mission to grow technical and clinical programs – including high demand clinical and professional doctorates – while at the same time increasing its research productivity and emerging from a severe recession (2008), loss of federal earmarks and federal budget sequestration. In 2010, the University was classified as Research University-High Research Activity. In 2015, this designation changed to Doctoral Research University. Nationally, out of 3,039 private and public four-year institutions eligible for research classification by Carnegie, only 335, or a little more than 11 percent, are classified as doctoral research universities. [2019?] [Add numbers for F+A Recovery Revenues?]

## BUDGET PROCESS

The University operates on an annual budget system. Its Fiscal Year begins July 1 of each year. The budget process, as well as the administration of the expenditures authorized through the process, is administered through the offices of the President and the Vice President for Finance and Administration, in collaboration with the departmental faculty and administrative officers. The internal budget process concludes with a general budget proposal for the following Fiscal Year being submitted in consolidated form by the University Administration to the Board in August of each year.

\* Unaudited

The University’s operating budget is approved by the Board prior to the commencement of the Fiscal Year, usually at its June meeting. At that meeting, the Board, serving also as the governing boards of the State’s other institutions of higher education, approves the annual budgets for those institutions as well.

**INVESTMENT POLICY**

Board policy establishes permitted investment categories for the University. The University’s investment policy establishes, in order of priority, safety of principal preservation, ensuring necessary liquidity, and achieving a maximum return, as the objectives of its investment portfolio. See Note 3 of “APPENDIX A– UNAUDITED FINANCIAL STATEMENTS OF THE UNIVERSITY FOR THE FISCAL YEARS ENDED JUNE 30, 2019, AUDITED FINANCIAL STATEMENTS OF THE UNIVERSITY FOR THE FISCAL YEAR ENDED JUNE 30, 2018.” Money in Funds and Accounts established under the Resolution are required to be invested in Investment Securities, as described in “APPENDIX D– SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION–PLEDGE OF REVENUES; ESTABLISHMENT OF FUNDS AND ACCOUNTS – Establishment of Funds; Revenue Fund; Bond Fund; Flow of Funds; Investment of Funds.” The University has not experienced any significant investment losses or unexpected limitations on the liquidity of its short-term investments. See “APPENDIX A– UNAUDITED FINANCIAL STATEMENTS OF THE UNIVERSITY FOR THE FISCAL YEARS ENDED JUNE 30, 2019, AUDITED FINANCIAL STATEMENTS OF THE UNIVERSITY FOR THE FISCAL YEAR ENDED JUNE 30, 2018” for further information.

**NO INTEREST RATE SWAPS**

The University has not entered into and does not intend to enter into any interest rate swaps or other derivative products.

**IDAHO STATE UNIVERSITY FOUNDATION, INC.**

The Foundation is a nonprofit corporation organized under Idaho law in 1967. Its purpose is to receive, manage and otherwise deal in property and apply the income, principal and proceeds of such property for the benefit of the University. A 25-member board of directors manages the Foundation. Valerie Hoybjerg, serves as Chair of the Foundation.

Financial information concerning the Foundation is contained in Note 16 to the University's financial statements included in "APPENDIX A" hereto. The total fair value of the Foundation's investments at June 30, 2019 was \$74,648,562\*, of which \$56,188,459\* represents the Permanent Endowment portfolio. The endowment portfolio includes \$44,563,301 in permanently restricted gifts and \$11,625,158 in net accumulated earnings. Other investments of the Foundation include investments held under split interest agreement and donor restricted gifts available for use by the University.

The 2019 Bonds will repay all current indebtedness of the Foundation, and as described under “Series 2019 Project – Foundation Project,” the Foundation will transfer to the University receipt of donor pledges made to support the Stephens Performing Arts Center within 30 days of receipt.

**FUTURE CAPITAL PLANS**

The University has an on-going capital improvement program of new construction and the renovation of existing facilities. Capital improvement projects are expected to be funded from a variety of sources, including gifts, state appropriations, and University funds. The University currently has no plans to incur additional indebtedness or undertake any major capital projects in the next 24 to 36 months. The University may not undertake any capital project or long-term financing without prior Board approval.

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\* Unaudited



## UNIVERSITY DEBT

Prior to the issuance of the 2019 Bonds, the University had \$30,360,000 of indebtedness. Set forth below is the University's schedule of outstanding indebtedness as of June 30, 2019.

<u>Outstanding Bonds</u>	<u>Final Maturity Date</u>	<u>Amount of Original Indebtedness</u>	<u>Amount of Debt Outstanding as of June 30, 2019</u>
General Revenue Bonds (Taxable), Series 2004C	2022	\$2,305,000	\$ 515,000
General System Revenue Bonds (Federally Taxable), Series 2006	2028	\$10,000,000	\$ 5,945,000
General Revenue Refunding Bonds, Series 2012	2023	\$27,530,000	\$12,145,000
General Revenue Refunding Bonds, Series 2013	2020	\$3,810,000	\$ 380,000
General Revenue Refunding Bonds, Series 2016	2034	\$12,780,000	\$ 11,375,000
<b>Total Bond Indebtedness</b>		<u>\$80,830,000</u>	<u>\$30,360,000</u>

## LEASES

The University leases building and office facilities under various noncancelable operating leases. Total costs for such leases were \$365,515 and \$341,510 for the years ended June 30, 2018 and 2017, respectively. Future minimum lease payments at June 30, 2018, for all leases are as follows:

<u>Fiscal Years</u>	<u>Payments</u>
2019	\$ 423,000
2020	\$ 367,000
2021	\$ 346,000
2022-2026	\$1,625,000
2027-2031	\$1,421,000
2032-2036	\$1,467,000
<b>Totals</b>	<u>\$5,649,000</u>

## CYBERSECURITY AND TECHNOLOGICAL RELIABILITY

The University has a robust, redundant, and scalable infrastructure for support of core University systems, as well as a strong set of cybersecurity policies and procedures to protect its systems and proprietary information, as well as ensure compliance with state and federal regulations. The University's annual audit reviews cybersecurity policies and procedures. Additionally, the University maintains cyber liability insurance to help offset any financial risks that may result from a cybersecurity breach. As with all risks to which the University is exposed, loss or breach can result in legal and/or regulatory claims.

## FINANCIAL STATEMENTS

The financial statements of the University as of and for the Fiscal Year ended June 30, 2018 included as APPENDIX A to this Official Statement, have been audited by Moss Adams LLP, independent auditors, as stated in their report appearing therein. The financial statements of the University for the Fiscal Year ended June 30, 2019 are unaudited. Moss Adams has not been engaged to perform and has not performed, since the date of such report, any procedures on the financial statements addressed in the report. The financial statements of the University for the Fiscal Year ended June 30, 2019 are unaudited. Moss Adams has not performed any procedures relating to this Official Statement, and has not consented to the use of the financial statements of the University in this Official Statement.

**TAX MATTERS**

In the opinion of Bond Counsel, assuming continuous compliance with certain covenants described below: (i) interest on the 2019 Bonds is excluded from gross income pursuant to Section 103 of the Tax Code; (ii) interest on the 2019 Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code; and (iii) interest on the 2019 Bonds is excluded from gross income for purposes of income taxation by the State of Idaho.

The Tax Code imposes several requirements which must be met with respect to the 2019 Bonds in order for the interest thereon to be excluded from gross income and alternative minimum taxable income (except to the extent of the aforementioned adjustment applicable to corporations). Certain of these requirements must be met on a continuous basis throughout the term of the 2019 Bonds. These requirements include: (a) limitations as to the use of proceeds of the 2019 Bonds; (b) limitations on the extent to which proceeds of the 2019 Bonds may be invested in higher yielding investments; and (c) a provision, subject to certain limited exceptions, that requires all investment earnings on the proceeds of the 2019 Bonds above the yield on the 2019 Bonds to be paid to the United States Treasury. The exclusion of interest on the 2019 Bonds from gross income for Idaho income tax purposes is dependent on the interest on the 2019 Bonds being excluded from gross income for federal income tax purposes. The University will covenant and represent that it will take all steps to comply with the requirements of the Tax Code to the extent necessary to maintain the exclusion of interest on the 2019 Bonds from gross income and alternative minimum taxable income (except to the extent of the aforementioned adjustment applicable to corporations) under such federal income tax laws in effect when the 2019 Bonds are delivered. Bond Counsel's opinion as to the exclusion of interest on the 2019 Bonds from gross income (for federal and Idaho income tax purposes) and alternative minimum taxable income (to the extent described above) is rendered in reliance on these covenants, and assumes continuous compliance therewith. The failure or inability of the University to comply with these requirements could cause the interest on the 2019 Bonds to be included in gross income (for federal and Idaho income tax purposes), alternative minimum taxable income or both from the date of issuance. Bond Counsel's opinion also is rendered in reliance upon certifications of the University and other certifications furnished to Bond Counsel. Bond Counsel has not undertaken to verify such certifications by independent investigation.

The Tax Code contains numerous provisions which may affect an investor's decision to purchase the 2019 Bonds. Owners of the 2019 Bonds should be aware that the ownership of tax-exempt obligations by particular persons and entities, including, without limitation, financial institutions, insurance companies, recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, foreign corporations doing business in the United States and certain "subchapter S" corporations may result in adverse federal and state tax consequences. Under Section 3406 of the Tax Code, backup withholding may be imposed on payments on the 2019 Bonds made to any owner who fails to provide certain required information, including an accurate taxpayer identification number, to certain persons required to collect such information pursuant to the Tax Code. Backup withholding may also be applied if the owner underreports "reportable payments" (including interest and dividends) as defined in Section 3406, or fails to provide a certificate that the owner is not subject to backup withholding in circumstances where such a certificate is required by the Tax Code. With respect to any of the 2019 Bonds sold at a premium, representing a difference between the original offering price of those 2019 Bonds and the principal amount thereof payable at maturity, under certain circumstances, an initial owner of such bonds (if any) may realize a taxable gain upon their disposition, even though such bonds are sold or redeemed for an amount equal to the owner's acquisition cost. Bond Counsel's opinion relates only to the exclusion of interest on the 2019 Bonds from gross income (for federal and Idaho income tax purposes) and alternative minimum taxable income as described above and will state that no opinion is expressed regarding other federal or state tax consequences arising from the receipt or accrual of interest on or ownership

of the 2019 Bonds. Owners of the 2019 Bonds should consult their own tax advisors as to the applicability of these consequences.

The opinions expressed by Bond Counsel are based on existing law as of the delivery date of the 2019 Bonds. No opinion is expressed as of any subsequent date nor is any opinion expressed with respect to pending or proposed legislation. Amendments to the federal or state tax laws may be pending now or could be proposed in the future that, if enacted into law, could adversely affect the value of the 2019 Bonds, the exclusion of interest on the 2019 Bonds from gross income (for federal and Idaho income tax purposes) or alternative minimum taxable income or both from the date of issuance of the 2019 Bonds or any other date, the tax value of that exclusion for different classes of taxpayers from time to time, or that could result in other adverse tax consequences. In addition, future court actions or regulatory decisions could affect the tax treatment or market value of the 2019 Bonds. Owners of the 2019 Bonds are advised to consult with their own tax advisors with respect to such matters.

The Internal Revenue Service (the “*Service*”) has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. No assurances can be given as to whether or not the Service will commence an audit of the 2019 Bonds. If an audit is commenced, the market value of the 2019 Bonds may be adversely affected. Under current audit procedures the Service will treat the University as the taxpayer and the 2019 Bond owners may have no right to participate in such procedures. The University has covenanted not to take any action that would cause the interest on the 2019 Bonds to lose its exclusion from gross income for federal income tax purposes or lose its exclusion from alternative minimum taxable income except to the extent described above for the owners thereof for federal income tax purposes. None of the University, the Underwriter, or Bond Counsel is responsible for paying or reimbursing any 2019 Bond holder with respect to any audit or litigation costs relating to the 2019 Bonds.

[*Premium Bonds.* The initial public offering price of certain maturities of the 2019 Bonds (the “*Premium Bonds*”), as shown on the inside cover page, are issued at original offering prices in excess of their original principal amount. The difference between the amount of the Premium Bonds at the original offering price and the principal amount payable at maturity represents “bond premium” under the Tax Code. As a result of requirements of the Tax Code relating to the amortization of bond premium, under certain circumstances an initial owner of a Premium Bond may realize a taxable gain upon disposition of such a bond, even though such bond is sold or redeemed for an amount equal to the original owner’s cost of acquiring such bond. All owners of 2019 Bonds are advised that they should consult with their own tax advisors with respect to the tax consequences of owning and disposing of 2019 Bonds, whether the disposition is pursuant to a sale of the 2019 Bonds or other transfer, or redemption.

*Original Issue Discount.* The initial public offering price of certain maturities of the 2019 Bonds (the “*Discount Bonds*”), as shown on the inside cover page hereof, is less than the amount payable on such 2019 Bonds at maturity. The difference between the amount of the Discount Bonds payable at maturity and the initial public offering price of the Discount Bonds will be treated as “original issue discount” for federal income tax purposes. The original issue discount on the Discount Bonds is treated as accruing over the respective terms of such Discount Bonds on the basis of a constant interest rate compounded at the end of each six-month period (or shorter period from the date of original issue) ending on April 1 and October 1 with straight line interpolation between compounding dates. In the case of a purchaser who acquires the Discount Bonds in this offering, the amount of original issue discount accruing each period (calculated as described in the preceding sentence) constitutes interest which is excluded from gross income, alternative minimum taxable income and Idaho taxable income under the conditions and subject to the exceptions described in the preceding paragraphs and will be added to the owner’s basis in the Discount Bonds. Such adjusted basis will be used to determine taxable gain or loss upon disposition of the Discount Bonds (including sale or payment at maturity).

Beneficial Owners who purchase Discount Bonds in the initial offering at a price other than the original offering price shown on the inside cover page hereof and owners who purchase Discount Bonds after the initial offering should consult their own tax advisors with respect to the tax consequences of the ownership of the Discount Bonds. Beneficial Owners who are subject to state or local income taxation (other than Idaho state income taxation) should consult their tax advisor with respect to the state and local income tax consequences of ownership of the Discount Bonds. It is possible that, under the applicable provisions governing determination of state and local taxes, accrued original issue discount on the Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.]

**MUNICIPAL ADVISOR**

The University has retained Zions Public Finance, Inc., Boise, Idaho, as municipal advisor (the “Municipal Advisor”) in connection with the preparation of the University’s financing plans and with respect to the authorization and issuance of the 2019 Bonds. The Municipal Advisor is not obligated to undertake and has not undertaken to make any independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement. The Municipal Advisor is affiliated with investment banking firms that provide underwriting services to state and local governmental entities. While the Municipal Advisor is under contract to the University these affiliates may not participate in the underwriting of any University debt.

**UNDERWRITING**

The 2019 Bonds are being purchased by the Underwriter. The purchase contract provides that the Underwriter will purchase all of the 2019 Bonds, if any are purchased, at a price of \$\_\_\_\_\_, representing the principal amount of the 2019 Bonds, plus original issuance premium of \$\_\_\_\_\_, and less an Underwriter’s discount of \$\_\_\_\_\_.

The Underwriter may offer and sell the 2019 Bonds to certain dealers (including dealers depositing the 2019 Bonds in investment trusts) and others at prices lower than the initial offering prices (or prices corresponding to the yields) stated on the inside cover page hereof.

Piper Jaffray & Co. has entered into a distribution agreement (“Distribution Agreement”) with Charles Schwab & Co., Inc. (“CS&Co.”) for the retail distribution of certain securities at the original issue prices. Pursuant to the Distribution Agreement, CS&Co. may purchase the 2019 Bonds from Piper Jaffray & Co., at the original issue price less a negotiated portion of the selling concession applicable to any bonds that CS&Co. sells.

**RATINGS**

Moody’s Investors Service has assigned its municipal rating of “\_\_\_” to the 2019 Bonds.

The ratings reflect only the views of the rating agency. An explanation of the significance of the ratings may be obtained from the rating agency. There is no assurance that such ratings will continue for any given period of time or that the ratings may not be revised or withdrawn entirely if, in the judgment of the rating agencies, circumstances so warrant. Any downward revision or withdrawal of such ratings will be likely to have an adverse effect on the market price or marketability of the 2019 Bonds.

**LITIGATION**

The University has reported that, as of the date hereof, there is no litigation pending or threatened that, if decided adversely to the interests of the University, would have a materially adverse effect on the operations or financial position of the University. There is no litigation of any nature now pending or threatened restraining or enjoining the issuance or sale of the 2019 Bonds or in any way contesting or affecting the validity of, or having a material adverse effect on, the 2019 Bonds, the pledge and application of Pledged Revenues, or the existence or powers of the University.

**APPROVAL OF LEGAL MATTERS**

All legal matters incident to the authorization and issuance of the 2019 Bonds are subject to the approval of Hawley Troxell Ennis & Hawley LLP, Bond Counsel to the University. Bond Counsel’s approving opinion in the form of Appendix F hereto will be delivered with the 2019 Bonds. Certain legal matters will be passed upon for the University by the Office of General Counsel. Certain matters will be passed upon for the Underwriter by its counsel, Kutak Rock LLP, and by Hawley Troxell Ennis & Hawley LLP, in its role as disclosure counsel to the University. Any opinion delivered by Kutak Rock LLP will be limited in scope, addressed only to the Underwriter and cannot be relied upon by investors.

**CONTINUING DISCLOSURE**

The University will enter into a Continuing Disclosure Undertaking (the “Undertaking”) for the benefit of the Beneficial Owners of the 2019 Bonds. Pursuant to the Undertaking, the University will agree to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board pursuant to the requirements of Section (b)(5) of Rule 15c2-12 (the “Rule”) adopted by the Securities and Exchange Commission. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis, and a summary of other terms of the Undertaking, including termination, amendment, and remedies, are set forth in the Undertaking, the proposed form of which is included as APPENDIX E to this Official Statement.

The University is required to file annually audited financial statements and certain annual operating data as defined by the University’s prior undertakings and pursuant to the Rule. Except as described hereunder, the University has not failed in the past five years to perform any obligation with respect to any existing undertaking to provide continuing disclosure.

In connection with the financing of the 2019 Bonds, the University discovered that it failed to file certain required annual operating data with respect to certain outstanding issues. On \_\_\_\_\_, 2019, the University filed a Notice of Late Filing and in the days prior thereto, all appropriate information was filed and properly linked to all CUSIPs. The University has addressed this issue and implemented internal safeguards to better ensure that all required annual operating data moving forward be filed in accordance with the Rule and the undertakings.

A failure by the University to comply with the Undertaking will not constitute a default under the Resolution and the Beneficial Owners of the 2019 Bonds are limited to the remedies described in the Undertaking. A failure by the City to comply with the annual disclosure requirements of the Undertaking must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the 2019 Bonds in the secondary market. Consequently, such a failure may adversely affect the marketability and liquidity of the 2019 Bonds and their market price.

IDAHO STATE UNIVERSITY

By \_\_\_\_\_  
Vice President for Finance & Business Affairs

**APPENDIX A**  
**UNAUDITED FINANCIAL STATEMENTS OF THE UNIVERSITY**  
**FOR THE FISCAL YEARS ENDED JUNE 30, 2019, AUDITED FINANCIAL STATEMENTS OF THE**  
**UNIVERSITY FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**APPENDIX B  
SCHEDULE OF STUDENT FEES**

The following table sets forth the Student Fees of the University at the rates in effect for Fiscal Year 2019. The amounts shown as Annual Estimated Revenue reflect the University's estimates based on estimated collections for the 2019-2020 academic year.

The University's estimates include certain assumptions concerning refunds, late fees and other variables with respect to individual fees, such that the annual estimated revenues of each fee are not the numerical product of the fee rates times a constant number for students paying such fees, but nonetheless represent the University's best estimate of fee revenues. [The number of students used to calculate Estimated Annual Revenue is less than the total number of full time equivalent students as a result of the University's policy to provide fee waivers or discounts to certain scholarship recipients and to certain employees and spouses of certain employees. Full-time undergraduate students are defined as students taking 12 credit hours or more and full-time graduate students are defined as students taking nine credit hours or more per semester.] [UPDATE]

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IDAHO STATE UNIVERSITY  
STUDENT FEE DISTRIBUTION

ATTACHMENT 2

FULL TIME STUDENT - PER SEMESTER	Board Approv.	Board Approv.	Increase	
	Semester 2018-2019	Semester 2019-2020	Amount	%
	Full Fee	Full Fee		
Tuition	\$2,822.50	\$2,964.02	141.52	5.0%
Facilities Fee	255.00	295.00	40.00	15.7%
Technology Fee	83.40	88.40	5.00	6.0%
Activity Fees				
Intercollegiate Athletics	119.02	131.02	12.00	10.1%
Student Health Center	66.77	71.21	4.44	6.7%
Student Union Operations	153.05	160.66	7.61	5.0%
ASISU Activities	61.89	63.30	1.41	2.3%
Leadership & Counselor Training	3.04	3.17	0.13	4.3%
Janet C Anderson Gender Resource Center	5.16	5.16	0.00	0.0%
Childcare Services	22.44	23.64	1.20	5.4%
Photo ID	5.69	6.04	0.35	6.2%
Marching Band	8.20	8.20	0.00	0.0%
Debate Team	5.10	5.27	0.17	3.3%
Intramurals/Recreation	48.57	48.90	0.33	0.7%
Student Band/Choir	6.22	6.22	0.00	0.0%
Student Support Service	7.26	7.26	0.00	0.0%
Alumni Activities	5.95	5.95	0.00	0.0%
Scholarships	16.73	16.73	0.00	0.0%
Student Wellness Program	5.24	5.46	0.22	4.2%
C.W. HOG	3.77	3.77	0.00	0.0%
Counseling	5.00	16.62	11.62	232.4%
TOTAL ACTIVITY FEES	\$549.10	\$588.58	\$39.48	7.2%
TOTAL FULL-TIME FEE	\$3,710.00 (1)	\$3,936.00 (1)	\$226.00	6.1%
Graduate Fee	\$978.00	\$1,026.98	\$48.98	5.0%
Non-Resident Tuition	\$7,760.00	\$8,148.00	\$388.00	5.0%
<b>PART-TIME - PER CREDIT HOUR</b>	<b>Board Approv.</b>	<b>Board Approv.</b>	<b>Increase</b>	
	<b>Sem 18/19</b>	<b>Sem 19/20</b>	<b>Amount</b>	<b>%</b>
	<b>Summer (19)</b>	<b>Summer (20)</b>		
	<b>Cr.Hr.Fee</b>	<b>Cr.Hr.Fee</b>		
Tuition	\$318.89	\$335.03	16.14	5.1%
Facilities Fee	0.00	10.00	New	New
Technology Fee	6.15	6.52	0.37	6.0%
Activity Fees	46.96	50.45	3.49	7.4%
Stadium Operations	10.00	10.00	0.00	0.0%
Student Union Operations	8.88	9.91	1.03	11.6%
Intercollegiate Athletics	3.37	3.65	0.28	8.3%
Janet C Anderson Gender Resource Center	0.85	0.85	0.00	0.0%
Childcare Services	2.87	3.10	0.23	8.0%
Intramurals/Recreation	5.03	5.27	0.24	4.8%
Student Wellness Program	0.81	0.81	0.00	0.0%
Leadership & Counselor Training	0.65	0.65	0.00	0.0%
Student Support Service	0.77	0.77	0.00	0.0%
Outreach Programming	1.47	1.47	0.00	0.0%
ASISU (Fall & Spring) / Student Prog (Summer)	4.15	4.42	0.27	6.5%
Photo ID	0.89	0.89	0.00	0.0%
Marching Band	0.91	0.91	0.00	0.0%
Student Health Center	5.71	5.99	0.28	4.9%
Alumni Activities	0.10	0.10	0.00	0.0%
Counseling	0.50	1.66	1.16	232.0%
TOTAL CREDIT HOUR FEE	\$372.00	\$402.00	\$30.00	8.1%
Graduate Fee	\$98.00	\$102.97	\$4.97	5.1%
In-Service Undergraduate	\$122.00	\$129.00	\$7.00	5.7%
In-Service Graduate	\$160.00	\$170.00	\$10.00	6.3%
Non-Resident Tuition	\$252.00	\$265.00	\$13.00	5.2%
<b>PROFESSIONAL FEES</b>				
Pharmacy Professional Fee (Resident)	\$5,578.00	\$5,683.00	\$105.00	1.9%
Pharmacy Professional Fee (Non-Resident)	\$7,681.00	\$7,786.00	105.00	1.4%
Physical Therapy (Resident) 3 sessions per yr.	\$1,500.00	\$1,522.00	\$22.00	1.5%
Physical Therapy (Non-Resident) 3 sessions per yr.	\$3,240.00	\$3,295.00	\$55.00	1.7%
Occupational Therapy (Resident) 3 sessions per yr.	\$1,195.00	\$1,225.00	\$30.00	2.5%
Occupational Therapy (Non-Resident) 3 sessions per yr.	\$2,662.00	\$2,722.00	\$60.00	2.3%
Physician Assistant (Resident) 3 sessions per yr.	\$6,855.00	\$6,980.00	\$125.00	1.8%
Physician Assistant (Non-Resident) 3 sessions per yr.	6,875.00	7,000.00	125.00	1.8%
Speech Language Pathology MS (Per Cr Hr.)	68.00	70.00	2.00	2.9%
Speech Language Pathology Online PreProfessional (Per Cr Hr.)	262.00	268.00	6.00	2.3%
Speech Language Pathology Online MS (Per Cr Hr.)	490.00	495.00	5.00	1.0%
Audiology AuD (Per Cr Hr.)	68.00	71.00	3.00	4.4%
Dental Hygiene BS (Junior/Senior)	1,133.00	1,173.00	40.00	3.5%
Dental Hygiene MS - Didactic (Per Cr Hr.)	155.00	157.00	2.00	1.3%
Dental Hygiene MS - Clinical (Per Cr Hr.)	349.00	349.00	0.00	0.0%
Dental Hygiene MS - Thesis (Per Cr Hr.)	268.00	271.00	3.00	1.1%
Graduate Counseling	555.00	555.00	0.00	0.0%
Nursing BSN	935.00	965.00	30.00	3.2%
Nursing MSN	1,134.00	1,188.00	54.00	4.8%
Nursing PhD	1,134.00	1,183.00	49.00	4.3%
Nursing DNP	2,037.00	2,134.00	97.00	4.8%
Paramedic Science AS	734.00	734.00 (2)	0.00	0.0%
Radiographic Science	425.00	435.00	10.00	2.4%
Medical Lab Science	718.00	723.00	5.00	0.7%
Dietetics (3 sessions per yr.)	1,450.00 (3)	1,000.00 (4)	100.00	3.4%
Social Work BA	125.00	125.00	0.00	0.0%
Social Work MS	200.00	200.00	0.00	0.0%
Athletic Training MS	750.00	750.00	0.00	0.0%
Idaho Dental Education Program (Creighton Fee Est)	14,033.50	14,669.50	636.00	4.5%
<b>ONLINE PROGRAM FEES</b>				
Community Paramedic Certificate	1,100.00	1,100.00	0.00	0.0%
Spanish MA (Per Cr Hr.)	0.00	330.00	New	New
<b>SELF-SUPPORT ACADEMIC PROGRAM FEES</b>				
Diagnostic Medical Sonography Certificate (Per Cr Hr.)	0.00	277.09	New	New
<b>OTHER</b>				
New Student Orientation	100.00	100.00	0.00	0.0%

- (1.) Col of Technology Session is one-half of the semester charge.
  - (2.) \$367.00 charged during Summer Session
  - (3.) Not charged during Summer Session
  - (4.) Beginning in the 2019-2020 academic year, professional fees will now be charged for 3 sessions per year (Fall, Spring, and Summer) compared to being charged for 2 sessions per year (Fall & Spring). The net increase over 3 sessions compared to 2 sessions is \$100.00 or 3.4% (\$3,000 vs. \$2,900).
- The net increase over 3 sessions compared to 2 sessions is \$100.00 or 3.4% (\$3,000 vs. \$2,900). The net increase over 3 sessions compared to 2 sessions is \$100.00 or 3.4% (\$3,000 vs. \$2,900). The net increase over 3 sessions compared to 2 sessions is \$100.00 or 3.4% (\$3,000 vs. \$2,900).

BAHR SECTION II



**APPENDIX C  
GLOSSARY OF TERMS USED  
IN THE RESOLUTION AND OFFICIAL STATEMENT**

(See attached)

**APPENDIX D  
SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION**

(See attached)

**APPENDIX E  
PROPOSED FORM OF CONTINUING DISCLOSURE UNDERTAKING**

(See attached)

**APPENDIX F  
PROPOSED FORM OF OPINION OF BOND COUNSEL**

(See attached)

**APPENDIX G  
BOOK ENTRY ONLY SYSTEM**

**T H E   D E P O S I T O R Y   T R U S T   C O M P A N Y**

**SAMPLE OFFERING DOCUMENT LANGUAGE  
DESCRIBING BOOK-ENTRY-ONLY ISSUANCE**

(Prepared by DTC--bracketed material may apply only to certain issues)

1. The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the securities (the “Securities”). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]

2. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of: AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC’s records. The ownership interest of each actual purchaser of each Security (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests

in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]

[6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.]

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

[9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership **rights** in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of

tendered Securities to [Tender/Remarketing] Agent's DTC account.]

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

# **BOND PURCHASE AGREEMENT**

Idaho State University  
General Revenue Bonds, Series 2019



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**BOND PURCHASE AGREEMENT****1. Parties and Relevant Dates**

*University:* Idaho State University

*Underwriter:* Piper Jaffray & Co.

*2019 Bonds:* \$\_\_\_\_\_ General Revenue Bonds, Series 2019

*Acceptance Deadline:* October 31, 2019; 5:00 p.m. (Mountain Standard Time).

*Closing Date:* November 14, 2019

**2. Defined Terms**

*All capitalized terms used in this Agreement and not otherwise defined are used as defined in the Authorizing Resolution or the Official Statement:*

*Acceptance Deadline:* The date set forth in Section 1, being the date and time by which the University must accept this Agreement.

*Accountants:* Moss Adams LLP, Eugene, Oregon, the public accountants for the University and/or any entity whose audited financial statements are included in the Preliminary Official Statement and the Official Statement.

*Act:* Educational Institutions Act of 1935, Chapter 38, Title 33 Idaho Code, of the Idaho Code, as amended.

*Agreement:* This Bond Purchase Agreement, dated October 31, 2019, including **Schedule I** attached hereto.

*Authorizing Resolution:* The bond resolution adopted on September 17, 1992, as amended and restated on August 12, 2004, as supplemented together with the Supplemental Resolution adopted on October \_\_\_\_, 2019, authorizing the issuance of the 2019 Bonds, as amended and supplemented to the Closing Date.

*Bond Counsel:* Hawley Troxell, Ennis & Hawley LLP, Boise, Idaho.

*Closing Date:* The date set forth in Section 1 of this Agreement, being the date of the issuance and delivery of the 2019 Bonds.

*Continuing Disclosure Undertaking:* The continuing disclosure undertaking entered into by the University with respect to the 2019 Bonds in accordance with Rule 15c2-12 of the Securities Exchange Act of 1934, as the same may be amended from time to time (which may be a separate document or may be included in the Authorizing Resolution or another University Document).

*Creditors' Rights Laws:* Limitations on enforceability as may result from bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally from time to time in effect and from the application of general principles of equity and from public policy limitations on the exercise of any rights to indemnification and contribution.

*Disclosure Counsel:* Hawley Troxell, Ennis & Hawley LLP, Boise, Idaho.

*DTC:* The Depository Trust Company.

*Effective Date and Time:* October 31, 2019; 5:00 p.m. (Mountain Standard Time).

*End of the Underwriting Period:* The later of: (1) the Closing Date or (2) the date the Underwriter no longer retains an unsold balance of the 2019 Bonds which the University may assume is the Closing Date unless the Underwriter otherwise notifies the University in writing by the Closing Date that a later date is designated as the end of the underwriting period.

*Exchange Act:* The Securities Exchange Act of 1934, as amended.

*Excluded Sections:* For purposes of the representations and warranties of the University set forth in Section 8(a)(viii), and the opinions of University's Counsel and Disclosure Counsel required pursuant to Section 12, the "Excluded Sections" of the Preliminary Official Statement and the Official Statement shall be: (i) the section describing DTC and its book-entry-only procedures, and (ii) the section captioned "Underwriting" if provided in writing by the Underwriter.

*University:* Idaho State University.

*University Documents:* All financing documents to which the University is a party relating to the issuance of and security for the 2019 Bonds, as such documents are amended and supplemented to the Closing Date, including, but not limited to:

- (1) the Authorizing Resolution,
- (2) this Agreement,
- (3) any Continuing Disclosure Undertaking, and
- (4) other applicable financing or operative documents to which the University is a party, as such documents are amended and supplemented to the Closing Date.

*MSRB:* Municipal Securities Rulemaking Board.

*Official Statement:* Official Statement dated October 31, 2019, relating to the 2019 Bonds, together with all appendices or exhibits, any materials incorporated by reference therein and any amendments or supplements thereto.

*Preliminary Official Statement:* Preliminary Official Statement dated October \_\_, 2019, relating to the 2019 Bonds, together with all appendices or exhibits, any materials incorporated by reference therein and any amendments or supplements thereto.

*Primary Offering Disclosure Period:* The period commencing with the first submission to an underwriter of an order for the purchase of the 2019 Bonds or the purchase of such 2019 Bonds from the University, whichever first occurs, and ending 25 days after the final delivery by the University or its agent of all 2019 Bonds to the Underwriter.

*Purchase Price:* The amount specified in Section 5 as the Purchase Price to be paid by the Underwriter at the Closing for the purchase of the 2019 Bonds on the Closing Date.

*Rule 15c2-12:* Rule 15c2-12 promulgated by the SEC under the Exchange Act.

*SEC:* Securities and Exchange Commission of the United States.

*2019 Bonds:* The Securities identified in Section 1 on the first page of this Agreement, as more specifically described in **Schedule I**.

*Securities Act:* The Securities Act of 1933, as amended.

*State:* Idaho.

*Trustee:* U.S. Bank National Association, acting as trustee and paying agent for the 2019 Bonds.

*Trust Estate:* The Pledged Revenues (as defined in the Authorizing Resolution) and/or other funds pledged or otherwise identified by the University as security or the source of payment for the 2019 Bonds as set forth in the University Documents.

*Trust Indenture Act:* Trust Indenture Act of 1939, as amended.

*Underwriter:* Piper Jaffray & Co., Boise, Idaho.

*Underwriter's Counsel:* Kutak Rock LLP, Spokane, Washington.

### **3. Offer to Purchase the 2019 Bonds; Execution of Terms and Acceptance**

The University and the Underwriter are entering into this Bond Purchase Agreement (the “*Agreement*”), to provide for the purchase and sale of the 2019 Bonds. The 2019 Bonds are further described in **Schedule I**.

The Underwriter hereby offers to purchase all (but not less than all) of the 2019 Bonds from, and to enter into this Agreement with, the University. This offer is subject to acceptance by the University by the Acceptance Deadline and, if not so accepted, will be subject to withdrawal by the Underwriter by written notice delivered to the University at any time prior to acceptance. The University shall accept this Agreement by its execution hereof. Upon such

execution, the Agreement will be binding upon the Underwriter and the University. This Agreement is effective as of November 4, 2019 at the time set forth in this Agreement.

#### 4. Purchase of the 2019 Bonds

The Underwriter shall purchase from the University, and the University shall sell to the Underwriter, all (but not less than all) of the 2019 Bonds on the Closing Date at the aggregate Purchase Price set forth below, plus accrued interest, if any. The 2019 Bonds shall bear interest at the rates per annum, mature on the dates, be sold to the public at the prices and be subject to optional and mandatory sinking fund redemption prior to maturity and to such other terms and provisions, all as set forth in **Schedule I**. The 2019 Bonds otherwise shall be as described in the Official Statement, the Authorizing Resolution and the University Documents. The Underwriter's agreement to purchase the 2019 Bonds from the University is made in reliance upon the University's representations, covenants and warranties and on the terms and conditions set forth in this Agreement.

The University acknowledges and agrees that: (a) the primary role of Piper Jaffray & Co., as an underwriter, is to purchase 2019 Bonds for resale to investors in an arms-length commercial transaction between the University and the Underwriter and that the Underwriter has financial and other interests that differ from those of the University; (b) the Underwriter is not acting as a municipal advisor, financial advisor or fiduciary to the University or any other person or entity with respect to the transaction contemplated in this Agreement and has not assumed any advisory or fiduciary responsibility to the University with respect to the transaction contemplated in this Agreement and the discussions, undertakings and proceedings leading to this Agreement (irrespective of whether the Underwriter has provided other services or is currently providing other services to the University on other matters); (c) the only obligations the Underwriter has to the University with respect to the transaction contemplated hereby expressly are set forth in this Agreement; and (d) the University has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate in connection with the transaction contemplated herein.

#### 5. Purchase Price

The Purchase Price of the 2019 Bonds is \$\_\_\_\_\_ (representing the principal amount of the 2019 Bonds of \$\_\_\_\_\_, less an Underwriter's discount of \$\_\_\_\_\_ plus an original issue premium of \$\_\_\_\_\_, minus an original discount of \$\_\_\_\_\_) plus accrued interest, if any, to the Closing Date. The Purchase Price shall be payable on the Closing Date by the Underwriter to or as directed by the University by wire transfer in immediately available funds or as otherwise agreed by the University and the Underwriter as follows: \_\_\_\_\_. The Underwriter also will be reimbursed for those out-of-pocket expenses described in Section 16.

#### 6. Public Offering

The Underwriter agrees to make a bona fide initial public offering of all the 2019 Bonds in compliance with federal and state securities laws, at a price not in excess of the initial offering price set forth in the Official Statement. The Underwriter may change the initial offering price

or prices as it deems necessary in connection with the offering of the 2019 Bonds without any requirement of prior notice and may offer and sell the 2019 Bonds to certain institutions at prices lower than those stated in the Official Statement.

## 7. Official Statement

The University hereby consents to and ratifies the use and distribution by the Underwriter of the Official Statement in connection with the public offering and sale of the 2019 Bonds by the Underwriter. The University hereby represents and warrants that the Preliminary Official Statement previously furnished to the Underwriter was “deemed final” by the University as of its date for purposes of Rule 15c2-12.

- (a) The University, at its cost, shall provide, or cause to be provided, to the Underwriter within seven business days after the date of this Agreement (or within such shorter period as may be approved by the Underwriter or required by applicable rule) such number of copies of a final Official Statement as reasonably requested by the Underwriter, but in sufficient quantity to permit the Underwriter to comply with paragraph (b)(4) of Rule 15c2-12, Rule G-32 and any other applicable rules of the SEC the MSRB.

The University authorizes the Underwriter to file, to the extent required by any applicable SEC or MSRB rule, and the Underwriter agrees to so file, the Official Statement with the MSRB or its designee. If an amended Official Statement is prepared during the “primary offering disclosure period,” and if required by any applicable SEC or MSRB rule, the Underwriter also shall make the required filings of the amended Official Statement.

- (b) The Preliminary Official Statement and the Official Statement may be delivered in printed and a “designated electronic format” as defined in the MSRB’s Rule G-32 and as may be agreed by the University and the Underwriter. If the Official Statement has been prepared in electronic form, the University hereby confirms that it does not object to distribution of the Official Statement in electronic form.
- (c) The University shall not supplement or amend the Official Statement or cause the Official Statement to be supplemented or amended without the prior written consent of the Underwriter. The University covenants to notify the Underwriter promptly if, on or prior to the 25th day after the End of the Underwriting Period, (or such other period as may be agreed to by the University and the Underwriter) any event shall occur, or information comes to the attention of the University, that is reasonably likely to cause the Official Statement (whether or not previously supplemented or amended) to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and if in the opinion of the Underwriter such event requires the preparation and distribution of a supplement or amendment to the Official Statement, to prepare and furnish to the Underwriter, at the University’s expense,

such number of copies of the supplement or amendment to the Official Statement, in: (i) a “designated electronic format” consistent with the requirements of the MSRB’s Rule G-32 and (ii) a printed format form in substance mutually agreed upon by the University and the Underwriter, as the Underwriter may reasonably request. If such notification shall be given subsequent to the Closing Date, the University also shall furnish, or cause to be furnished, such additional legal opinions, certificates, instruments and other documents as the Underwriter may reasonably deem necessary to evidence the truth and accuracy of any such supplement or amendment to the Official Statement.

## 8. Representations and Warranties

- (a) Representations and Warranties of the University. The University hereby agrees with, and makes the following representations and warranties to, the Underwriter, as of the date hereof and as of the Closing Date, which representations and warranties shall survive the Closing:
- (i) The University is duly created and existing under the constitution and laws of the State and has full legal right, power and authority under the constitution and laws of the State, including the Act, to adopt the Authorizing Resolution, to execute and deliver the University Documents and the Official Statement, to issue, sell and deliver the 2019 Bonds as provided herein, and to carry out and to consummate the transactions contemplated by the Authorizing Resolution, the University Documents and the Official Statement.
  - (ii) By all necessary official action of the University prior to or concurrently with the acceptance hereof, the University has duly authorized and approved: (A) the distribution of the Preliminary Official Statement and the execution, delivery and distribution of the Official Statement for use by the Underwriter in connection with the public offering of the 2019 Bonds, (B) the issuance and sale of the 2019 Bonds upon the terms set forth herein and as contemplated by the Authorizing Resolution, the University Documents and the Official Statement and (C) the execution and delivery of, and the performance by the University of the obligations on its part contained in, the 2019 Bonds, the Authorizing Resolution and the University Documents.
  - (iii) The 2019 Bonds will be issued in conformity with and entitled to the benefit and security of the Authorizing Resolution and the University Documents, including the pledge or application thereunder of the Trust Estate.
  - (iv) This Agreement constitutes a legal, valid and binding obligation of the University enforceable in accordance with its terms; the other University Documents, when duly executed and delivered, will constitute the legal,

valid and binding obligations of the University enforceable in accordance with their respective terms; and the 2019 Bonds, when issued, authenticated and delivered in accordance with the University Documents and sold to the Underwriter as provided herein, will be the legal, valid and binding obligations of the University enforceable in accordance with their terms; in all cases, except as the enforceability of this Agreement, the other University Documents and the 2019 Bonds may be limited by application of Creditors' Rights Laws.

- (v) Except as may be described in the Preliminary Official Statement or the Official Statement, the University is not in breach of or default in any material respect under (if applicable) its charter documents, its articles of incorporation or its bylaws or under any applicable constitutional provision, law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the University is a party or to which the University is or any of its property or assets are otherwise subject, and no event has occurred and is continuing which constitutes or with the passage of time or the giving of notice, or both, would constitute a material default or event of default by the University under any of the foregoing.
- (vi) The adoption, execution and delivery of the 2019 Bonds, the Authorizing Resolution and the other University Documents, and compliance with the provisions on the University's part contained therein, will not conflict with or constitute a breach of or default under any constitutional provision, law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the University is a party or to which the University or any of its property or assets are otherwise subject, and such adoption, execution, delivery or compliance will not result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature upon the Trust Estate or the property or assets, if any, of the University to be pledged to secure the 2019 Bonds or under the terms of any such law, regulation or instrument, except as provided by the 2019 Bonds, the Authorizing Resolution and the other University Documents.
- (vii) All authorizations, approvals, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect, the issuance of the 2019 Bonds or the due performance by the University of its obligations under the Authorizing Resolution, the other University Documents and the 2019 Bonds have been duly obtained or will be obtained by the University prior to the Closing.



- (viii) The Preliminary Official Statement as of its date did not, and the Official Statement as of its date does not and as of the Closing Date will not, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, the University makes no statement as to the Excluded Sections of the Preliminary Official Statement or the Official Statement.
- (ix) The financial statements of the University contained in the Preliminary Official Statement and the Official Statement fairly present the financial position and results of operations of the University as of the dates and for the periods therein set forth in accordance with generally accepted accounting principles consistently applied, and, since the date thereof, there has been no material adverse change in the financial position or results of operations of the University, except as noted in the Preliminary Official Statement and the Official Statement.
- (x) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, agency, public board or body, pending or, to the knowledge of the University, threatened against the University: (A) affecting the existence of the University or the titles of its officers to their respective offices, (B) seeking to prohibit, restrain or enjoin the issuance, sale or delivery of the 2019 Bonds or the pledge or collection by the University of the Trust Estate or the making of any other required deposits with respect to the 2019 Bonds, (C) in any way contesting or affecting the validity or enforceability of, or the power or authority of the University to issue, adopt or to enter into (as applicable), the 2019 Bonds, the Authorizing Resolution or the other University Documents, (D) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or any amendment or supplement thereto, (E) except as disclosed in the Official Statement, wherein an unfavorable decision, ruling or finding would materially adversely affect the financial position or condition of the University or would result in any material adverse change in the ability of the University to pledge or apply the Trust Estate or to pay debt service on the 2019 Bonds, or (F) contesting the status of the interest on the 2019 Bonds as excludable from gross income for federal income tax purposes or as exempt from any applicable State income tax, in each case as described in the Official Statement.
- (xi) The University has received all licenses, permits or other regulatory approvals required, if any, for the pledge, collection and/or application by the University of the Trust Estate and the University is not in material default, and no event has occurred which would constitute or result in a material default, under any such licenses, permits or approvals.

- (xii) The University has entered or will enter into the Continuing Disclosure Undertaking and, unless otherwise described in the Official Statement, or set forth below, the University has not failed during the previous five years to comply in all material respects with any previous undertakings in a written continuing disclosure contract or agreement under Rule 15c2-12.
  - (xiii) The Authorizing Resolution, the other University Documents and the 2019 Bonds conform to the descriptions thereof contained in the Official Statement.
  - (xiv) The University has the legal authority to apply proceeds of the 2019 Bonds for the purposes contemplated by the Authorizing Resolution and the other University Documents, including for the payment or reimbursement of incidental expenses in connection with the marketing, issuance and delivery of the 2019 Bonds to the extent required by this Agreement and in compliance with applicable law.
  - (xv) Any certificate, signed by any official of the University authorized to do so in connection with the transactions described in this Agreement, shall be deemed a representation and warranty by the University to the Underwriter as to the statements made therein.
- (b) Covenants of the University.

The University hereby covenants with the Underwriter that:

- (i) Prior to the Closing Date, except as otherwise contemplated by the Official Statement, the University shall not create, assume or guarantee any indebtedness payable from, or pledge or otherwise encumber, the Trust Estate or other assets, properties, funds or interests that will be pledged as security for the 2019 Bonds pursuant to the University Documents.
  - (ii) The University shall cooperate with the Underwriter in the qualification of the 2019 Bonds for offering and sale and the determination of their eligibility for investment under the laws of such jurisdictions, to the extent applicable, as the Underwriter may request; provided that the University shall not be required to qualify as a foreign corporation in, or submit to the general jurisdiction of, any other state or to file any general or special consents to service of process under the laws of any jurisdiction.
  - (iii) The University shall not knowingly take or omit to take any action that, under existing law, may adversely affect the exclusion from gross income for federal income tax purposes, or the exemption from any applicable State income tax, of the interest on the 2019 Bonds.
- (c) Representations and Warranties of the Underwriter. The Underwriter hereby agrees with, and makes the following representations and warranties to, the

University, as of the date hereof and as of the Closing Date, which representations and warranties shall survive the Closing:

- (i) The Underwriter is an entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization.
- (ii) This Agreement has been duly authorized, executed and delivered by the Underwriter and, assuming the due authorization, execution and delivery by the University, is the legal, valid and binding obligation of the Underwriter enforceable in accordance with its terms, except as the enforceability of this Agreement may be limited by application of Creditors' Rights Laws.
- (iii) The Underwriter represents that it is licensed by and registered with the Financial Industry Regulatory Authority as a broker-dealer and the MSRB as a municipal securities dealer.

**9. Third-Party Credit Enhancement or Support**

None.

**10. Ratings**

The following ratings on the 2019 Bonds shall be in effect on the Closing Date:

- (a) Moody's Investors Service: "\_\_\_" with a "\_\_\_\_\_"

**11. Closing**

- (a) The delivery of and payment for the 2019 Bonds shall be the "Closing" for the 2019 Bonds and shall occur at or prior to 1:00 p.m., New York City time, on the Closing Date, or at such other time or on such other date as may be mutually agreed by the Underwriter and the University. The location of the Closing shall be Boise, Idaho.
- (b) At the Closing, the University shall deliver or cause to be delivered the 2019 Bonds to DTC or to the Trustee or Paying Agent on behalf of the Underwriter, as further described in paragraph (c) below. The 2019 Bonds shall be delivered in definitive form, duly executed by the University and authenticated by the Trustee or paying agent, together with the other documents identified in Section 12. Subject to satisfaction of the conditions contained in this Agreement, the Underwriter will accept delivery of the 2019 Bonds as described above and pay the Purchase Price, plus accrued interest, if any, on the 2019 Bonds from their dated date to, but not including, the Closing Date, in immediately available funds, payable to the order of the Trustee or as otherwise directed by the University.

- (c) Delivery of the definitive 2019 Bonds shall be made through the facilities of DTC's book-entry-only system in New York, New York, or at such other location as may be designated by the Underwriter prior to the Closing. The 2019 Bonds will be delivered as fully-registered bonds, bearing CUSIP numbers, with a single bond for each maturity of each series of the 2019 Bonds (or, if so provided in **Schedule I**, for each separate interest rate within a maturity), and registered in the name of Cede & Co., as nominee of DTC, which will act as 2019 Bonds depository for the 2019 Bonds. Unless otherwise requested by the Underwriter, the 2019 Bonds will be delivered under DTC's FAST delivery system.

## 12. Closing Conditions

The Underwriter shall receive on the Closing Date, in form and substance satisfactory to Bond Counsel and to the Underwriter, each item specified below, unless waived by the Underwriter:

- (a) The approving opinion of Bond Counsel, addressed to the Underwriter (or addressed to the University with a reliance letter addressed to the Underwriter), dated the Closing Date, and in substantially the form included as an appendix to the Official Statement.
- (b) The opinion of the University's Counsel addressed to the Underwriter and the University, dated the Closing Date, to the effect that:
- (i) The University is an institution of higher education and a body politic of the State, duly and validly created and existing pursuant to the laws of the State, with full legal right, power, and authority (A) to issue bonds of the University pursuant to the Authorizing Resolution and to apply the proceeds thereof pursuant to the Authorizing Resolution and the other University Documents;
  - (ii) The meeting of the Idaho State Board of Education and the Board of Trustees of the University (the "Board") on October \_\_\_\_, 2019, at which the Supplemental Resolution was duly adopted by the Board, was called and held pursuant to law, all public notices required by law were given, and the actions taken at the meeting, insofar as such actions relate to the 2019 Bonds, were legally and validly taken.
  - (iii) The adoption of the Authorizing Resolution by the Board, the execution and delivery of the University Documents and the Official Statement, and the performance by the University of the transactions contemplated thereby will not conflict with or constitute a breach of, or default under, any commitment, note, agreement or other instrument to which the University is a party or by which it or any of its property is bound, or any provision of the Idaho Constitution or laws or any existing law, rule,

regulation, ordinance, judgment, order or decree to which the University or the Board is subject.

- (iv) Based upon conferences with, and representations of officials of, the University, the statements in the Preliminary Official Statement and the Official Statement under the captions, “INTRODUCTION-Idaho State University,” “SECURITY FOR THE 2019 BONDS,”-“Historical Revenue Available For Debt Service,” “THE UNIVERSITY,”-“University Governance and Administration,” “LITIGATION,” and “APPENDIX B— Schedule Of Student Fees” are true and correct in all material respects and did not, as of their respective dates, and do not contain an untrue statement or omission of a material fact (other than, with respect to the Preliminary Official Statement, any information that is permitted to be omitted from the Preliminary Official Statement pursuant to the Rule), it being understood that, in rendering such opinion, such counsel is not expressing an opinion with respect to financial, statistical or operating data contained under these captions of the Preliminary Official Statement and the Official Statement.
- (v) (v) Except as described in the Official Statement, there is no action, suit, proceeding, official inquiry or investigation, at law or in equity pending, or, to our knowledge threatened against the University which: (A) questions the existence or powers of the Board or the University or the title to office of any present official of the Board or the University or titles its officers to their respective offices; (B) seeks to prohibit, restrain or enjoin the sale, issuance or delivery of any of the 2019 Bonds or the pledge or collection by the University of the Trust Estate or the making of any other required deposits with respect to the 2019 Bonds or the execution and delivery of the University Documents or the Official Statement; (C) affecting the collection of the Pledged Revenues pledged or to be pledged to pay the principal of and interest on the 2019 Bonds, or the pledge of the revenues and other funds and accounts under the Authorizing Resolution; (D) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement; (E) contesting any authority for the issuance of the 2019 Bonds, and the adoption of the Authorizing Resolution, or the execution and delivery of the other University Documents and the Official Statement, or the validity of any proceedings taken by the University in connection with the issuance or sale of the 2019 Bonds; (F) except as disclosed in the Official Statement, wherein an unfavorable decision, ruling or finding would materially adversely affect the financial position or condition of the University or would result in any material adverse change in the ability of the University to pledge the Trust Estate or to pay debt service on the 2019 Bonds; or (G) contesting the status of the interest on the 2019 Bonds as excludable from gross income for federal income tax purposes or as exempt from any applicable State tax, in each case as described in the Official Statement.

- (vi) The distribution of the Preliminary Official Statement and the execution delivery and distribution of the Official Statement have been duly authorized by the University; nothing has come to the attention of such counsel that would lead them to believe that the information and statements in the Preliminary Official Statement as of its date and the Official Statement, as of its date and as of the date of such opinion, contained or contains any untrue statement of a material fact or omitted or omit to state a material fact necessary in order to make the statements therein in the light of the circumstances under which they were made, not misleading; provided that, no view need be expressed as to the financial statements of the University, any other financial, forecast, technical or statistical data or as to the Excluded Sections of the Preliminary Official Statement as of its date and the Official Statement; and
- (vii) All authorizations, approvals, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect, the due performance by the University of its obligations under the Authorizing Resolution, the other University Documents and the 2019 Bonds have been duly obtained, except for: (A) such approvals, consents and orders as may be required under the Blue Sky or 2019 Bonds laws of any jurisdiction in connection with the offering and sale of the 2019 Bonds and (B) authorizations, approvals, consents and orders that are required to be obtained or renewed periodically, such as budgets, licenses and permits.
- (c) The opinion of counsel to the Trustee, if any, addressed to the Underwriter and the University, dated the Closing Date, addressing such matters as reasonably may be requested by the Underwriter and Bond Counsel.
- (d) The opinion Kutak Rock LLP, counsel to the Underwriter, in form and substance acceptable to the Underwriter.
- (e) The opinion of Disclosure Counsel, addressed to the Underwriter and the University, dated the Closing Date, to the effect that: (i) the descriptions of the 2019 Bonds and the Authorizing Resolution in the Official Statement are true and correct in all material respects and (ii) the 2019 Bonds are exempt from the registration requirements of the Securities Act; and the Authorizing Resolution is exempt from qualification under the Trust Indenture Act, and nothing has come to the attention of such counsel that would lead them to believe that the information and statements in the Preliminary Official Statement as of its date and the Official Statement, as of its date and as of the date of such opinion, contained or contain any untrue statement of a material fact or omitted or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that no view need be expressed as to the financial statements of the University, any other financial,

forecast, technical or statistical data or as to the Excluded Sections of the Preliminary Official Statement as of its date and the Official Statement.

- (f) A certificate dated the Closing Date of an authorized officer of the University to the effect that:
- (i) the representations and warranties of the University contained in this Agreement are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date;
  - (ii) the University has complied with all of the agreements and satisfied all of the conditions on its part to be performed or satisfied at or prior to the Closing;
  - (iii) no event affecting the University has occurred since the date of the Official Statement which either makes untrue or incorrect in any material respect as of the Closing Date any statement or information contained in the Preliminary Official Statement or the Official Statement or is not reflected in the Official Statement but should be reflected therein in order to make the statements and information therein not misleading in any material respect; and
  - (iv) there is no action, suit, proceeding or investigation before or by any court or public board or body pending or threatened against the University to restrain or enjoin the issuance, execution or delivery of the 2019 Bonds or in any manner questioning the proceedings or authority for the issuance of the 2019 Bonds or affecting directly or indirectly the validity of the 2019 Bonds or of any provisions made or authorized for their payment or contesting the existence of the University or the title of any of its officers to their respective offices.
- (g) the Underwriter has verified that the rating, as set forth in Section 10, is in effect as of the Closing Date.
- (h) a certificate of an officer of the Trustee, acceptable to the Underwriter, dated the Closing Date, to the effect that the University Documents and other financing or operative documents relating to the 2019 Bonds to which the Trustee is a party have been duly authorized, executed and delivered by the Trustee and, assuming due authorization, execution and delivery thereof by the University and the other parties thereto, constitute valid and binding agreements of the Trustee enforceable against the Trustee in accordance with their terms, and the 2019 Bonds have been authenticated in accordance with the Authorizing Resolution and the University Documents by a duly authorized officer or signatory of the Trustee; and an incumbency certificate of the Trustee, in form and content acceptable to the Underwriter and Bond Counsel, dated the Closing Date, with respect to the officers or other signatories of the Trustee who have executed, authenticated and delivered the 2019 Bonds, the University Documents to which the Trustee is a

party, and all other financing or operative documents relating to the 2019 Bonds to be signed by the Trustee.

- (i) A tax certificate or tax regulatory agreement, executed by a duly authorized officer of the University, in form and substance satisfactory to Bond Counsel, setting forth, among other things, in the manner permitted by the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, the reasonable expectations of the University as of the Closing Date as to the use of proceeds of the 2019 Bonds and of any other funds of the University expected to be used to pay debt service on the 2019 Bonds and the facts and estimates on which such expectations are based, and stating that, to the best of knowledge and belief of such certifying officer, the expectations set forth therein are reasonable.
- (j) An Information Return for Tax-Exempt Bond Issues (Internal Revenue Service Form 8038-G), in a form satisfactory to Bond Counsel for filing, executed by a duly authorized officer of the University.
- (k) A copy of the Blanket Letter of Representations to DTC relating to the 2019 Bonds signed by the University.
- (l) True and complete copies of all opinions, certificates and other documents delivered to the Trustee under the Authorizing Resolution and the other University Documents; and such additional legal opinions, certificates, instruments and other documents as the Underwriter or Bond Counsel reasonably may request, in form and substance satisfactory to the Underwriter or Bond Counsel, as the case may be, to evidence: (i) compliance by the University with legal requirements reasonably relating to the transactions contemplated by the Official Statement and this Agreement, (ii) the truth and completeness, as of the date thereof, of the statements and information contained in the Preliminary Official Statement, (iii) the truth and completeness, as of the date thereof and as of the time of the Closing, of the statements and information contained in the Official Statement, (iv) the truth and completeness, as of the time of the Closing, of the representations and warranties of the University contained in this Agreement and the certificates and other documents referred to in this Agreement, and (v) the due performance or satisfaction by the University at or prior to the Closing of all agreements then to be satisfied.

### **13. Issue Price Certificate**

- (a) The Underwriter agrees to assist the University in establishing the issue price of the 2019 Bonds and shall execute and deliver to the University at Closing an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the University and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the 2019 Bonds.



- (b) Except as otherwise set forth in Schedule I attached hereto, the University will treat the first price at which 10% of each maturity of the 2019 Bonds (the “10% test”) is sold to the public as the issue price of that maturity. At or promptly after the execution of this Agreement, the Underwriter shall report to the University and Bond Counsel the price or prices at which it has sold to the public each maturity of the 2019 Bonds. If at that time the 10% test has not been satisfied as to any maturity of the 2019 Bonds, the Underwriter agrees to promptly report to the University the prices at which it sells the unsold 2019 Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing has occurred, until either the: (i) the Underwriter has sold all the 2019 Bonds of that maturity or (ii) the 10% test has been satisfied as to the 2019 Bonds of that maturity, provided that, the Underwriter’s reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the University or Bond Counsel. For purposes of this Section, if any 2019 Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the 2019 Bonds.
- (c) The Underwriter confirms that it has offered the 2019 Bonds to the public on or before the date hereof (the “Sale Date”) at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in Schedule I attached hereto, except as otherwise set forth therein. Schedule I also sets forth, as of the Sale Date, the maturities, if any, of the 2019 Bonds for which the 10% test has not been satisfied and for which the University and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the University to treat the initial offering price to the public of each such maturity as of the Sale Date as the issue price of that maturity (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the 2019 Bonds, the Underwriter will neither offer nor sell unsold 2019 Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the Sale Date and ending on the earlier of the following:
- (i) the close of the fifth business day after the Sale Date; or
  - (ii) the date on which the Underwriter has sold at least 10% of that maturity of the 2019 Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter will advise the University promptly after the close of the fifth business day after the Sale Date whether it has sold 10% of that maturity of the 2019 Bonds to the public at a price that is no higher than the initial offering price to the public.

- (d) The Underwriter confirms that:
- (i) any selling group agreement and any third-party distribution agreement relating to the initial sale of the 2019 Bonds to the public, together with

the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

- A. (I) to report the prices at which it sells to the public the unsold 2019 Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all the 2019 Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter that the 10% test has been satisfied as to the 2019 Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon the request of the Underwriter; and (II) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter.
  - B. to promptly notify the Underwriter of any sales of 2019 Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the 2019 Bonds to the public (each such term being used as defined below); and
  - C. to acknowledge that, unless otherwise advised by the dealer or broker-dealer, the Underwriter shall assume that each order submitted by the dealer or broker-dealer is a sale to the public.
- (ii) any selling group agreement relating to the initial sale of the 2019 Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the 2019 Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to: (A) report the prices at which it sells to the public the unsold 2019 Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all the 2019 Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter or the dealer that the 10% test has been satisfied as to the 2019 Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter or the dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter or the dealer and as set forth in the related pricing wires.
- (e) The University acknowledges that, in making the representations set forth in this Section, the Underwriter will rely on:
- (i) in the event a selling group has been created in connection with the initial sale of the 2019 Bonds to the public, the agreement of each dealer who is a

member of the selling group to comply with the requirements for establishing issue price of the 2019 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the 2019 Bonds, as set forth in a selling group agreement and the related pricing wires; and

- (ii) in the event that a third-party distribution agreement was employed in connection with the initial sale of the 2019 Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing the issue price of the 2019 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the 2019 Bonds, as set forth in the third-party distribution agreement and the related pricing wires.

The University further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the 2019 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the 2019 Bonds.

- (f) The Underwriter acknowledges that sales of any 2019 Bond to any person that is a related party to an underwriter participating in the initial sale of the 2019 Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this Section. Further, for purposes of this Section:

- (i) “public” means any person other than an underwriter or a related party;
- (ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the University (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the 2019 Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the 2019 Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the 2019 Bonds to the public); and
- (iii) a purchaser of any of the 2019 Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to: (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the

partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

- (iv) “Sale Date” means the date of the execution of this Agreement by all parties.
- (g) Upon request of Bond Counsel, the Underwriter shall execute and deliver on the Closing Date an issue price or similar certificate pursuant to this Section, in form and substance reasonably satisfactory to the University, Bond Counsel and the Underwriter.

#### **14. Accountants’ Letter**

No Accountants’ letters will be delivered in connection with the issuance of the 2019 Bonds.

#### **15. Termination**

The Underwriter shall have the right to cancel its obligation to purchase the 2019 Bonds and to terminate this Agreement by written notice to the University if, between the Effective Date to and including the Closing Date, in the Underwriter’s sole and reasonable judgment any of the following events shall occur (each a “Termination Event”):

- (a) the market price or marketability of the 2019 Bonds, or the ability of the Underwriter to enforce contracts for the sale of the 2019 Bonds, shall be materially adversely affected by any of the following events:
  - (i) legislation shall have been enacted by the Congress of the United States or the legislature of the State or shall have been favorably reported out of committee of either body or be pending in committee of either body, or shall have been recommended to the Congress for passage by the President of the United States or a member of the President’s Cabinet, or a decision shall have been rendered by a court of the United States or the State or the Tax Court of the United States, or a ruling, resolution, regulation or temporary regulation, release or announcement shall have been made or shall have been proposed to be made by the Treasury Department of the United States or the Internal Revenue Service, or other federal or state authority with appropriate jurisdiction, with respect to federal or state taxation upon interest received on obligations of the general character of the 2019 Bonds, provided that this paragraph (a) (i) shall not apply if the 2019 Bonds are being issued as taxable 2019 Bonds; or
  - (ii) there shall have occurred: (A) an outbreak or escalation of hostilities or the declaration by the United States of a national emergency or war or (B) any other calamity or crisis in the financial markets of the United States or elsewhere; or

- (iii) a general suspension of trading on the New York Stock Exchange or other major exchange shall be in force, or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for 2019 Bonds shall have been required and be in force on any such exchange, whether by virtue of determination by that exchange or by order of the SEC or any other governmental authority having jurisdiction; or
- (iv) legislation shall have been enacted by the Congress of the United States or shall have been favorably reported out of committee or be pending in committee, or shall have been recommended to the Congress for passage by the President of the United States or a member of the President's Cabinet, or a decision by a court of the United States shall be rendered, or a ruling, regulation, proposed regulation or statement by or on behalf of the SEC or other governmental agency having jurisdiction of the subject matter shall be made, to the effect that any obligations of the general character of the 2019 Bonds, the Authorizing Resolution or the University Documents, or any comparable 2019 Bonds of the University, are not exempt from the registration, qualification or other requirements of the Securities Act or the Trust Indenture Act or otherwise, or would be in violation of any provision of the federal securities laws; or
- (v) except as disclosed in or contemplated by the Official Statement, any material adverse change in the affairs of the University shall have occurred; or
- (vi) any rating on securities of the University which are secured by a pledge or application of the Trust Estate on a parity with the 2019 Bonds or
- (b) any event or circumstance shall exist that either makes untrue or incorrect in any material respect any statement or information in the Official Statement (other than any statement provided by the Underwriter) or is not reflected in the Official Statement but should be reflected therein in order to make the statements therein, in the light of the circumstances under which they were made, not misleading and, in either such event, the University refuses to permit the Official Statement to be supplemented to supply such statement or information, or the effect of the Official Statement as so supplemented is to materially adversely affect the market price or marketability of the 2019 Bonds or the ability of the Underwriter to enforce contracts for the sale of the 2019 Bonds; or
- (c) a general banking moratorium shall have been declared by federal or State authorities having jurisdiction and be in force; or
- (d) a material disruption in securities settlement, payment or clearance services affecting the 2019 Bonds shall have occurred; or
- (e) any new restriction on transactions in securities materially affecting the market for securities (including the imposition of any limitation on interest rates) or the

extension of credit by, or a charge to the net capital requirements of, underwriters shall have been established by the New York Stock Exchange, the SEC, any other federal or State agency or the Congress of the United States, or by Executive Order; or

- (f) a decision by a court of the United States shall be rendered, or a stop order, release, regulation or no-action letter by or on behalf of the SEC or any other governmental agency having jurisdiction of the subject matter shall have been issued or made, to the effect that the issuance, offering or sale of the 2019 Bonds, including the underlying obligations as contemplated by this Agreement or by the Official Statement, or any document relating to the issuance, offering or sale of the 2019 Bonds, is or would be in violation of any provision of the federal securities laws at the Closing Date, including the Securities Act, the Exchange Act and the Trust Indenture Act.

Upon the occurrence of a Termination Event and the termination of this Agreement by the Underwriter, all obligations of the University and the Underwriter under this Agreement shall terminate, without further liability, except that the University and the Underwriter shall pay their respective expenses as set forth in Section 16 of this Agreement.

## **16. Payment of Expenses**

- (a) The Underwriter shall be under no obligation to pay, and the University shall pay from available funds or direct the Trustee under the Authorizing Resolution and the University Documents to pay from the proceeds of the 2019 Bonds (to the extent permitted under applicable law) or from other funds of the University, all expenses that are incidental to the performance of the University's obligations under this Agreement, including but not limited to: all expenses in connection with the printing of the Preliminary Official Statement, the Official Statement and any amendment or supplement to either; all expenses in connection with the printing, issuance and delivery of the 2019 Bonds; the fees and expenses of Bond Counsel, University's Counsel, Disclosure Counsel and Underwriter's Counsel; the fees and expenses of the University's financial advisors, accountants, any verification consultant and all other consultants; the fees and disbursements of any Trustee, any paying agent and any escrow agent, and their respective counsel; all expenses in connection with obtaining a rating or ratings for the 2019 Bonds; all expenses of the other University in connection with the preparation, printing, execution and delivery, and any recording or filing, of the Authorizing Resolution, any University Document or any other instrument; the fees associated with Continuing Disclosure Undertaking; and all other expenses and costs of the University incident to its obligations in connection with the authorization, issuance, sale and distribution of the 2019 Bonds. Unless the University and the Underwriter otherwise agree, the University shall pay for all incidental costs (including, but not limited to, transportation, lodging, meals and entertainment of University personnel) incurred by or on behalf of the University in connection with the marketing, issuance and delivery of the 2019 Bonds.

- (b) The Underwriter shall pay the costs of qualifying the 2019 Bonds for sale in the various states chosen by the Underwriter and all advertising expenses in connection with the public offering of the 2019 Bonds, the fees and disbursements of Underwriter's Counsel and all other expenses incurred by the Underwriter in connection with the public offering and distribution of the 2019 Bonds.

**17. Notices**

Any notice or other communication to be given to the University under this Agreement may be given by certified mail or by delivering the same in writing to the University at the following address: Attention: Glen Nelson, Vice President for Finance and Administration, Idaho State University, 921 South 8<sup>th</sup> Avenue, Stop 8219, Pocatello, Idaho 83209, and any notice or other communication to be given to the Underwriter under this Agreement may be given by delivering the same in writing to the Underwriter, Attention: Eric Heringer, Piper Jaffray, 101 South Capitol Blvd., Suite 603, Boise, Idaho, or to such other addresses as one party shall furnish the other in writing for receipt of notice.

**18. Governing Law**

This Agreement shall be governed by the laws of the State of Idaho.

**19. Miscellaneous**

This Agreement is made solely for the benefit of the signatories hereto (including the Underwriter and its successors or assigns) and no other person shall acquire or have any right hereunder or by virtue hereof. Neither the University nor the Underwriter may assign this Agreement. The term "successor" shall not include any holder of any 2019 Bonds merely by virtue of such holding. All representations, warranties, agreements and indemnities contained in this Agreement shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of the Underwriter and shall survive the delivery of and payment for the 2019 Bonds and any termination of this Agreement. Section headings have been included in this Agreement as a matter of convenience of reference only and are not to be used in the interpretation of any provisions of this Agreement. If any provision of this Agreement is, or is held or deemed to be, invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, because it conflicts with any provisions of any constitution, statute, rule of public policy or for any other reason, such circumstances shall not make the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or make any other provision or provisions of this Agreement invalid, inoperative or unenforceable to any extent whatever.

**20. Counterparts**

This Agreement may be executed in one or more counterparts with the same force and effect as if all signatures appeared on a single instrument.

**21. Signatures**

Upon execution by the University and the Underwriter, this Agreement shall be binding upon the University and the Underwriter as of the Effective Date and Time.

*[Remainder of this page intentionally left blank.]*



ACCEPTED AND AGREED:

IDAHO STATE UNIVERSITY

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

Name: Glen Nelson

Title: Vice President for Finance and Administration

Effective Date and Time of Formal Award:

\_\_\_\_\_, 2019, \_\_\_\_\_, \_\_.m.

(Mountain Standard Time).

PIPER JAFFRAY & CO.

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

Name: Eric Heringer

Title: Managing Director

**Schedule I**  
**Terms of the 2019 Bonds**

<b><u>Principal Amount</u></b>	<b><u>Maturity ( )</u></b>	<b><u>Interest Rate</u></b>	<b><u>Yield</u></b>	<b><u>Offering Price</u></b>
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\*Priced to call date.

**Optional Redemption:**

The 2019 Bonds maturing on or prior to \_\_\_\_\_, are not subject to redemption prior to their stated dates of maturity. The 2019 Bonds maturing on or after \_\_\_\_\_, are subject to redemption prior to maturity at the option of the University in whole or in part on any date on and after \_\_\_\_\_, and if in part, in such order of maturity as may be directed by the University at a redemption price equal to 100% of the principal amount of the 2019 Bonds to be redeemed plus accrued interest to the date of redemption.

SCHEDULE I

## DEBT SERVICE PROJECTION

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
11/14/2019	-	-	-	-	-
04/01/2020	-	-	312,778.61	312,778.61	312,778.61
10/01/2020	-	-	410,950.00	410,950.00	-
04/01/2021	295,000.00	4.000%	410,950.00	705,950.00	1,116,900.00
10/01/2021	-	-	405,050.00	405,050.00	-
04/01/2022	310,000.00	4.000%	405,050.00	715,050.00	1,120,100.00
10/01/2022	-	-	398,850.00	398,850.00	-
04/01/2023	320,000.00	4.000%	398,850.00	718,850.00	1,117,700.00
10/01/2023	-	-	392,450.00	392,450.00	-
04/01/2024	335,000.00	4.000%	392,450.00	727,450.00	1,119,900.00
10/01/2024	-	-	385,750.00	385,750.00	-
04/01/2025	345,000.00	4.000%	385,750.00	730,750.00	1,116,500.00
10/01/2025	-	-	378,850.00	378,850.00	-
04/01/2026	360,000.00	4.000%	378,850.00	738,850.00	1,117,700.00
10/01/2026	-	-	371,650.00	371,650.00	-
04/01/2027	375,000.00	4.000%	371,650.00	746,650.00	1,118,300.00
10/01/2027	-	-	364,150.00	364,150.00	-
04/01/2028	390,000.00	4.000%	364,150.00	754,150.00	1,118,300.00
10/01/2028	-	-	356,350.00	356,350.00	-
04/01/2029	405,000.00	4.000%	356,350.00	761,350.00	1,117,700.00
10/01/2029	-	-	348,250.00	348,250.00	-
04/01/2030	420,000.00	5.000%	348,250.00	768,250.00	1,116,500.00
10/01/2030	-	-	337,750.00	337,750.00	-
04/01/2031	440,000.00	5.000%	337,750.00	777,750.00	1,115,500.00
10/01/2031	-	-	326,750.00	326,750.00	-
04/01/2032	465,000.00	5.000%	326,750.00	791,750.00	1,118,500.00
10/01/2032	-	-	315,125.00	315,125.00	-
04/01/2033	490,000.00	5.000%	315,125.00	805,125.00	1,120,250.00
10/01/2033	-	-	302,875.00	302,875.00	-
04/01/2034	510,000.00	5.000%	302,875.00	812,875.00	1,115,750.00
10/01/2034	-	-	290,125.00	290,125.00	-
04/01/2035	540,000.00	5.000%	290,125.00	830,125.00	1,120,250.00
10/01/2035	-	-	276,625.00	276,625.00	-
04/01/2036	565,000.00	5.000%	276,625.00	841,625.00	1,118,250.00
10/01/2036	-	-	262,500.00	262,500.00	-
04/01/2037	595,000.00	5.000%	262,500.00	857,500.00	1,120,000.00
10/01/2037	-	-	247,625.00	247,625.00	-
04/01/2038	620,000.00	5.000%	247,625.00	867,625.00	1,115,250.00
10/01/2038	-	-	232,125.00	232,125.00	-
04/01/2039	655,000.00	5.000%	232,125.00	887,125.00	1,119,250.00
10/01/2039	-	-	215,750.00	215,750.00	-
04/01/2040	685,000.00	5.000%	215,750.00	900,750.00	1,116,500.00
10/01/2040	-	-	198,625.00	198,625.00	-
04/01/2041	720,000.00	5.000%	198,625.00	918,625.00	1,117,250.00
10/01/2041	-	-	180,625.00	180,625.00	-
04/01/2042	755,000.00	5.000%	180,625.00	935,625.00	1,116,250.00
10/01/2042	-	-	161,750.00	161,750.00	-
04/01/2043	795,000.00	5.000%	161,750.00	956,750.00	1,118,500.00
10/01/2043	-	-	141,875.00	141,875.00	-
04/01/2044	835,000.00	5.000%	141,875.00	976,875.00	1,118,750.00
10/01/2044	-	-	121,000.00	121,000.00	-
04/01/2045	875,000.00	5.000%	121,000.00	996,000.00	1,117,000.00
10/01/2045	-	-	99,125.00	99,125.00	-
04/01/2046	920,000.00	5.000%	99,125.00	1,019,125.00	1,118,250.00
10/01/2046	-	-	76,125.00	76,125.00	-
04/01/2047	965,000.00	5.000%	76,125.00	1,041,125.00	1,117,250.00
10/01/2047	-	-	52,000.00	52,000.00	-
04/01/2048	1,015,000.00	5.000%	52,000.00	1,067,000.00	1,119,000.00
10/01/2048	-	-	26,625.00	26,625.00	-
04/01/2049	1,065,000.00	5.000%	26,625.00	1,091,625.00	1,118,250.00

**CONTINUING DISCLOSURE UNDERTAKING**

**IDAHO STATE UNIVERSITY  
GENERAL REVENUE BONDS, SERIES 2019**

THIS CONTINUING DISCLOSURE UNDERTAKING (the "Undertaking") is executed and delivered by Idaho State University (the "Issuer") and U.S. Bank National Association (the "Disclosure Agent") in connection with the issuance of \$\_\_\_\_\_ General Revenue Bonds, Series 2019 (the "2019 Bonds") being issued pursuant to a master Resolution providing for the issuance of General Revenue Bonds adopted September 17, 1992, as supplemented and amended, and restated from time to time, including by a Supplemental Resolution adopted \_\_\_\_\_, 2019 (collectively, the "Resolution"). The Undertaking is executed and delivered as of the date set forth below in order for the Issuer to authorize and direct the Disclosure Agent, as the agent of the Issuer, to make certain information available to the public in compliance with Section (b)(5)(i) of Rule 15c2-12, as hereinafter defined.

WITNESSETH:

**1. Background.** The Issuer has resolved to issue the 2019 Bonds pursuant to the Resolution. The CUSIP number assigned to the final maturity of the 2019 Bonds is 451470\_\_\_\_.

**2. Appointment of Disclosure Agent.** The Issuer hereby appoints the Disclosure Agent and any successor Disclosure Agent acting as such under the Resolution as its agent under this Undertaking to disseminate the financial information and notices furnished by the Issuer hereunder in the manner and at the times as herein provided and to discharge the other duties assigned.

**3. Annual Reports of the Issuer.**

a. Provision of Annual Reports. The Issuer agrees, in accordance with the provisions of Rule 15c2-12, to provide or cause to be provided through the Repository, not later than 210 days following the close of each fiscal year of the Issuer (July 1 - June 30) for all fiscal years ending on and after June 30, 2019, the annual financial information and operating data (the "Annual Report") described in Section 3b herein. The Issuer further agrees, in accordance with Rule 15c2-12, to provide or cause to be provided in a timely manner through the Repository notice of any failure to provide or cause to be provided the Annual Report or any part thereof, as described in this paragraph.

b. Contents of Annual Report. The Annual Report shall include the audited financial statements of the Issuer prepared in accordance with generally accepted accounting principles, together with the report thereon of the Issuer's independent auditors, beginning with the fiscal year ended June 30, 2019. If audited financial statements are not available by the time specified herein, unaudited financial statements will be provided and audited financial statements

will be provided when, and if, available. The Issuer shall include with each submission a written representation addressed to the Disclosure Agent to the effect that the financial statements are the financial statements required by this Undertaking and that they comply with the applicable requirements of this Undertaking. For the purposes of determining whether information received from the Issuer is the required financial statements, the Disclosure Agent shall be entitled conclusively to rely on the Issuer's written representation made pursuant to this Section.

The Annual Report shall also include the other financial, statistical and operating data for said fiscal year of the Issuer in the form and scope similar to the financial, statistical, and operating data contained in the Official Statement, specifically the tables and/or information contained under the following headings and subheadings of the Official Statement:

- Updated Table entitled “Historical Revenues Available for Debt Service” in the Section entitled “SECURITY FOR THE 2019 BONDS.”
- Updated Table entitled “Enrollment and Graduation Statistics” in the Section entitled “THE UNIVERSITY - STUDENT BODY.”
- Updated Table entitled “State General Fund Appropriations” in the Section entitled “FINANCIAL INFORMATION REGARDING THE UNIVERSITY - STATE APPROPRIATIONS.”
- Updated Appendix B entitled “SCHEDULE OF STUDENT FEES.”

Any or all of the items listed above in Sections 3a or 3b may be included by specific reference to documents available to the public on the Repository or filed with the SEC.

**4. Notice of Certain Events.** The Issuer agrees, in accordance with the provisions of Rule 15c2-12, to provide or cause to be provided through the Repository, in a timely manner not in excess of ten business days after the occurrence of the event, notice of any of the following events with respect to the 2019 Bonds:

- (1) Principal and interest payment delinquencies (which for the purpose of this Undertaking shall mean the Issuer’s failure to provide funds to the Trustee for payments of principal and interest at the times specified in the Resolution);
- (2) Nonpayment-related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;

- (7) Modifications to rights of security holders, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution or sale of property securing repayment of the securities, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the obligated person;<sup>1</sup>
- (13) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) Incurrence of a Financial Obligation of the obligated person, if material; or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect securities holders, if material;
- (16) Default, event of acceleration, termination event, modification of terms or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties; and
- (17) In a timely manner, notice of a failure of the Issuer or the obligated person to provide the required annual financial information and operating data specified in Sections 3.a and 3.b above, on or before the date specified therein.

The Disclosure Agent shall attempt to promptly advise the Issuer whenever, in the course of performing its duties as Trustee under the Resolution, the Disclosure Agent identifies an occurrence which would require the Issuer to provide a notice of the occurrence of any of the

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<sup>1</sup> For the purposes of the event identified in paragraph (12) above, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of an obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of an obligated person.

events listed in this Section 4; provided that the failure of the Disclosure Agent so to advise the Issuer of such occurrence shall not constitute a breach by the Disclosure Agent of any of its duties and responsibilities hereunder or under the Resolution and the Disclosure Agent shall not be required to assess the materiality of such occurrence, or whether an unscheduled draw reflects financial difficulties, in advising the Issuer of such occurrence.

**5. Manner and Time by Which Information is to be made Public by the Disclosure Agent.**

The information required to be provided by the Issuer to the Disclosure Agent pursuant to Section 3 hereof shall be referred to as the Continuous Disclosure Information (the "Continuous Disclosure Information"), and the notices required to be provided by the Issuer to the Disclosure Agent pursuant to Section 4 hereof shall be referred to as the Event Information (the "Event Information").

After the receipt of any Continuous Disclosure Information or any Event Information from the Issuer, the Disclosure Agent will deliver the information as provided in this Section 5.

a. Manner and Time of Delivery. It shall be the Disclosure Agent's duty:

(1) to deliver the Continuous Disclosure Information to the Repository once it is received from the Issuer not later than five (5) days after receipt thereof;

(2) to deliver the Event Information to the Repository as soon as possible following receipt from the Issuer, but in no event later than the next business day;

(3) to determine the identity and address of the Repository to which Continuous Disclosure Information and Event Information must be sent under rules and regulations promulgated by the MSRB or by the SEC.

The Issuer shall deliver Continuous Disclosure Information and Event Information to the Disclosure Agent in a timely manner so that the Disclosure Agent can deliver such information to the Repository.

b. Limitation of Disclosure Agent's Duty. The Disclosure Agent shall have no duty or obligation to disclose to the Repository any information other than (i) Continuous Disclosure Information that the Disclosure Agent actually has received from the Issuer and (ii) Event Information about which the Disclosure Agent has received written notice from the Issuer. Any such disclosures shall be required to be made only as and when specified in this Undertaking. The Disclosure Agent's duties and obligations are only those specifically set forth in this Undertaking, and the Disclosure Agent shall have no implied duties or obligations. It is understood and agreed that any information that the Disclosure Agent may be instructed to file with the MSRB shall be prepared and provided to it by the Issuer. The fact that the Disclosure Agent or any affiliate thereof may have any fiduciary or banking relationship with the Issuer shall not be construed to mean that the Disclosure Agent has actual knowledge of any event or



condition. The Disclosure Agent shall be afforded all of the rights and protections hereunder accorded to it in its role as Trustee under the Resolution.

c. Form of Disclosure. All Continuous Disclosure Information and Event Information, or other financial information and notices pursuant to this Undertaking are to be provided to the Repository in electronic PDF format (word-searchable) as prescribed by the MSRB. All documents provided to the MSRB pursuant to this Undertaking must be accompanied by identifying information as prescribed by the MSRB, which the Issuer shall provide to the Disclosure Agent in a timely manner.

**6. Limitation to Disclosure Agent Obligation.** The Disclosure Agent shall have no obligation to examine or review the Continuous Disclosure Information or Event Information and shall have no liability or responsibility for the compliance of this Undertaking with Rule 15c2-12 or the accurateness or completeness of the Continuous Disclosure Information and Event Information disseminated by the Disclosure Agent hereunder. The Continuous Disclosure Information shall contain a legend to such effect. This Section 6 shall survive the termination of this Undertaking or the earlier removal or resignation of the Disclosure Agent.

**7. Compensation.** The Issuer hereby agrees to compensate the Disclosure Agent for the services provided and the expenses incurred pursuant to this Undertaking in an amount to be agreed upon from time to time hereunder. Such compensation shall be in addition to any fees previously agreed upon with respect to the fiduciary services of the Disclosure Agent in its capacity as Trustee under the Resolution.

To the extent permitted by law, if the Disclosure Agent renders any extraordinary service not provided for in this Undertaking, which service is reasonably necessary to render under the circumstances, or the Disclosure Agent is made a party to or intervenes in any litigation pertaining to this Undertaking or institutes interpleader proceedings relative hereto, the Disclosure Agent shall be compensated reasonably by the Issuer for such extraordinary services and reimbursed for any and all claims, liabilities, losses, damages, fines, penalties, and reasonable expenses, including out-of-pocket and incidental expenses and reasonable legal fees and expenses occasioned thereby.

**8. Enforcement.** The obligations of the Issuer under this Undertaking shall be for the benefit of the registered and beneficial holders of the 2019 Bonds. However, any failure by the Issuer to perform in accordance with this Undertaking shall not constitute a default under the Resolution, and the sole remedy under this Undertaking in the event of the failure of the Issuer or the Disclosure Agent to comply with this Undertaking shall be an action by the holders of the 2019 Bonds in mandamus for specific performance or similar remedy to compel performance. Neither the Issuer nor the Disclosure Agent shall have any power or duty to enforce this Undertaking.

This Undertaking shall inure solely to the benefit of the Issuer, the Disclosure Agent, the participating Underwriter of the 2019 Bonds, and the holders and beneficial owners from time to time of the 2019 Bonds and shall create no rights in any other person or entity.

**9. Definitions.** As used herein, the following terms shall have the following meanings:

“Financial Obligation” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b); provided that “financial obligation” shall not include municipal securities as to which a final official statement (as defined in Rule 15c2-12) has been provided to the MSRB consistent with Rule 15c2-12.

“MSRB” shall mean the Municipal Securities Rulemaking Board.

“Official Statement” shall mean the final Official Statement relating to the 2019 Bonds dated \_\_\_\_\_, 2019.

“obligated person” as defined in Rule 15c2-12 shall mean any person, including an issuer of municipal securities, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the 2019 Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities).

“Repository” shall mean the MSRB through its Electronic Municipal Market Access system (“EMMA”) at <http://emma.msrb.org>, or such other nationally recognized municipal securities information repository recognized by the SEC from time to time pursuant to Rule 15c2-12.

“Rule 15c2-12” shall mean Rule 15c2-12, as amended, promulgated by the SEC under the Securities Exchange Act of 1934, as amended.

“SEC” shall mean the Securities and Exchange Commission.

**10. Amendments and Termination.** This Undertaking may be amended with the mutual agreement of the Issuer and the Disclosure Agent and without the consent of any registered or beneficial holders of the 2019 Bonds under the following conditions:

a. the amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the obligated person or type of business conducted; and

b. this Undertaking, as amended, would have complied with the requirements of Rule 15c2-12 at the time of the primary offering, after taking into account any amendments or interpretations of Rule 15c2-12, as well as any change in circumstances, as evidenced by an opinion of counsel delivered to Disclosure Agent.

Any party to this Undertaking may terminate this Undertaking by giving written notice of an intent to terminate to the other parties at least thirty (30) days prior to such termination, provided that no such termination shall relieve the obligation of the Issuer to comply with Rule 15c2-12(b)(5) either through a successor agent or otherwise.

The Issuer's next annual financial report must explain, in narrative form, the reasons for any such amendment or termination of the undertaking contained in this Undertaking and the impact, as applicable, of any change in the type of operating data or financial information being provided or, in the case of accounting principles, the presentation of such operating data or financial information.

The undertaking contained in this Undertaking shall be in effect from and after the issuance and delivery of the 2019 Bonds and shall extend to the earlier of (i) the date all principal and interest on the 2019 Bonds shall have been paid pursuant to the terms of the Resolution; (ii) the date that the Issuer shall no longer constitute an “obligated person” within the meaning of Rule 15c2-12; or (iii) the date on which those portions of Rule 15c2-12 that require this written undertaking (a) are held to be invalid by a court of competent jurisdiction in a nonappealable action, (b) have been repealed retroactively, or (c) in the opinion of counsel who is an expert in federal securities laws, acceptable to the Issuer or the Disclosure Agent, otherwise, do not apply to the 2019 Bonds. The Issuer shall notify the Repository if this Undertaking is terminated pursuant to (iii), above.

**11. Successor Disclosure Agent.** Upon the transfer of the duties created under the Resolution from the current Disclosure Agent in its capacity as Trustee, to a successor Disclosure Agent, in its capacity as successor trustee, such successor Disclosure Agent shall succeed to the duties under this Undertaking without any further action on the part of any party, and the then current Disclosure Agent shall have no further duties or obligations upon the transfer to a successor Disclosure Agent. Such Successor Disclosure Agent may terminate this Undertaking or cause it to be amended as provided in Section 10 hereof.

**12. Additional Information.** Nothing in this Undertaking shall be deemed to prevent the Issuer from disseminating (or causing the Disclosure Agent to disseminate) any other information, using the means of dissemination set forth in this Undertaking or any other means of communication, or including any other information in any Continuous Disclosure Information or notice of the occurrence of any Event Information, in addition to that which is required by this Undertaking. If the Issuer chooses to include any information in any Continuous Disclosure Information or Event Information in addition to that which is specifically required by this Undertaking, the Issuer shall have no obligation under this Undertaking to update such information or include it in any future Continuous Disclosure Information or notice of occurrence of any Event Information.

If the Issuer provides to the Disclosure Agent information relating to the Issuer or the 2019 Bonds, which information is not designated as Event Information, and directs the Disclosure Agent to provide such information to the Repository, the Disclosure Agent shall provide such information in a timely manner to the Repository.

**13. Notices.** Notices and the required information under this Undertaking shall be given to the parties at their addresses set forth below under their signatures or at such places as the parties to this Undertaking may designate from time to time.

**14. Counterparts.** This Undertaking may be executed in one or more counterparts, and each such instrument shall constitute an original counterpart of this Undertaking.

**15. Governing Law.** This Undertaking shall be governed by the laws of the State of Idaho and Rule 15c2-12.

[Signatures on following page]

IN WITNESS WHEREOF, the Issuer and the Disclosure Agent have caused this Undertaking to be executed and delivered by a duly authorized officer of each of them, all as of this \_\_\_\_ day of \_\_\_\_\_, 2019.

ISSUER:

IDAHO STATE UNIVERSITY

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

Notice Address:

Attn: Bursar

\_\_\_\_\_  
Pocatello, ID

DISCLOSURE AGENT:

U.S. BANK NATIONAL ASSOCIATION

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

Notice Address:

\_\_\_\_\_

\_\_\_\_\_  
Attn: Corporate Trust Department



ATTORNEYS AND COUNSELORS

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 877 Main Street, Suite 1000  
 P.O. Box 1617  
 Boise, Idaho 83701-1617  
 208.344.6000  
 www.hawleytroxell.com

[Date of Delivery]

Board of Trustees  
 Idaho State University  
 921 South 8<sup>th</sup> Avenue  
 Pocatello, ID 83209

U.S. Bank National Association, as Trustee  
 Attn: Corporate Trust Department  
 170 South Main, Suite 200  
 Salt Lake City, UT 84101

Re: *Board of Trustees of Idaho State University -- General Revenue Bonds, Series 2019*

Ladies and Gentlemen:

This is to certify that we have acted as Bond Counsel in connection with the issuance by Idaho State University (the "University") of its \$\_\_\_\_\_ aggregate principal amount General Revenue Bonds, Series 2019 (the "2019 Bonds"), dated the date hereof, and issued pursuant to a Resolution dated September 17, 1992 (the "Original Resolution"), as previously amended and supplemented and as amended and supplemented by a Supplemental Resolution adopted on \_\_\_\_\_, 2019 (the "Supplemental Resolution"), together with the Certificate as to Pricing and Related Matters executed on \_\_\_\_\_, 2019, the pricing date, by the Delegated Officer of the University to accept the final pricing and interest rate on the 2019 Bonds (the "Pricing Certificate," and collectively with the Original Resolution, as previously supplemented and amended, and the Supplemental Resolution," the "Resolution"). The 2019 Bonds have been sold to Piper Jaffray & Co. pursuant to a Bond Purchase Agreement dated \_\_\_\_\_, 2019.

We have examined the Constitution and laws of the State of Idaho and such certified proceedings and other papers as we deem necessary to render this opinion. Our services as Bond Counsel have been limited to the preparation of the legal proceedings and supporting certificates authorizing the issuance of the 2019 Bonds under the applicable laws of the State of Idaho and to a review of the transcript of such proceedings and certifications. As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation. Our examination has been limited to the foregoing as they exist or are in effect as of the date hereof. Our opinion is limited to the matters expressly set forth herein, and we express no opinion concerning any other matters. In addition we are relying upon the opinion of the University's General Counsel with regard to certain matters contained therein.

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The 2019 Bonds are dated as provided in the Resolution, bear interest from their date at the rates set forth below payable on April 1 and October 1 in each year commencing April 1, 2020, and mature on April 1 in each of the designated years and the principal amounts set forth below:

<u>DUE</u> <u>APRIL 1</u>	<u>PRINCIPAL</u> <u>AMOUNT</u>	<u>INTEREST RATE</u>
2020		
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		
2036		
2037		
2038		
2039		
2040		
2041		
2042		
2043		
2044		
2045		
2046		
2047		
2048		
2049		

The 2019 Bonds are being issued under the authority of the Constitution of the State of Idaho and the Educational Institutions Act of 1935, being codified in Title 33, chapter 38, Idaho Code (collectively, the "Act"), to provide funds to finance (i) certain improvements to the University's housing facilities; (ii) certain improvements to Davis Field at the University's Pocatello campus; (iii) construction of a parking lot on the University's Meridian campus; (iv)

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acquisition of land at the University's Meridian campus; and (v) pay certain costs of issuance of the 2019 Bonds.

Based upon the foregoing, it is our opinion as Bond Counsel that:

1. The University is a validly created and existing body corporate and politic of the State of Idaho.
2. The University has the power under the Act to issue the 2019 Bonds and to adopt the Resolution.
3. The Resolution has been duly and lawfully adopted by the Board of Trustees of the University and is in full force and effect and is valid and binding upon the University and enforceable in accordance with its terms, except to the extent such enforcement is limited by the bankruptcy laws of the United States of America and by the reasonable exercise of the sovereign police power of the State of Idaho, and no other authorization for the Resolution is required.
4. The Resolution creates the valid pledge which it purports to create of the Pledged Revenues, monies, securities and funds held or set aside under the Resolution, subject to the application thereof to the purposes and on the conditions permitted by the Resolution.
5. The 2019 Bonds have been duly and validly authorized and issued in accordance with the Act and the Resolution, and are legally binding obligations of the University, enforceable in accordance with their terms except to the extent such enforcement is limited by the bankruptcy laws of the United States of America and by the reasonable exercise of the sovereign police power of the State of Idaho, and terms of the Resolution, and are entitled to the benefits of the Resolution and the Act.
6. The 2019 Bonds have been issued for a purpose for which bonds may be issued under the Act and the Resolution, and all conditions prescribed in the Resolution as precedent to the issuance of the 2019 Bonds have been fulfilled.
7. Assuming continuous compliance with certain covenants and representations contained in the Resolution, interest on the 2019 Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code 1986, as amended (the "Code"), and interest on the 2019 Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Code, and interest on the 2019 Bonds is excluded from gross income for purposes of income taxation by the State of Idaho.

It is to be understood that the rights of the holders of the 2019 Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent



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constitutionally applicable, and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

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As Bond Counsel we are passing only upon those matters set forth in this opinion and are not passing upon the accuracy or completeness of any information furnished to any person in connection with any offer or sale of the 2019 Bonds, or upon any federal or state of Idaho tax consequences arising from the receipt or accrual of interest on or the ownership of the 2019 Bonds except those specifically addressed in paragraph 7 above. Ownership of tax-exempt obligations, including the 2019 Bonds, may result in collateral federal income tax consequences to certain taxpayers. Prospective purchasers of the 2019 Bonds should consult their own tax advisors as to the applicability of any such collateral consequences.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Respectfully submitted,

HAWLEY TROXELL ENNIS & HAWLEY LLP

**CERTIFICATE AS TO BOND PRICING AND RELATED MATTERS**

The undersigned official of Idaho State University (the "University") does hereby certify as follows (capitalized terms used herein and not defined have the meanings assigned to such terms in the Supplemental Resolution, hereinafter defined):

1. The undersigned is familiar with the Supplemental Resolution of the University adopted on \_\_\_\_\_, 2019 (the "Supplemental Resolution") to authorize issuance of the University's General Revenue Bonds, Series 2019 (the "2019 Bonds") and related documents, which 2019 Bonds were sold on this date to Piper Jaffray & Co. (the "Underwriter").

2. Section 204 of the Supplemental Resolution delegated to the undersigned, as Delegated Officer, the power to make certain determinations on the date of sale of the 2019 Bonds.

3. Pursuant to such delegation, the Delegated Officer hereby determines as follows:

(a) Details of the terms of the 2019 Bonds are reflected in the final bond sale number schedules provided by the Underwriter on this date, which schedules are attached as Exhibit A hereto.

(b) The true interest cost of the 2019 Bonds, as certified by the University's municipal advisor and the Underwriter, is \_\_\_\_\_ hundredths percent (\_\_\_\_%), which does not exceed \_\_\_\_ percent (\_\_\_\_.00%).

(c) The principal amount of the 2019 Bonds is \$\_\_\_\_\_, which does not exceed \$\_\_\_\_\_.

(d) The final maturity of the 2019 Bonds is \_\_\_\_\_, which is not later than \_\_ years from issuance.

(e) The 2019 Bonds were sold at the purchase price of \$\_\_\_\_\_, representing the principal amount thereof, plus [net] premium in the amount of \$\_\_\_\_\_, less underwriter's discount of \$\_\_\_\_\_. The underwriter's discount is 0.\_\_\_\_% of the principal amount of the 2019 Bonds, which does not exceed 0.\_\_\_\_% of the principal amount of the 2019 Bonds.

(f) The 2019 Bonds are subject to optional and mandatory sinking fund redemption as reflected in Exhibit A and as specifically reflected in Exhibit B attached hereto.

(g) Credit enhancement on the 2019 Bonds consists of: none.

4. The undersigned Delegated Officer hereby certifies that the final terms and provisions of the 2019 Bonds, as described in the attached Exhibit A and Exhibit B, are consistent with, not in excess of and no less favorable than the terms set forth in Section 204 of the Supplemental Resolution.

5. The undersigned Delegated Officer has therefore executed and delivered the Bond Purchase Agreement to the Underwriter this date.

DATED: \_\_\_\_\_, 2019.

IDAHO STATE UNIVERSITY

By: \_\_\_\_\_  
Vice President for Finance and Business  
Affairs

EXHIBIT A

FINAL NUMBERS PROVIDED BY UNDERWRITER

## EXHIBIT B

**REDEMPTION PROVISIONS**1. Optional Redemption:

The 2019 Bonds maturing on or after April 1, 20\_\_, are subject to redemption at the election of the University at any time on or after April 1, 20\_\_, in whole or in part, from such maturities as may be selected by the University. Such optional redemption of the 2019 Bonds shall be at a price of 100% of the principal amount of the 2019 Bonds to be so redeemed, plus accrued interest to the date fixed for redemption.

2. Mandatory Sinking Fund Redemption:

The 2019 Bonds maturing on April 1, 20\_\_, are subject to mandatory sinking fund redemption prior to their stated maturity, at a price of 100% of the principal amount of the 2019 Bonds to be so redeemed, plus accrued interest to the date fixed for redemption, on April 1 of the years, and in the amounts, shown below:

APRIL 1  
OF THE YEAR

MANDATORY  
REDEMPTION AMOUNT

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\*Stated maturity.