NEW ISSUE **Rating:** S&P "AA" (stable outlook) (AGM insured; underlying "AA")

See "BOND INSURANCE" and "MISCELLANEOUS—Bond Ratings" herein.

In the opinion of Ballard Spahr LLP, Bond Counsel to the Board of Regents, interest on the 2016 Bonds is excludable from gross income for purposes of federal income tax, assuming continuing compliance with the requirements of the federal tax laws. Interest on the 2016 Bonds is not a preference item for purposes of either individual or corporate federal alternative minimum tax ("AMT"); however, interest paid to corporate holders of the 2016 Bonds may be indirectly subject to AMT under circumstances described under "TAX EXEMPTION" herein. Bond Counsel is also of the opinion that interest on the 2016 Bonds is exempt from State of Utah individual income taxes under currently existing law. See "TAX EXEMPTION" herein.

State Board of Regents of the State of Utah

Utah State University

$19,540,000 Student Fee and Housing System Revenue Bonds, Series 2016

The $19,540,000 Student Fee and Housing System Revenue Bonds, Series 2016, are issued by the Board of Regents for and on behalf of the University, as fully–registered bonds and, when initially issued, will be in book–entry only form, registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York, which will act as securities depository for the 2016 Bonds.

Principal of and interest on the 2016 Bonds (interest payable April 1 and October 1 of each year, commencing October 1, 2016) are payable by Wells Fargo Bank, N.A., Corporate Trust Services, Denver, Colorado, as Paying Agent, to the registered owners thereof, initially DTC. See "THE 2016 BONDS—Book–Entry System" herein.

The 2016 Bonds are subject to optional and mandatory sinking fund redemption prior to maturity and are subject to extraordinary optional redemption prior to maturity (in the event of damage to, or destruction, seizure or condemnation of the Student Housing System, as defined herein). See "THE 2016 BONDS—Redemption Provisions" herein.

The 2016 Bonds are being issued for the purpose of financing the costs of the acquisition of the 2016 Project, as defined herein, and paying and paying the costs associated with the issuance of the 2016 Bonds. See "THE 2016 BONDS—Sources And Uses Of Funds" and "THE 2016 PROJECT" herein.

The 2016 Bonds will be issued pursuant to the Resolution, as described herein. The Board of Regents has pledged, pursuant to the Resolution, its rights in and to the Revenues to the payment of the 2016 Bonds. The 2016 Bonds are equally and ratably secured with the Outstanding Parity Bonds and any Additional Bonds hereafter issued under the Resolution. ***The 2016 Bonds are not an indebtedness of the State of Utah, the University or the Board of Regents but are special limited obligations of the Board of Regents, payable from and secured solely by the Revenues, and such funds and accounts established by the Resolution, as described herein. See "SECURITY FOR THE 2016 BONDS" herein. The issuance of the 2016 Bonds shall not directly, indirectly, or contingently obligate the Board of Regents, the University or the State of Utah or any agency, instrumentality or political subdivision thereof to levy any form of taxation therefore or to make any appropriation for the payment of the 2016 Bonds. Neither the Board of Regents nor the University has any taxing power.***

In addition, the 2016 Bonds are secured by amounts on deposit in an account in the Debt Service Reserve Fund. The Board of Regents has covenanted to annually certify to the Governor of the State of Utah the amount, if any, required to (i) restore such account to the Debt Service Reserve Requirement with respect to the 2016 Bonds (including payment of amounts under a reserve instrument) or (ii) meet any projected shortfalls of payment of principal and/or interest for the 2016 Bonds. The Governor may (but is not required to) request from the Legislature of the State of Utah an appropriation of the amount so certified and any sums appropriated by the Legislature shall, as appropriate, be deposited to restore such account to the 2016 Debt Service Reserve Requirement or to meet any projected principal or interest payment deficiency. The Legislature is not required to make any appropriation with respect to the 2016 Bonds.

The scheduled payment of principal of and interest on the 2016 Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the 2016 Bonds by Assured Guaranty Municipal Corp. See "BOND INSURANCE" and "APPENDIX F—SPECIMEN MUNICIPAL BOND INSURANCE POLICY" herein.

ASSURED GUARANTY MUNICIPAL

Dated: Date of Delivery[1] **Due:** April 1, as shown on inside front cover

See the inside front cover for the maturity schedule of the 2016 Bonds.

The 2016 Bonds were awarded pursuant to competitive bidding received by means of the *PARITY®* electronic bid submission system on June 23, 2016 (as set forth in the OFFICIAL NOTICE OF BOND SALE, dated June 15, 2016) to Hutchinson, Shockey, Erley & Co., Chicago, Illinois at a "true interest rate" of 2.88%.

Zions Public Finance, Inc., Salt Lake City, Utah, acted as Municipal Advisor.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire OFFICIAL STATEMENT to obtain information essential to the making of an informed investment decision.

This OFFICIAL STATEMENT is dated June 23, 2016, and the information contained herein speaks only as of that date.

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[1] The anticipated date of delivery is Wednesday, July 6, 2016.

State Board of Regents of the State of Utah

Utah State University

$19,540,000

Student Fee and Housing System Revenue Bonds, Series 2016

Dated: Date of Delivery[1] **Due: April 1, as shown below**

$10,215,000 Serial Bonds

Due April 1	CUSIP® 917563	Principal Amount	Interest Rate	Yield/ Price
2017………	LA4	$ 515,000	5.00 %	0.65%
2018………	LB2	365,000	5.00	0.80
2019………	LC0	380,000	5.00	0.95
2020………	LD8	400,000	5.00	1.05
2021………	LE6	420,000	5.00	1.20
2022………	LF3	440,000	5.00	1.33
2023………	LG1	465,000	5.00	1.45
2024………	LH9	485,000	5.00	1.57
2025………	LJ5	510,000	5.00	1.67
2026………	LK2	535,000	4.00	1.77
2027………	LL0	555,000	4.00	1.90[c]
2028………	LM8	580,000	3.00	2.25[c]
2029………	LN6	595,000	3.00	2.35[c]
2030………	LP1	615,000	3.00	2.40[c]
2031………	LQ9	635,000	3.00	2.50[c]
2032………	LR7	650,000	2.50	2.75
2033………	LS5	670,000	3.00	2.75[c]
2034………	LT3	690,000	3.00	2.80[c]
2035………	LU0	710,000	2.625	2.85

$1,480,000 3.00% Term Bond due April 1, 2037—Price 100% (CUSIP® 917563 LW6)

$1,565,000 3.00% Term Bond due April 1, 2039—Price 99.181% (CUSIP® 917563 LY2)

$1,665,000 3.00% Term Bond due April 1, 2041—Price 98.619% (CUSIP® 917563 MA3)

$1,765,000 3.00% Term Bond due April 1, 2043—Price 98.188% (CUSIP® 917563 MC9)

$2,850,000 3.00% Term Bond due April 1, 2046—Price 97.115% (CUSIP® 917563 MF2)

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[1] The anticipated date of delivery is Wednesday, July 6, 2016.

® CUSIP is a registered trademark of the American Bankers Association. CUSIP Global Services is managed on behalf of the American Bankers Association by S&P Capital IQ.

[c] Priced to par call on April 1, 2026.

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This OFFICIAL STATEMENT does not constitute an offer to sell, or the solicitation of an offer to buy, nor shall there be any sale of, the 2016 Bonds (as defined herein), by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than those contained herein, and if given or made, such other informational representations must not be relied upon as having been authorized by either the State Board of Regents of the State of Utah (the "Board of Regents"); Utah State University (the "University"); Wells Fargo Bank, N.A., Corporate Trust Services, Denver, Colorado (as Trustee, Bond Registrar and Paying Agent); Zions Public Finance, Inc., Salt Lake City, Utah (as Municipal Advisor); the successful bidder(s); Assured Guaranty Municipal Corp., New York, New York ("AGM"); or any other entity. All other information contained herein has been obtained from the Board of Regents, the University, Assured Guaranty Municipal Corp., and The Depository Trust Company, New York, New York and from other sources which are believed to be reliable. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this OFFICIAL STATEMENT nor the issuance, sale, delivery or exchange of the 2016 Bonds, shall under any circumstance create any implication that there has been no change in the affairs of the Board of Regents or the University since the date hereof.

The 2016 Bonds have not been registered under the Securities Act of 1933, as amended, or any state securities laws in reliance upon exemptions contained in such act and laws. Any registration or qualification of the 2016 Bonds in accordance with applicable provisions of the securities laws of the states in which the 2016 Bonds have been registered or qualified and the exemption from registration or qualification in other states cannot be regarded as a recommendation thereof. Neither the Securities and Exchange Commission nor any state securities commission has passed upon the accuracy or adequacy of this OFFICIAL STATEMENT. Any representation to the contrary is unlawful.

The yields/prices at which the 2016 Bonds are offered to the public may vary from the initial reoffering yields/prices on the inside cover page of this OFFICIAL STATEMENT. In addition, the successful bidder(s) may allow concessions or discounts from the initial offering prices of the 2016 Bonds to dealers and others. In connection with the offering of the 2016 Bonds, the successful bidder(s) may engage in transactions that stabilize, maintain, or otherwise affect the price of the 2016 Bonds. Such transactions may include overallotments in connection with the purchase of 2016 Bonds, the purchase of 2016 Bonds to stabilize their market price and the purchase of 2016 Bonds to cover short positions of the successful bidder(s). Such transactions, if commenced, may be discontinued at any time.

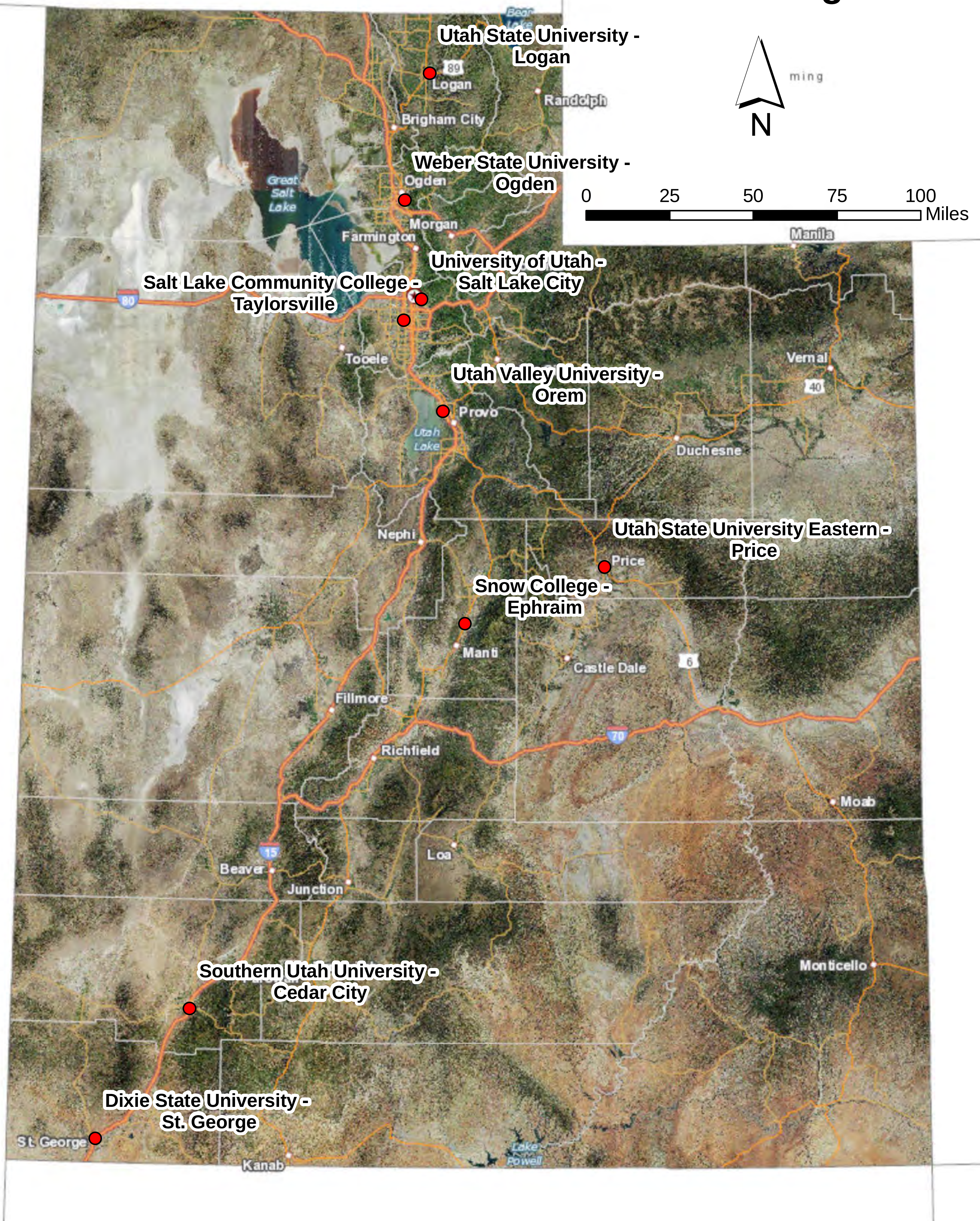
AGM makes no representation regarding the 2016 Bonds or the advisability of investing in the 2016 Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this OFFICIAL STATEMENT or any information or disclosure contained herein, or omitted here from, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under "BOND INSURANCE" herein and "APPENDIX F—SPECIMEN MUNICIPAL BOND INSURANCE POLICY".

Forward–Looking Statements. Certain statements included or incorporated by reference in this OFFICIAL STATEMENT constitute "forward–looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used, such as "plan," "project," "forecast," "expect," "estimate," "budget" or other similar words. ***The achievement of certain results or other expectations contained in such forward–looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward–looking statements. Neither the Board of Regents nor the University plans to issue any updates or revisions to those forward–looking statements if or when its expectations, or events, conditions or circumstances on which such statements are based occur. See in particular "PROJECTED REVENUES AND DEBT SERVICE COVERAGE" and "UTAH STATE UNIVERSITY—Estimated Enrollment Projections" herein***.

The CUSIP® (the Committee on Uniform Securities Identification Procedures) identification numbers are provided on the inside cover page of this OFFICIAL STATEMENT and are being provided solely for the convenience of bondholders only, and neither the Board of Regents nor the University makes any representation with respect to such numbers or undertake any responsibility for their accuracy. The CUSIP numbers are subject to being changed after the issuance of the 2016 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of the 2016 Bonds.

The information available at Web sites referenced in this OFFICIAL STATEMENT has not been reviewed for accuracy and completeness. Such information has not been provided in connection with the offering of the 2016 Bonds and is not a part of this OFFICIAL STATEMENT.

Utah State Board of Regents



OFFICIAL STATEMENT RELATING TO

$19,540,000

State Board of Regents of the State of Utah

Utah State University

Student Fee and Housing System Revenue Bonds, Series 2016

INTRODUCTION

This introduction contains only a brief description of the hereinafter described 2016 Bonds, as defined herein, the security and sources of payment for the 2016 Bonds and certain information regarding the State Board of Regents of the State of Utah (the "Board of Regents") and Utah State University (the "University"). The information contained herein is expressly qualified by reference to the entire OFFICIAL STATEMENT. Investors are urged to make a full review of the entire OFFICIAL STATEMENT as well as of the documents summarized or described herein. Capitalized terms used herein and not otherwise defined herein are defined in "APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION–Definitions" below or the Resolution (as defined below).

See the following appendices that are attached hereto and incorporated herein by reference: "APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION;" "APPENDIX B—FINANCIAL REPORT OF UTAH STATE UNIVERSITY FOR FISCAL YEAR 2015;" "APPENDIX C—PROPOSED FORM OF OPINION OF BOND COUNSEL;" "APPENDIX D—PROPOSED FORM OF CONTINUING DISCLOSURE UNDERTAKING;" "APPENDIX E—BOOK–ENTRY SYSTEM;" and "APPENDIX F—SPECIMEN MUNICIPAL BOND INSURANCE POLICY."

When used herein the terms "Fiscal Year[s] 20YY" or "Fiscal Year[s] End[ed][ing] June 30, 20YY" shall refer to the year ended or ending on June 30 of the year indicated and beginning on July 1 of the preceding calendar year. When used herein the term "Calendar Year[s] 20YY" shall refer to the year beginning on January 1 and ending on December 31 of the year indicated. The term "Academic Year 20YY–YY" of the University begins with the Summer Term (approximately the second week in May), then Fall Semester and Spring Semester (ending approximately the first week in May of the next calendar year).

Public Sale/Electronic Bid

The 2016 Bonds were awarded pursuant to competitive bidding received by means of the ***PARITY®*** electronic bid submission system on June 23, 2016 (as set forth in the OFFICIAL NOTICE OF BOND SALE, dated June 15, 2016) to Hutchinson, Shockey, Erley & Co., Chicago, Illinois at a "true interest rate" of 2.88%.

The 2016 Bonds may be offered and sold to certain dealers (including dealers depositing the 2016 Bonds into investment trusts) at prices lower than the initial public offering prices set forth on the inside cover page of the OFFICIAL STATEMENT, and such public offering prices may be changed from time to time.

The Board Of Regents And The 2016 Bonds

The Board of Regents is vested by statute with control, management and supervision of the institutions of higher education of the State of Utah (the "State"), including the University. The University is an institution of higher education and a body corporate and politic of the State operating under provisions of Title 53B, Utah Code Annotated 1953, as amended (the "Higher Education Act"), located in Logan, Utah. See "STATE BOARD OF REGENTS OF THE STATE OF UTAH" and "UTAH STATE UNIVERSITY" below.

This OFFICIAL STATEMENT, including the cover page, introduction and appendices, provides information in connection with the issuance and sale by the Board of Regents, acting for and on behalf of the University (the Board of Regents, when acting on behalf of the University as its governing body, and the University are sometimes referred to collectively herein as the "Issuer"), of its $19,540,000 Student Fee and Housing System Revenue Bonds, Series 2016 (the "2016 Bonds" or "2016 Bond"), initially issued in book–entry form only.

Utah State University

The University' main campus is located in the City of Logan, Utah (the "City"). The City, incorporated in 1866, is the county seat of the Cache County, Utah (the "County") and had 48,997 residents (according to a 2014 estimate by the U.S. Census Bureau), and was ranked as the 13th most populous city in the State (out of 244 municipalities in the State). The County is located approximately 90 miles north of Salt Lake City, Utah and 20 miles south of the Utah–Idaho border. The County, incorporated in 1857, had 120,783 residents according to the 2015 population estimate by the U.S. Census Bureau, ranking the County as the 6th most populated county in the State (out of 29 counties). See location map above.

The University's is one of the institutions of the State system of higher education and had a student head count enrollment for Academic Year 2015–2016 (Fall Semester 2015) of 28,622. See "UTAH STATE UNIVERSITY" below.

Authority And Purpose Of The 2016 Bonds; Outstanding Parity Bonds

Authority. The 2016 Bonds are being issued pursuant to: (i) Title 53B, Chapter 21 and Section 63B–26–102(2) of the Utah Code Annotated 1953, as amended (the "Utah Code") and other applicable provisions of law (collectively, the "Act"); and (ii) a Master Resolution, dated as of March 25, 1994, as previously supplemented and amended and restated (the "Master Resolution"), and as further supplemented by a Supplemental Resolution, adopted May 20, 2016 (the "Supplemental Resolution") which provides for the authorization, issuance, sale and delivery of the 2016 Bonds. The Master Resolution and the Supplemental Resolution are collectively referred to herein as the "Resolution." Under the terms of the Resolution, Wells Fargo Bank, N.A., Corporate Trust Services, Denver, Colorado ("Wells Fargo Bank") has been appointed the Trustee for the 2016 Bonds (the "Trustee").

Purpose. The 2016 Bonds are being issued for the purpose of financing the costs of the acquisition of a three, four–story modern apartment building complex and associated land (containing 92 units, housing 255 beds) and paying the costs associated with the issuance of the 2016 Bonds. See "THE 2016 BONDS—Sources And Uses Of Funds" and "THE 2016 PROJECT" below.

Outstanding Parity Bonds. The Board of Regents has outstanding under the Resolution its:

(i) $39,155,000 (original principal amount), Utah State University, Student Fee and Housing System Revenue Refunding Bonds, Series 2007, dated May 30, 2007, currently outstanding in the aggregate principal amount of $37,955,000 (the "2007 Bonds"); and

(ii) $24,455,000 (original principal amount), Utah State University, Student Fee and Housing System Revenue Bonds, Series 2015, dated September 23, 2015, currently outstanding in the aggregate principal amount of $24,455,000 (the "2015 Bonds" and collectively with the 2007 Bonds, are sometimes referred to herein as, the "Outstanding Parity Bonds". The Outstanding Parity Bonds are currently outstanding in the aggregate principal amount of $62,410,000.

Security

Utah law provides for the issuance of revenue bonds by the Board of Regents to finance higher education capital facilities and projects that have been approved by the Legislature of the State (the "Legislature") for the State's institutions of higher education. The Board of Regents is authorized to issue revenue bonds backed by a pledge of the revenues derived from the operation of financed facilities, student building fees, land grant interest, net profits from proprietary activities or from any other source (or from any combination of such sources) other than tuition and appropriations by the Legislature.

The 2016 Bonds are payable from, and are secured by a pledge under the Resolution of, revenues, which consist of (a) the rentals, charges, fees, income and other revenue derived from the ownership and operation of a portion of the University's Student Housing System (as defined herein), (b) Student Building Fees (as defined herein), (c) Land Grant Income (as defined herein), (d) net income from other pledged services and (e) all earnings on certain funds and accounts held by the Trustee under the Resolution (collectively, the "Revenues"), subject to payment from such Revenues of Operations and Maintenance Expenses (as defined herein). See "APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION—Definitions" below.

See "SECURITY FOR THE 2016 BONDS—Security And Sources Of Payment" below.

Neither the Board of Regents nor the University has mortgaged or granted a security interest in any property of the University or any portion thereof to secure payment of the 2016 Bonds.

The 2016 Bonds are not an indebtedness of the State, the University or the Board of Regents but are special, limited obligations of the Board of Regents, payable from and secured solely by the Revenues, and other amounts established by the Resolution as described in the Resolution and this OFFICIAL STATEMENT. The issuance of the 2016 Bonds shall not directly, indirectly, or contingently obligate the Board of Regents, the University or the State or any agency, instrumentality or political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment. Neither the Board of Regents nor the University has any taxing power.

The 2016 Bonds are secured on a parity lien with the Outstanding Parity Bonds and any additional bonds, notes or other obligations that may be issued from time to time under the Resolution (the "Additional Bonds"). See "SECURITY FOR THE 2016 BONDS—Additional Bonds" below. The 2016 Bonds, the Outstanding Parity Bonds, and any Additional Bonds which may be issued from time to time under the Resolution are collectively referred to herein as the "Bonds" or the "Student Fee/Housing Bonds".

Bond Insurance

The scheduled payment of principal of and interest on the 2016 Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the 2016 Bonds by Assured Guaranty Municipal Corp. ("AGM"). See "BOND INSURANCE" below.

Debt Service Reserve Account For The 2016 Bonds

The 2016 Bonds are also secured by an account in the Debt Service Reserve Fund (the "2016 Debt Service Reserve Account"). The 2016 Debt Service Reserve Requirement, as defined herein, will be satisfied by obtaining a Reserve Instrument (defined below) from AGM. See "SECURITY FOR THE

2016 BONDS—Debt Service Reserve Account–2016 Debt Service Reserve Account; 2016 Reserve Instrument" below.

Redemption Provisions

The 2016 Bonds are subject to optional and mandatory sinking fund redemption prior to maturity. The 2016 Bonds are also subject to extraordinary optional redemption prior to maturity (in the event of damage to, or destruction, seizure or condemnation of the Student Housing System (as defined herein). See "THE 2016 BONDS—Redemption Provisions" below.

Registration, Denominations, Manner Of Payment

The 2016 Bonds are issuable only as fully–registered bonds and, when initially issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the 2016 Bonds. Purchases of 2016 Bonds will be made in book–entry form only, in the principal amount of $5,000 or any whole multiple thereof, through brokers and dealers who are, or who act through, DTC participants. Beneficial Owners (as defined herein) of the 2016 Bonds will not be entitled to receive physical delivery of bond certificates so long as DTC or a successor securities depository acts as the securities depository with respect to the 2016 Bonds. "Direct Participants," "Indirect Participants" and "Beneficial Owners" are defined under "APPENDIX E—BOOK–ENTRY SYSTEM" below.

Principal of and interest on the 2016 Bonds (interest payable April 1 and October 1 of each year, commencing October 1, 2016) are payable by Wells Fargo Bank, as Paying Agent (the "Paying Agent"), to the registered owners of the 2016 Bonds. So long as Cede & Co. is the sole registered owner, it will, in turn, remit such principal and interest to its Direct Participants, for subsequent disbursements to the Beneficial Owners of the 2016 Bonds, as described under the caption "APPENDIX E—BOOK–ENTRY SYSTEM" below.

So long as DTC or its nominee is the sole registered owner of the 2016 Bonds, neither the Board of Regents, the University, the successful bidder(s) nor the Trustee will have any responsibility or obligation to any Direct or Indirect Participants of DTC, or the persons for whom they act as nominees, with respect to the payments to or the providing of notice for the Direct Participants, Indirect Participants or the Beneficial Owners of the 2016 Bonds.

Record Date; Transfer Or Exchange

The Record Date for the 2016 Bonds is the 15th day of the month next preceding each respective Interest Payment Date. The 2016 Bonds may be transferred or exchanged as provided in the Resolution. The Board of Regents, the University and the Trustee shall not be required to transfer or exchange any 2016 Bond (i) during the period from and including any Record Date, to and including the next succeeding Interest Payment Date or (ii) during the period of 15 days prior to the mailing of notice calling such 2016 Bond for redemption nor at any time following the mailing of notice calling such 2016 Bond for redemption.

Tax Matters Regarding The 2016 Bonds

In the opinion of Ballard Spahr LLP, Bond Counsel to the Board of Regents, interest on the 2016 Bonds is excludable from gross income for purposes of federal income tax under existing laws as enacted and construed on the date of initial delivery of the 2016 Bonds, assuming the accuracy of the certifications of the Board of Regents and the University and continuing compliance by the Board of Regents and the University with the requirements of the Internal Revenue Code of 1986. Interest on the 2016 Bonds is not an item of tax preference for purposes of either individual or corporate federal alternative minimum tax; however, interest on 2016 Bonds held by a corporation (other than an S corporation, regulated investment company, or real estate investment trust) may be indirectly subject to federal alternative minimum tax because of its inclusion in the adjusted current earnings of a corporate holder. Bond Counsel is also of the opinion that, under currently existing law, interest on the 2016 Bonds is exempt from State of Utah individual income taxes.

Bond Counsel expresses no opinion regarding any other tax consequences relating to ownership or disposition of, or the accrual or receipt of interest on, the 2016 Bonds.

See "TAX EXEMPTION" below for a more complete discussion.

Professional Services

In connection with the issuance of the 2016 Bonds, the following have served the Board of Regents in the capacity indicated.

Independent Auditor for the University

Office of the Utah State Auditor
Utah State Capitol Complex
East Office Bldg Ste E310
(PO Box 142310)
Salt Lake City UT 84114–2310
801.538.1025 | f 801.538.1383
jdougall@utah.gov

Bond Counsel and Disclosure Counsel to the Board of Regents

Ballard Spahr LLP
201 S Main St Ste 800
Salt Lake City UT 84111–2215
801.531.3000 | f 801.531.3001
wadeb@ballardspahr.com

Counsel to the Board of Regents and the University

Utah Attorney General
Kevin V. Olsen Assistant Attorney General
160 E 300 S Ste 500
Salt Lake City UT 84114
801.366.0270 | f 801.366.0268
kvolsen@utah.gov

Trustee, Bond Registrar and Paying Agent

Wells Fargo Bank NA
Corporate Trust Services
MAC C7300–107
1740 Broadway
Denver CO 80274
303.863.4884 | f 303.863.5645
ethel.m.vick@wellsfargo.com

Municipal Advisor

Zions Public Finance, Inc.
Zions Bank Building
One S Main St 18th Fl
Salt Lake City UT 84133–1109
801.844.7373 | f 801.844.4484
brian.baker@zionsbancorp.com

Conditions Of Delivery, Anticipated Date, Manner And Place Of Delivery

The 2016 Bonds are offered, subject to prior sale, when, as and if issued and received by the successful bidders, subject to the approval of their legality by Ballard Spahr LLP, Bond Counsel, and certain other conditions. Certain legal matters regarding this OFFICIAL STATEMENT will be passed on for the Board of Regents and the University by Ballard Spahr LLP, Disclosure Counsel to the Board of Regents. Certain legal matters will be passed on for the Board of Regents and the University by the Attorney General of the State. It is expected that the 2016 Bonds, in book–entry form only, will be available for delivery to DTC or its agent on or about Wednesday, July 6, 2016.

Continuing Disclosure Undertaking

The University and the Board of Regents will enter into a continuing disclosure undertaking for the benefit of the Beneficial Owners of the 2016 Bonds. For a detailed discussion of this disclosure undertaking, previous undertakings and timing of submissions see "CONTINUING DISCLOSURE UNDERTAKING" below and "APPENDIX D—PROPOSED FORM OF CONTINUING DISCLOSURE UNDERTAKING."

Basic Documentation

This OFFICIAL STATEMENT speaks only as of its date, and the information contained herein is subject to change. Brief descriptions of the Board of Regents, the University and the 2016 Bonds are included in this OFFICIAL STATEMENT. Such descriptions do not purport to be comprehensive or definitive. All references herein to the Resolution and the 2016 Bonds are qualified in their entirety by reference to each such document.

Descriptions of the Resolution and the 2016 Bonds are qualified by reference to bankruptcy laws affecting the remedies for the enforcement of the rights and security provided therein and the effect of the exercise of the police power by any entity having jurisdiction. Other documentation authorizing the issuance of the 2016 Bonds and establishing the rights and responsibilities of the Board of Regents, the University and other parties to the transaction, may be obtained from the "contact persons" as indicated below. A summary of certain provisions of the Resolution is attached hereto as "APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION."

Contact Persons

As of the date of this OFFICIAL STATEMENT, additional requests for information may be directed to Zions Public Finance, Inc., Salt Lake City, Utah (the "Municipal Advisor"):

Brian Baker, Vice President, brian.baker@zionsbancorp.com
Eric John Pehrson, Vice President, eric.pehrson@zionsbancorp.com

Zions Public Finance Inc
Zions Bank Building
One S Main St 18th Fl
Salt Lake City UT 84133–1109
801.844.7373 | f 801.844.4484

As of the date of this OFFICIAL STATEMENT, the chief contact person for the University concerning the 2016 Bonds is:

David T. Cowley
Vice President for Business and Finance
dave.cowley@usu.edu

Utah State University
1445 Old Main Hill
Logan UT 84322–1445
435.797.1146 | f 435.797.0710

As of the date of this OFFICIAL STATEMENT, the chief contact person for the Board of Regents concerning the 2016 Bonds is:

Kimberly L. Henrie
Associate Commissioner for Finance and Facilities
khenrie@ushe.edu

Utah System of Higher Education
60 S 400 W
Salt Lake City UT 84101
801.321.7104 | f 801.321.7199

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the 2016 Bonds, AGM will issue its Municipal Bond Insurance Policy for the 2016 Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the 2016 Bonds when due as set forth in the form of the Policy included as "APPENDIX F—SPECIMEN MUNICIPAL BOND INSURANCE POLICY".

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Assured Guaranty Municipal Corp.

AGM is a New York domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. ("AGL"), a Bermuda–based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO". AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and global public finance, infrastructure and structured finance markets. Neither AGL nor any of its shareholders or affiliates, other than AGM, is obligated to pay any debts of AGM or any claims under any insurance policy issued by AGM.

AGM's financial strength is rated "AA" (stable outlook) by S&P Global Ratings, a business unit of Standard and Poor's Financial Services LLC business ("S&P"), "AA+" (stable outlook) by Kroll Bond Rating Agency, Inc. ("KBRA") and "A2" (stable outlook) by Moody's Investors Service, Inc. ("Moody's"). Each rating of AGM should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AGM in its sole discretion. In addition, the rating agencies may at any time change AGM's long–term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AGM. AGM only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AGM on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings. On June 29, 2015, S&P issued a credit rating report in which it affirmed AGM's financial strength rating of "AA" (stable outlook). AGM can give no assurance as to any further ratings action that S&P may take.

On December 8, 2015, Moody's published a credit opinion maintaining its existing insurance financial strength rating of "A2" (stable outlook) on AGM. AGM can give no assurance as to any further ratings action that Moody's may take.

On December 10, 2015, KBRA issued a financial guaranty surveillance report in which it affirmed AGM's insurance financial strength rating of "AA+" (stable outlook). AGM can give no assurance as to any further ratings action that KBRA may take.

For more information regarding AGM's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10–K for the fiscal year ended December 31, 2015.

Capitalization of AGM. At March 31, 2016, AGM's policyholders' surplus and contingency reserve were approximately $3,742 million and its net unearned premium reserve was approximately $1,530 million. Such amounts represent the combined surplus, contingency reserve and net unearned premium reserve of AGM, AGM's wholly owned subsidiary Assured Guaranty (Europe) Ltd. and 60.7% of AGM's indirect subsidiary Municipal Assurance Corp.; each amount of surplus, contingency reserve and net unearned premium reserve for each company was determined in accordance with statutory accounting principles.

Incorporation of Certain Documents by Reference. Portions of the following document filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to AGM are incorporated by reference into this OFFICIAL STATEMENT and shall be deemed to be a part hereof:

(i) the Annual Report on Form 10–K for the fiscal year ended December 31, 2015 (filed by AGL with the SEC on February 26, 2016); and

(ii) the Quarterly Report on Form 10–Q for the quarterly period ended March 31, 2016 (filed by AGL with the SEC on May 5, 2016).

All consolidated financial statements of AGM and all other information relating to AGM included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8–K, after the filing of the last document referred to above and before the termination of the offering of the 2016 Bonds shall be deemed incorporated by reference into this OFFICIAL STATEMENT and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at http://www.sec.gov, at AGL's website at http://www.assuredguaranty.com, or will be provided upon request to Assured Guaranty Municipal Corp.: 31 W 52nd St, New York, NY 10019, Attention: Communications Department (212.974.0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this OFFICIAL STATEMENT.

Any information regarding AGM included herein under the caption "BOND INSURANCE—Assured Guaranty Municipal Corp." or included in a document incorporated by reference herein (collectively, the "AGM Information") shall be modified or superseded to the extent that any subsequently included AGM Information (either directly or through incorporation by reference) modifies or supersedes such previously included AGM Information. Any AGM Information so modified or superseded shall not constitute a part of this OFFICIAL STATEMENT, except as so modified or superseded.

Miscellaneous Matters. AGM makes no representation regarding the 2016 Bonds or the advisability of investing in the 2016 Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this OFFICIAL STATEMENT or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented in this “BOND INSURANCE” section.

CERTAIN RIGHTS OF THE BOND INSURER

AGM is the provider of the Policy. For so long the Policy is in effect, AGM shall be deemed to be the sole holder of the 2016 Bonds for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the holders of the 2016 Bonds are entitled to take pursuant to the provisions of the Resolution pertaining to (i) defaults and remedies and (ii) the duties and obligations of the Trustee.

Any amendment, supplement, modification to or waiver of the Resolution that requires the consent of owners of the 2016 Bonds shall be subject to the prior written consent of AGM. The consent of AGM is required prior to any acceleration of the 2016 Bonds under the Resolution. In addition, in the event AGM makes any payments in respect of principal of or interest on the 2016 Bonds pursuant to the Policy to the owners of such 2016 Bonds, AGM shall become subrogated to the rights of such owners to the extent of such payments in accordance with the terms of the Policy.

For more information regarding AGM and the Policy, see “BOND INSURANCE” above.

CONTINUING DISLCOSURE UNDERTAKING

Continuing Disclosure Undertaking For 2016 Bonds

The University (as an “obligated person” under the Rule (as defined below)) will enter into a Continuing Disclosure Undertaking (the “Disclosure Undertaking”) for the benefit of the Beneficial Owners of the 2016 Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board (“MSRB”) through its Electronic Municipal Market Access system (“EMMA”) pursuant to the requirements of paragraph (b)(5) of Rule 15c2–12 (the “Rule”) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. No person, other than the University, has undertaken, or is otherwise expected, to provide continuing disclosure with respect to the 2016 Bonds. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and other terms of the Disclosure Undertaking, including termination, amendment and remedies, are set forth in the proposed form of the Disclosure Undertaking in “APPENDIX D—PROPOSED FORM OF CONTINUING DISCLOSURE UNDERTAKING.”

Based on the Disclosure Undertaking, the University will submit its annual financial report (Fiscal Year Ending June 30) (the “Financial Report”) and other operating and financial information on or before March 26 (not more than 270 days from the end of the Fiscal Year). The University will submit the Fiscal Year 2016 Financial Report and other operating and financial information for the 2016 Bonds on or before March 26, 2017, and annually thereafter on or before each March 26 of each year.

A failure by the University to comply with the Disclosure Undertaking will not constitute a default under the Resolution and the Beneficial Owners of the 2016 Bonds are limited to the remedies provided in the Disclosure Undertaking. A failure by the University to comply with the Disclosure 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 2016 Bonds in the secondary market. Any such failure may adversely affect the marketability of the 2016 Bonds.

During the five years prior to the date of this OFFICIAL STATEMENT, the University has not failed to comply in all material respects with its prior undertakings for the University pursuant to the Rule.

The University provides continuing disclosure on bond issues issued under three distinct revenue systems.

Student Fee/Housing Bonds. Continuing disclosure information is due on or before March 26 of each year for the 2007 Bonds and the 2015 Bonds (and in the future for the 2016 Bonds). The University has complied with the requirements of continuing disclosure for the 2007 Bonds and the 2015 Bonds.

Building Fee Bonds. The University submits continuing disclosure information in connection with bonds related to student building fee revenue (the "Building Fee Bonds"). Continuing disclosure information is due on or before March 26 of each year. The University has complied with the requirements of continuing disclosure for the Building Fee Bonds.

Research Bonds. The University submits continuing disclosure information in connection with bonds related to research revenue (the "Research Revenue Bonds"). Continuing disclosure information is due on or before December 27 and March 26 of each year. The University has complied with the requirements of continuing disclosure for the Research Bonds.

See "DEBT STRUCTURE OF UTAH STATE UNIVERSITY—Outstanding Debt Of The University" below.

Other Colleges and Universities Under the Board of Regents; *The University's Disclosure Responsibilities*. Certain other higher education system institutions (colleges and universities) on behalf of which the Board of Regents has issued bonds have missed filing deadlines under their continuing disclosure undertakings or failed to include certain financial information in filings made pursuant to such continuing undertakings. The Board of Regents adopted a new disclosure compliance policy, which requires the State's institutions of higher education, including the University, to adopt their own disclosure compliance policy and to train applicable employees regarding disclosure compliance. No deadline was required by the Board of Regents for compliance, however, the University intends to adopt the necessary policies and provide the necessary training. *The University has retained a third party disclosure firm to assist with its future continuing disclosure filing responsibilities.*

THE 2016 BONDS

General

The 2016 Bonds will be dated the date of their initial delivery[1] 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 2016 Bonds shall bear interest from their date at the rates set forth on the inside cover page of this OFFICIAL STATEMENT. Interest on the 2016 Bonds is payable semiannually on each April 1 and October 1, commencing October 1, 2016. Interest on the 2016 Bonds shall be computed on the basis of a 360–day year consisting of 12, 30–day months. Wells Fargo Bank is the Trustee and Paying Agent with respect to the 2016 Bonds.

The 2016 Bonds will be issued as fully–registered bonds, initially in book–entry form, in the denomination of $5,000 or any whole multiple thereof, not exceeding the amount of each maturity.

Sources And Uses Of Funds

The proceeds from the sale of the 2016 Bonds are estimated to be applied as set forth below:

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[1] The anticipated date of delivery is Wednesday, July 6, 2016.

Sources:

Par amount of 2016 Bonds	$19,540,000.00
Original issue premium	1,033,589.00
Total	$20,573,589.00

Uses:

Deposit into 2016 Project Account	$20,000,000.00
Original issue discount	193,768.00
Costs of issuance (1)	193,434.39
Underwriter's discount	186,386.61
Total	$20,573,589.00

(1) Includes legal fees, Municipal Advisor fees, rating agency fees, Trustee, Registrar and Paying Agent fees, bond insurance fees, reserve instrument fees, rounding amounts and other miscellaneous costs of issuance.

Redemption Provisions

Optional Redemption. The 2016 Bonds maturing on or prior to April 1, 2026, are not subject to optional redemption prior to maturity. The 2016 Bonds maturing on or after April 1, 2027 are subject to redemption at the option of the Board of Regents on April 1, 2026, and on any date thereafter prior to maturity, in whole or in part, from such maturities as may be selected by the Board of Regents, and at random within each maturity if less than the full amount of any maturity is to be redeemed, upon not less than 30 days' prior written notice, at a redemption price equal to 100% of the principal amount of the 2016 Bonds to be redeemed, plus accrued interest thereon to the redemption date.

Mandatory Sinking Fund Redemption. The 2016 Bonds maturing on April 1, 2037, April 1, 2039, April 1, 2041, April 1, 2043 and April 1, 2046 (collectively, the "2016 Term Bonds"), are subject to mandatory sinking fund redemption, at a price equal to 100% of the principal amount thereof, plus accrued interest thereon to the redemption date, on the dates and in the principal amounts as follows:

Mandatory Sinking Fund Redemption Date	Sinking Fund Requirements
April 1, 2036	$ 730,000
April 1, 2037 (stated maturity)	750,000
Total	$1,480,000
April 1, 2038	$ 770,000
April 1, 2039 (stated maturity)	795,000
Total	$1,565,000
April 1, 2040	$ 820,000
April 1, 2041 (stated maturity)	845,000
Total	$1,665,000
April 1, 2042	$ 870,000
April 1, 2043 (stated maturity)	895,000
Total	$1,765,000

Mandatory Sinking Fund Redemption Date	Sinking Fund Requirements
April 1, 2044	$ 920,000
April 1, 2045	950,000
April 1, 2046 (stated maturity)	980,000
Total	$2,850,000

If less than all of any of the 2016 Term Bonds of a maturity are redeemed in a manner other than pursuant to a mandatory sinking fund redemption, the principal amount so redeemed shall be credited at 100% of the principal amount of the 2016 Term Bond of such maturity redeemed by the Trustee against the obligation of the Board of Regents on future mandatory sinking fund redemption dates for such 2016 Term Bonds in such order as shall be directed by the Board of Regents.

Extraordinary Optional Redemption. The 2016 Bonds are subject to extraordinary optional redemption prior to maturity, in whole or in part (in whole multiples of $5,000), from time to time at the election of the University, from such maturities or portions thereof as the University may select, on any business day in the event that following the sale or transfer of the use or management of a portion or all of the 2016 Project to any Person other than a state or local government unit or an organization exempt from federal income taxation under Section 501(a) of the Internal Revenue Code (the "Code"), by reason of being described in Section 501(c)(3) of the Code and the University shall have received an opinion of nationally recognized bond counsel to the effect that the failure to redeem the 2016 Bonds could, barring the University taking any other remedial action or entering into a closing agreement with the Internal Revenue Service, result in the interest on the 2016 Bonds becoming includable in the gross income of the Holders thereof for federal tax purposes. To make the election to redeem the 2016 Bonds as provided under the Resolution, the University shall deliver to the Board of Regents and the Trustee a Written Certificate of the University giving notice of the receipt of such opinion, stating the specific reasons for the election, identifying the specific source and amount of funds from which the extraordinary optional redemption is to be made, specifying the date on which the extraordinary optional redemption is to occur and identifying the 2016 Bonds that are to be so redeemed.

As of the date of this OFFICIAL STATEMENT, the University currently has no plans to sell or transfer the use or management of any of its facilities to another entity.

The 2016 Bonds are also subject to extraordinary optional redemption prior to maturity, in whole or in part (in whole multiples of $5,000), from time to time at the election of the University, from such maturities or portions thereof as the University may select, on any business day in the event that (i) the Student Housing System or any portion thereof is damaged, destroyed or taken in a condemnation proceeding and (ii) the University elects not to repair, rebuild or replace the affected portion of the Student Housing System. To make the election to redeem the 2016 Bonds as provided in the Resolution, the University shall deliver to the Board of Regents and the Trustee a Written Certificate of the University giving notice of the damage to or destruction of the Student Housing System and describing the extent thereof, stating the specific reasons for the election, identifying the specific source and amount of funds from which the extraordinary optional redemption is to be made, specifying the date on which the extraordinary optional redemption is to occur and identifying the 2016 Bonds that are to be so redeemed. The source of funds for such an extraordinary optional redemption is limited to the proceeds of any insurance, other than business interruption insurance or public liability insurance, paid with respect to the damage or destruction of the Student Housing System, plus all amounts required to be paid as deductibles with respect to such insurance, and the proceeds of any condemnation award that are made available by reason of one or more such occurrences.

In the event of either of such extraordinary optional redemptions, the 2016 Bonds to be redeemed shall be redeemed at a Redemption Price equal to 100% of the principal amount of the 2016 Bonds to be redeemed, plus accrued interest thereon to the redemption date, but without premium.

Partial Redemption of 2016 Bonds. If any 2016 Bond is to be redeemed in part only, upon the presentation of such bond for such partial redemption, the Board of Regents shall execute and the Trustee shall authenticate and deliver or cause to be delivered to or upon the written order of the Registered Owner thereof, at the expense of the Board of Regents, a 2016 Bond or 2016 Bonds of the same interest rate and maturity, in aggregate principal amount equal to the unredeemed portion of such registered 2016 Bond. A portion of any 2016 Bond of a denomination more than $5,000 will be in the principal amount of $5,000 or a natural multiple thereof and in selecting portions of such 2016 Bonds for redemption, the Trustee will treat each such 2016 Bond as representing that number of 2016 Bonds of $5,000 which is obtained by dividing the principal amount of such 2016 Bond by $5,000.

Notice of Redemption. Notice of redemption of any 2016 Bond shall be given by first class mail, not less than 30 nor more than 60 days prior to the redemption date, to the Registered Owner thereof, at the address of such Owner as it appears in the registration books kept by the Registrar. Each notice of redemption shall state (i) the official name of the 2016 Bonds and CUSIP numbers of the 2016 Bonds being redeemed; (ii) the dated date of and interest rate on such Bonds; (iii) in the case of partial redemption of 2016 Bonds, the respective principal amounts thereof to be redeemed, and a statement to the effect that on or after the redemption date, upon surrender of such 2016 Bond, a new 2016 Bond in principal amount equal to the unredeemed portion of such 2016 Bond will be issued; (iv) the date of mailing of redemption notices, the Regular Record Date for such purpose and the redemption date; (v) the redemption price; (vi) that on the redemption date the redemption price will become due and payable upon each such 2016 Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date; and (vii) the place where such 2016 Bonds are to be surrendered for payment of the redemption price, designating the name and address of the Paying Agent with the name of a contact person and telephone number. Each notice may further state that such redemption shall be conditional upon the Trustee's receiving on or prior to the date fixed for redemption moneys sufficient to pay the principal of and interest on the 2016 Bonds to be redeemed and that if such moneys have not been so received, the redemption shall not be made and the Trustee shall within a reasonable time thereafter give notice, one time, in the same manner in which the notice of redemption was given, that such moneys were not so received.

For so long as a book–entry system is in effect with respect to the 2016 Bonds, the Trustee will mail notices of redemption to DTC or its successor. Any failure of DTC to convey such notice to any Direct Participants or any failure of the Direct Participants or Indirect Participants to convey such notice to any Beneficial Owner will not affect the sufficiency of the notice or the validity of the redemption of 2016 Bonds.

Book–Entry System

DTC will act as securities depository for the 2016 Bonds. The 2016 Bonds 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 2016 Bond certificate will be issued for each maturity of the 2016 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC. See "APPENDIX E—BOOK–ENTRY SYSTEM" for a more detailed discussion of the book–entry system and DTC.

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Debt Service On The 2016 Bonds

Payment Date	The 2016 Bonds Principal	Interest	Period Total	Fiscal Total
October 1, 2016	$ 0.00	$ 158,380.38	$ 158,380.38	
April 1, 2017.....................	515,000.00	335,393.75	850,393.75	$1,008,774.13
October 1, 2018	0.00	322,518.75	322,518.75	
April 1, 2018.....................	365,000.00	322,518.75	687,518.75	1,010,037.50
October 1, 2019	0.00	313,393.75	313,393.75	
April 1, 2019.....................	380,000.00	313,393.75	693,393.75	1,006,787.50
October 1, 2020	0.00	303,893.75	303,893.75	
April 1, 2020.....................	400,000.00	303,893.75	703,893.75	1,007,787.50
October 1, 2021	0.00	293,893.75	293,893.75	
April 1, 2021.....................	420,000.00	293,893.75	713,893.75	1,007,787.50
October 1, 2022	0.00	283,393.75	283,393.75	
April 1, 2022.....................	440,000.00	283,393.75	723,393.75	1,006,787.50
October 1, 2023	0.00	272,393.75	272,393.75	
April 1, 2023.....................	465,000.00	272,393.75	737,393.75	1,009,787.50
October 1, 2024	0.00	260,768.75	260,768.75	
April 1, 2024.....................	485,000.00	260,768.75	745,768.75	1,006,537.50
October 1, 2025	0.00	248,643.75	248,643.75	
April 1, 2025.....................	510,000.00	248,643.75	758,643.75	1,007,287.50
October 1, 2026	0.00	235,893.75	235,893.75	
April 1, 2026.....................	535,000.00	235,893.75	770,893.75	1,006,787.50
October 1, 2027	0.00	225,193.75	225,193.75	
April 1, 2027.....................	555,000.00	225,193.75	780,193.75	1,005,387.50
October 1, 2028	0.00	214,093.75	214,093.75	
April 1, 2028.....................	580,000.00	214,093.75	794,093.75	1,008,187.50
October 1, 2029	0.00	205,393.75	205,393.75	
April 1, 2029.....................	595,000.00	205,393.75	800,393.75	1,005,787.50
October 1, 2030	0.00	196,468.75	196,468.75	
April 1, 2030.....................	615,000.00	196,468.75	811,468.75	1,007,937.50
October 1, 2031	0.00	187,243.75	187,243.75	
April 1, 2031.....................	635,000.00	187,243.75	822,243.75	1,009,487.50
October 1, 2032	0.00	177,718.75	177,718.75	
April 1, 2032.....................	650,000.00	177,718.75	827,718.75	1,005,437.50
October 1, 2033	0.00	169,593.75	169,593.75	
April 1, 2033.....................	670,000.00	169,593.75	839,593.75	1,009,187.50
October 1, 2034	0.00	159,543.75	159,543.75	
April 1, 2034.....................	690,000.00	159,543.75	849,543.75	1,009,087.50
October 1, 2035	0.00	149,193.75	149,193.75	
April 1, 2035.....................	710,000.00	149,193.75	859,193.75	1,008,387.50
October 1, 2036	0.00	139,875.00	139,875.00	
April 1, 2036.....................	730,000.00 (1)	139,875.00	869,875.00	1,009,750.00
October 1, 2037	0.00	128,925.00	128,925.00	
April 1, 2037.....................	750,000.00 (1)	128,925.00	878,925.00	1,007,850.00
October 1, 2038	0.00	117,675.00	117,675.00	
April 1, 2038.....................	770,000.00 (2)	117,675.00	887,675.00	1,005,350.00
October 1, 2039	0.00	106,125.00	106,125.00	
April 1, 2039.....................	795,000.00 (2)	106,125.00	901,125.00	1,007,250.00
October 1, 2040	0.00	94,200.00	94,200.00	
April 1, 2040.....................	820,000.00 (3)	94,200.00	914,200.00	1,008,400.00
October 1, 2041	0.00	81,900.00	81,900.00	
April 1, 2041.....................	845,000.00 (3)	81,900.00	926,900.00	1,008,800.00

(1) Mandatory sinking fund principal payments from a $1,480,000, 3.00% term bond due April 1, 2037.
(2) Mandatory sinking fund principal payments from a $1,565,000, 3.00% term bond due April 1, 2039.
(3) Mandatory sinking fund principal payments from a $1,665,000, 3.00% term bond due April 1, 2041.

Debt Service On The 2016 Bonds–continued

Payment Date	The 2016 Bonds Principal	Interest	Period Total	Fiscal Total
October 1, 2042	$ 0.00	$ 69,225.00	$ 69,225.00	
April 1, 2042.....................	870,000.00 (4)	69,225.00	939,225.00	$1,008,450.00
October 1, 2043	0.00	56,175.00	56,175.00	
April 1, 2043.....................	895,000.00 (4)	56,175.00	951,175.00	1,007,350.00
October 1, 2044	0.00	42,750.00	42,750.00	
April 1, 2044.....................	920,000.00 (5)	42,750.00	962,750.00	1,005,500.00
October 1, 2045	0.00	28,950.00	28,950.00	
April 1, 2045.....................	950,000.00 (5)	28,950.00	978,950.00	1,007,900.00
October 1, 2046	0.00	14,700.00	14,700.00	
April 1, 2046.....................	980,000.00 (5)	14,700.00	994,700.00	1,009,400.00
Totals.........................	$19,540,000.00	$10,693,249.13	$30,233,249.13	

(4) Mandatory sinking fund principal payments from a $1,765,000, 3.00% term bond due April 1, 2043.
(5) Mandatory sinking fund principal payments from a $2,850,000, 3.00% term bond due April 1, 2046.

SECURITY FOR THE 2016 BONDS

Security And Sources Of Payment

The 2016 Bonds are payable from, and are secured by a pledge under the Resolution of the Revenues which consist of (a) the rentals, charges, fees, income and other revenue derived from the ownership and operation of a portion of the University's Student Housing System, (b) Student Building Fees, (c) Land Grant Income, (d) net income from other pledged services and (e) all earnings on certain funds and accounts held by the Trustee under the Resolution, subject to payment from such Revenues of Operation and Maintenance Expenses.

Revenues. The 2016 Bonds are limited obligations of the University payable solely from the limited sources of Revenues described below. The following Revenues are to be used first to pay the Operation and Maintenance Expenses of the Student Housing System, and then are to be used to pay the principal of, premium, if any, and interest on Bonds:

Student Housing System Revenues. The University receives rentals, charges, fees, income and other revenues from the ownership and operation of the Student Housing System consisting of:

(a) the Living Learning Community comprised of six buildings containing traditional suite–style spaces;

(b) the traditional (room and board) hall facilities comprised of Mountain View Tower, a new Valley View Tower (this housing project is current under construction from bond proceeds obtained from the issuance of the 2015 Bonds) and Richards Hall, including the dining facilities for the students residing in each such facility known as The Junction;

(c) the apartment style facilities comprised of Merrill Hall, Bullen Hall, Moen Hall, Greaves Hall, Reeder Hall, Snow Hall, Davis Hall, Jones Hall, Morgan Hall, Rich Hall, San Juan Hall, Wasatch Hall, Summit Hall and Blue Square (as defined herein) (three buildings);

(d) the apartment housing comprised of the 39 buildings known as Aggie Village, the six buildings known as West Stadium Villa and the 11 buildings known as the Townhouses;

(e) all parking services, including the Big Blue Terrace, the Aggie Terrace and the other parking areas;

(f) the Taggart Student Center, including , but not limited to, the dining services operations therein known as Quick Stop, The Hub, Aggie Marketplace, The Skyroom Restaurant, and the Campus Store and all other University business operations in the Taggart Student Center (collectively, the "Student Housing System");

(g) the Quadside Café located on the first floor of the Merrill–Cazier Library; and

(h) all other facilities financed as projects under the Resolution together, in each instance, with all appurtenances and properties, real, personal and mixed, of every nature used or useful in connection with any of the above–described buildings and facilities while any of the Bonds authorized under the Resolution remain outstanding.

Student Building Fee. The University imposes and collects a student–building fee (the "Student Building Fee") from each full–time and part–time graduate and undergraduate student attending the University for the use and availability of certain facilities and buildings of the Student Housing System. The Student Building Fee currently assessed against each full–time student is $30.00 per semester (pro–rated for less than full–time). The amount of the Student Building Fee to be assessed against students attending the University shall be fixed from time to time by the University, as required under the provisions of the Resolution.

Land Grant Income. Land Grant Income includes all revenues and income derived by the University from Land Grants described in Section 7 of Article X of the constitution of the State of Utah and in the Act of July 16, 1894, Ch. 138, 28 Stat. 109, adopted by the Congress of the United States. The School and Institutional Trust Lands Administration administer the 1862 Land Grant fund on behalf of the University.

Other Revenues. The University has also pledged (a) net income derived from the operation of concessions, and other facilities specified in the Resolution and (b) earnings on certain of the funds and accounts created by the Resolution and held by the Trustee (subject to certain arbitrage rebate requirements).

Items not Included as Revenues. Revenues shall not include (a) proceeds received on insurance resulting from casualty damage to assets of the Student Housing System, (b) the proceeds of sale of Additional Bonds or Contracts issued or executed for Student Housing System purposes, (c) moneys received under any Security Instrument or any Reserve Instrument (as defined in the Resolution), (d) appropriations by the Legislature of the State, or (e) any other revenue of the University not specifically identified above.

The pledge of the Revenues is subject to the use of the Revenues to pay the Operation and Maintenance Expenses. "Operation and Maintenance Expenses" includes all actual operation and maintenance expenses related to the Student Housing System incurred in any particular fiscal year or period to which said term is applicable or charges made therefore during such fiscal year or period, including amounts reasonably required to be set aside in reserves for items of Operation and Maintenance Expenses, the payment of which is not then immediately required. See "APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION–Definitions" below.

The 2016 Bonds are not an indebtedness of the State, the University or the Board of Regents but are special, limited obligations of the Board of Regents, payable from and secured solely by the Revenues, and such funds and accounts established by the Resolution. The issuance of the 2016 Bonds shall not directly, indirectly, or contingently obligate the Board of Regents, the University or the State or any agency, instrumentality or political subdivision thereof to levy any form of taxation therefore or

to make any appropriation for their payment. Neither the Board of Regents nor the University has any taxing power.

Rate Covenants

The Board of Regents covenants that the University shall establish and maintain, so long as any of the Bonds, Contracts or Repayment Obligations remain Outstanding, such rules and such fees, rental rates and charges for the use of the Student Housing System as shall be necessary to (i) assure maximum occupancy and use of the same and the services afforded thereby, (ii) yield sufficient Revenues to pay the Operation and Maintenance Expenses and Debt Service, to maintain the minimum amounts required by the Resolution in the Debt Service Reserve Account and the Renewal and Replacement Reserve Fund and make all other payments and charges as are required under the Resolution. The Board of Regents further covenants that, so long as any of the Bonds, Contracts or Repayment Obligations remain Outstanding, there shall be charged against all users of services pertaining to and all users of the Student Housing System, including the Board of Regents and the University, the fees, rates and other charges so that the resulting Revenues shall be adequate to meet the requirements of the Resolution. Such charges, together with Student Building Fees and all other Revenues, shall yield at least the following amounts for each Fiscal Year:

(1) *Operation and Maintenance Expenses.* An amount equal to the annual Operation and Maintenance Expenses for such Fiscal Year;

(2) *Principal and Interest and Debt Service Reserve.* An amount equal to at least 110% of the sum of (a) the Aggregate Debt Service for the forthcoming Fiscal Year and (b) any amount required to be deposited by the University into any Series Subaccount in the Debt Service Reserve Account for such Fiscal Year pursuant to the Resolution; and

(3) *Deficiencies*. Other amounts required to meet then existing deficiencies or requirements pertaining to any other Fund or Account created under the Resolution and relating to the Revenues and the application thereof or any securities or obligations payable therefrom.

The Board of Regents and the University agree that should the annual financial report made in accordance with the provisions of the Resolution disclose that during the period covered by such financial report the Net Revenues were not at least equal to the requirement of paragraphs (2) and (3) above, the University and, to the extent necessary, the Board of Regents shall revise the schedule of fees, rental rates, and charges as is practicable and further revise the Operation and Maintenance Expenses so as to produce the necessary Net Revenues as required. "Net Revenues" as defined under the Resolution means, for any period, the Revenues during such period less amounts used or applied to pay the Operation and Maintenance Expenses during such period.

The rate maintenance covenant is subject to compliance by the University with any legislation of the United States or the State (exclusive of any legislation the subject matter of which is the appropriation of any of the Revenues) or any regulation or other action taken by the federal government or any State agency or political subdivision of the State pursuant to such legislation (exclusive of any legislation the subject matter of which is the appropriation of any of the Revenues), in the exercise of the police power thereof for the public welfare, which legislation (exclusive of any legislation the subject matter of which is the appropriation of any of the Revenues), regulation or action limits or otherwise inhibits the amounts of fees, rates and other charges due to the University for the use of or otherwise pertaining to all services rendered by the Student Housing System, including, without limitation, increases in the amounts of such charges. All of such Revenues, including any Revenues received from the University, shall be subject to distribution to the payment of the Operation and Maintenance Expenses and to the payment of Debt Service requirements of all Bonds, Contracts and Repayment Obligations and other obligations payable from the Revenues, including reasonable reserves therefor, as in the Resolution specifically provided.

Flow Of Funds

The Resolution provides that all Revenues shall be promptly deposited to the Revenue Fund held by the University and used to pay Operation and Maintenance Expenses, as the same become due and payable. Following the payment of Operation and Maintenance Expenses from amounts on deposit in the Revenue Fund, the Resolution provides that no later than the 15th day of the month next preceding each date on which amounts fall due on any Series of Bonds or Contract, the University shall apply amounts on deposit in the Revenue Fund (to the extent available) as follows:

(i) First, into the Principal and Interest Fund:

(A) first, for credit to the Debt Service Account, the amount, if any, required so that the balance in each of the separate Series Subaccounts therein shall equal the Accrued Debt Service with respect to the Series of Bonds or Contract for which such Series Subaccount was established, excluding any Pledged Bonds but including any related Security Instrument Repayment Obligations; *provided, however*, if the moneys available in the Revenue Fund for transfer shall be insufficient to equal the Accrued Aggregate Debt Service on all such Outstanding Bonds (excluding any Pledged Bonds), Contracts and Security Instrument Repayment Obligations, the University shall deposit from the moneys so available in the Revenue Fund into each such Series Subaccount such amount on a pro rata basis that reflects the portion of the principal amount of each Series of Bonds, Contracts and Security Instrument Repayment Obligations then Outstanding to the aggregate principal amount of all such Series of Bonds, Contracts and Security Instrument Repayment Obligations then Outstanding; and

(B) second, for credit to the Debt Service Reserve Account:

(I) if any Reserve Instrument satisfying all or a portion on the Debt Service Reserve Requirement with respect to a Series of Bonds or a Contract has been terminated or is to expire pursuant to its terms, an amount, in not to exceed 10 approximately equal semiannual installments commencing on the 15th day of the month next preceding each interest payment date of such Series of Bonds or each payment date on such Contract next succeeding the date of such termination or receipt by the University of notice of such expiration, necessary to cause the balance in the appropriate Series Subaccount in the Debt Service Reserve Account to equal the Debt Service Reserve Requirement with respect to such Series of Bonds; and

(II) if (1) moneys shall ever have been paid out of any Series Subaccount in the Debt Service Reserve Account or (2) a draw on a Reserve Instrument shall have been made in either case due to a shortfall in the Debt Service Account or (3) if for any other reason the fair market value of the moneys and Investment Securities in any Series Subaccount in the Debt Service Reserve Account shall have become less than the applicable Debt Service Reserve Requirement or the amount previously deposited therein pursuant to clause (I) above, then such amount of the money remaining in the Revenue Fund or all of the money so remaining if less than the amount necessary, shall be deposited into such Series Subaccount until (x) there shall be on deposit in such Series Subaccount in the Debt Service Reserve Account the amount required to be paid to the Reserve Instrument Issuer to cause the Reserve Instrument Coverage to be reinstated in an amount to equal the Reserve Instrument Limit and such amount shall be promptly paid to the Reserve Instrument Issuer, and (y) such additional amounts as necessary until the amount, if any, required to be deposited into such Series Subaccount in the Debt Service Reserve Account, after taking into account both the moneys on deposit therein and the Reserve Instrument Coverage applicable to such Bonds or Contracts, equals the Debt Service Reserve Requirement required to be on deposit in such Series Subaccount;

provided, however, if the moneys in the Revenue Fund are insufficient to make the required deposits into all Series Subaccounts in the Debt Service Reserve Account, the University shall deposit from the moneys so available into all such Series Subaccounts on a pro rata basis that reflects the proportion of the principal amount of each Series of Bonds and each Contract then Outstanding to the aggregate principal amount of all such Series of Bonds and Contracts;

provided further, however, that so long as there shall be held in the Principal and Interest Fund, excluding any Reserve Instrument Coverage, an amount sufficient to pay in full all Outstanding Bonds, related Repayment Obligations and Contracts in accordance with their terms (including principal or applicable sinking fund Redemption Price and interest thereon), no deposits shall be required to be made into the Principal and Interest Fund; and

(ii) Second, into the Renewal and Replacement Reserve Fund:

(A) if, after the issuance of a Series of Bonds, an amount equal to the Renewal and Replacement Reserve Fund Requirement is not on deposit in the Renewal and Replacement Reserve Fund because sufficient moneys were not required by a Supplemental Resolution to be deposited into the Renewal and Replacement Reserve Fund an amount sufficient to accumulate in the Renewal and Replacement Reserve Fund the Renewal and Replacement Reserve Fund Requirement in not to exceed 10 approximately equal semiannual installments;

(B) if the Renewal and Replacement Reserve Fund Requirement shall ever be increased, the amount specified in a Supplemental Resolution sufficient to cause the balance in the Renewal and Replacement Reserve Fund to equal the increased Renewal and Replacement Reserve Fund Requirement after 10 approximately equal semiannual deposits into the Renewal and Replacement Reserve Fund; and

(C) if moneys shall ever have been paid out of the Renewal and Replacement Reserve Fund and shall not have been replaced from any source, the amount of money necessary, in not to exceed 10 approximately equal semiannual installments, to cause the amount so paid out of the Renewal and Replacement Reserve Fund to be replaced, or to cause to be on deposit in the Renewal and Replacement Reserve Fund an amount equal to the Renewal and Replacement Reserve Fund Requirement, whichever is less.

Amounts remaining or deposited in the Revenue Fund during each Fiscal Year after payment of the amounts described above for such Fiscal Year may be applied by the University, free and clear of the lien of the Resolution, to any one or more of the following, to the extent permitted by law: (i) the purchase or redemption of any Bonds and payment of expenses in connection with the purchase or redemption of any Bonds; (ii) payments of principal or redemption price of and interest on any bonds, including junior lien revenue bonds; (iii) payments into any Project Account or Accounts established in the Construction Fund for application to the purposes of such Accounts; (iv) payment of the costs of capital improvements to the Student Housing System; and (v) and any other lawful purpose of the University.

Debt Service Reserve Account

2016 Debt Service Reserve Account; 2016 Reserve Instrument. The Resolution requires the establishment of the 2016 Debt Service Reserve Account and a Debt Service Reserve Requirement with respect to the 2016 Bonds in an amount equal to the maximum annual debt service (based on a Fiscal Year) on the 2016 Bonds, which, as of the date of issuance of the 2016 Bonds, will be $1,010,037.50 (the "2016 Debt Service Reserve Requirement"). Accordingly, application has been made to AGM for the issuance of a surety bond for the purpose of funding the 2016 Debt Service Reserve Account (the "2016 Reserve Instrument").

The 2016 Reserve Instrument Policy. AGM has made a commitment to issue a municipal bond debt service reserve insurance policy for the 2016 Reserve Instrument with respect to the 2016 Bonds (the "2016 Reserve Instrument Insurance Policy"), effective as of the date of the issuance of such 2016 Bonds. Under the terms of the 2016 Reserve Instrument Insurance Policy, AGM will unconditionally and irrevocably guarantee to pay that portion of the scheduled principal and interest on the 2016 Bonds that become due for payment but shall be unpaid by reason of nonpayment by the Board of Regents (the "Insured Payments").

AGM will pay each portion of an Insured Payment that is due for payment and unpaid by reason of nonpayment by the Board of Regents to the Trustee or Paying Agent, as beneficiary of the 2016 Reserve Instrument Insurance Policy on behalf of the holders of the 2016 Bonds on the later to occur of (i) the date such scheduled principal or interest becomes due for payment or (ii) the business day next following the day on which AGM receives a demand for payment therefor in accordance with the terms of the 2016 Reserve Fund Insurance Policy.

No payment shall be made under the 2016 Reserve Instrument Insurance Policy in excess of $1,010,037.50 (the "2016 Reserve Instrument Insurance Policy Limit"). Pursuant to the terms of the 2016 Reserve Instrument Insurance Policy, the amount available at any particular time to be paid to the Trustee or Paying Agent shall automatically be reduced to the extent of any payment made by AGM under the 2016 Reserve Instrument Insurance Policy, provided that, to the extent of the reimbursement of such payment to AGM, the amount available under the 2016 Reserve Instrument Insurance Policy shall be reinstated in an amount not to exceed the 2016 Reserve Instrument Insurance Policy Limit.

Special Provisions Relating to the 2016 Reserve Instrument Policy. Upon a failure to pay policy costs when due or any other breach of the provisions contained in the Resolution relating to the 2016 Reserve Instrument Insurance Policy, AGM shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under the Resolution other than (i) acceleration of the maturity of the Outstanding Bonds or (ii) remedies that would adversely affect owners of the Outstanding Bonds.

Any policy costs then due and owing to AGM shall be included in the calculation of maximum Aggregate Annual Debt Service Requirement in the calculation of the additional bonds test.

The Board of Regents shall fully observe, perform, and fulfill each of the provisions (as each of those provisions may be amended, supplemented, modified or waived with the prior written consent of AGM, of the Resolution applicable to it.

Covenant To Request Legislative Appropriation For The 2016 Bonds

In accordance with the Higher Education Act, the Resolution provides that the Chairman of the Board of Regents shall, not later than December 1, in each year, certify to the Governor and the Director of Finance of the State the amount, if any, required to (i) restore the 2016 Debt Service Reserve Account (including payment of any amounts due under the 2016 Reserve Instrument) to the 2016 Debt Service Reserve Requirement, (ii) restore the Reserve Instrument Fund to the required amount, if any, or (iii) meet projected shortfalls of payment of Principal and/or interest for the following year on any 2016 Bonds. The Governor may (but is not required to) request from the Legislature an appropriation of the amount so certified and any sums appropriated by the Legislature shall, as appropriate, be deposited in the 2016 Debt Service Reserve Account, in the Reserve Instrument Fund, or in the Bond Fund, as applicable. The Legislature is not required to make any appropriation with respect to the 2016 Bonds.

Covenant To Request Legislative Appropriation For Outstanding Parity Bonds

The Outstanding Parity Bonds enjoy the same pledge of the State and its Legislature concerning the restoration of the respective debt service reserve accounts and the appropriation to meet a projected shortfall of payment of principal and/or interest for the following year on the Outstanding Parity Bonds as described in the preceding paragraph with respect to the 2016 Bonds. The Legislature is not required to make any appropriation with respect to the Outstanding Parity Bonds.

The Outstanding Parity Bonds. Under the Resolution, each Series of Outstanding Bonds for which a Debt Service Reserve Requirement is established is secured by a separate Series Account in the Debt Service Reserve Fund.

The 2015 Bonds. The 2015 Bonds are secured by a reserve instrument issued by AGM in the 2015 Debt Service Reserve Account in the amount of $1,679,062.50 (the maximum annual debt service amount) relating to the 2015 Bonds.

The 2007 Bonds. The 2007 Bonds are secured by a reserve instrument issued by National Public Finance Group Corp. (formerly MBIA Insurance Corp. of Illinois) New York, New York ("National") in the 2007 Debt Service Reserve Account in the amount of $3,163,250 (the maximum annual debt service amount) relating to the 2007 Bonds.

No Historical Request For Legislative Appropriation On Higher Education Bonds Or Debt Service Reserve Accounts

As of the date of this OFFICIAL STATEMENT and the inception in 1997 of the "moral obligation" pledge of the State, as contained within the Higher Education Act, the Board of Regents has never requested from the Governor, the Director of Finance or the Legislature to appropriate moneys to: (i) restore or fund a debt service reserve account; (ii) restore a reserve instrument fund; or (iii) make the principal and interest payments due on any bonds that have been issued by the Board of Regents for and on behalf of the Board of Regent's colleges and universities.

Additional Bonds

No additional indebtedness, bonds or notes payable on a priority to the Bonds and Contracts authorized by the Resolution out of the Revenues shall be created or incurred. In addition, no additional indebtedness, bonds or notes payable on a parity with the Bonds out of the Revenues shall be created or incurred, unless the following requirements have been met:

(i) a written certificate of the University to the effect that, upon the authentication and delivery of the Bonds of such Series, the Board of Regents and the University will not be in default in the performance of any of the covenants, conditions, agreements, terms or provisions of the Resolution or of any of the Bonds or Contracts or any Reserve Instrument Agreements or Security Instrument Agreements; and

(ii) a written certificate of the University that the Project under the Supplemental Resolution authorizing the parity Bonds or Contracts is to be made a part of the Student Housing System for all purposes of the Resolution, including the addition of the income, revenues and fees thereof, to the Revenues derived from the remainder of the Student Housing System for purposes of the Resolution; and

(iii) an Accountant's Certificate setting forth (a) for any Year within the 24 calendar months next preceding the authentication and delivery of such Series of Bonds, the Net Revenues for such period and (b) the Aggregate Debt Service during the Year so selected with respect to all Series of Bonds and all Contracts and Repayment Obligations that were then Outstanding; and showing that such Net Revenues were at least equal to 1.10 times the Aggregate Debt Service for such period; and

(iv) a certificate of the Chief Financial Officer setting forth the Estimated Net Revenues either: (a) if the Supplemental Resolution authorizing the Series of Bonds or Contracts being issued or executed contains a requirement relating to the funding of interest during construction referred to in the Resolution for each of the three Fiscal Years succeeding the then Estimated Completion Date of the Project, or (b) if the conditions specified in clause (a) shall not be the case, for the then current Fiscal

Year and each succeeding Fiscal Year to and including the third Fiscal Year succeeding the then Estimated Completion Date of the Project; and

(v) a written certificate of the University showing the Average Aggregate Debt Service with respect to all Series of Bonds and all Contracts to be Outstanding calculated for each of the Fiscal Years set forth in the certificate of the Chief Financial Officer delivered pursuant to paragraph (iv) above and showing that the Estimated Net Revenues are not less than 1.10 times the Average Aggregate Debt Service calculated for each of such Fiscal Years with respect to all Series of Bonds and all Contracts to be Outstanding and the Repayment Obligations that are anticipated to be Outstanding immediately after the authentication and delivery of such Series of Construction Bonds being issued.

The Resolution also provides that the University may issue Refunding Bonds to refund all or part of a Series of Bonds or other obligations of the University. Generally, a series of Refunding Bonds may be issued under the Resolution upon delivery to the Trustee of either (i) a Written Certificate of the University signed by the Chief Financial Officer to the effect that the Aggregate Debt Service for each Fiscal Year, to and including the Fiscal Year next preceding the latest maturity of the Bonds or other obligations to be refunded or of the Refunding Bonds (whichever is later), on the Refunding Bonds is no greater than (A) the Aggregate Debt Service on the Bonds or obligations to be refunded plus (B) $50,000; or (ii) the documents described in subparagraphs (iii) through (v) above (provided that for purposes of (iv) above the certificate of the Chief Financial Officer shall set forth Estimated Net Revenues for the current Fiscal Year and the next following two Fiscal Years). See "APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION–Special Provisions For The Issuance Of Refunding Bonds" below.

In addition the University may enter into Contracts secured on a parity with the Bonds issued under the Resolution to pay for construction, operation and maintenance of facilities constituting a project, and expenses preliminary and incidental thereto. See "APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION–Provisions Relating to Contracts" below.

DESCRIPTION OF REVENUE SOURCES

Student Housing System

Student Housing. The current Student Housing derives its source of income from the following housing facilities:

Unit Name	Date Placed in Service	Last Major Renovation (5)	Number/Type
Single Housing (1):			
New Residence Hall (2)	2017	new	390 student beds
Blue Square (3)	2016	–	255 student beds
Living/Learning Community	2007	–	512 student beds
Snow Hall	1995	–	234 student beds
Mountain View Tower	1966	2009	372 student beds
Valley View Tower (4)	1966	2009	368 student beds
Wasatch Hall	1962	2015	79 student beds
Jones Hall	1962	2014	79 student beds
Morgan Hall	1962	2013	79 student beds

(1) All units are routinely refurbished with carpet, paint or other minor repairs on an ongoing basis.
(2) Currently being construction with bond proceeds from the 2015 Bonds.
(3) See "THE 2016 PROJECT" below.
(4) This building to be replaced with the new construction of the New Residence Hall.
(5) Major renovations include refinishing floor coverings, walls and cabinetry.

Unit Name	Date Placed in Service	Last Major Renovation (1)	Number/Type
Davis Hall	1962	2012	79 student beds
Rich Hall	1962	2012	79 student beds
Aggie Village	1962	2010	96 student beds
San Juan Hall	1962	–	79 student beds
Summit Hall	1962	–	42 student beds
Bullen Hall	1959	2008	144 student beds
Richards Hall	1958	2008	270 student beds
Merrill Hall	1958	2008	216 student beds
Greaves Hall	1956	2008	70 student beds
Moen Hall	1956	2008	72 student beds
Reeder Hall	1956	2008	72 student beds
Family Housing:			
Old Main West	2008	–	3 apartments
Townhouses	1995	–	76 apartments
West Stadium Villa	1965	2009	24 apartments
Aggie Village	1962	2010	419 apartments

(1) Major renovations include refinishing floor coverings, walls and cabinetry.

(Source: The University.)

The following table sets forth the revenues and expenses for Student Housing for the years shown:

	Fiscal Year				
	2015	2014	2013	2012	2011
Revenue	$10,212,918	$9,904,621	$9,866,109	$9,283,739	$8,983,802
Cost of goods sold	(0)	(294)	(32)	(2,678)	(564)
Gross income	10,212,918	9,904,327	9,866,077	9,281,061	8,983,238
Expenses	(6,547,134)	(6,177,199)	(6,065,202)	(6,046,723)	(6,115,772)
Net operating revenue	$3,665,784	$3,727,128	$3,800,875	$3,234,338	$2,867,466
% change from prior period	(1.6)%	(1.9)%	17.5%	12.8%	(18.1)%

(Source: The University.)

From Fall 2011 to Fall 2015, the percentage of occupancy within the Student Housing System increased from 91% to 94%.

The University's traditional style residence halls have presented a significant challenge as competition has drawn students to newer apartment style units. The University recognizes the need to make changes with respect to these units and is analyzing various alternatives in an effort to increase the occupancy level. In addition the demand for various types of housing is constantly measured against availability. To meet the varying demands, the University has converted existing units between family and single housing, established private units, and created study rooms to make traditional style housing more desirable. These adjustments to meet demand and in some cases make units more marketable, cause fluctuations in the capacity as measured from fall to fall. The fluctuations are reflected in the Fall Occupancy Report and are discussed below.

University Housing Services Fall Occupancy Report

	Fall 2015 Capacity	Fall 2015 Occupancy	Fall 2015 %	Fall 2014 Capacity	Fall 2014 Occupancy	Fall 2014 %	Fall 2013 Capacity	Fall 2013 Occupancy	Fall 2013 %	Fall 2012 Capacity	Fall 2012 Occupancy	Fall 2012 %	Fall 2011 Capacity	Fall 2011 Occupancy	Fall 2011 %
Family housing:															
Apartments and townhouses	522	511	98	522	515	99	522	511	98	522	509	98	512	499	97
Single housing:															
Apartment style	1,470	1413	96	904	870	96	905	862	95	905	874	97	928	876	94
Traditional style	1,530	1,379	90	1,522	1,356	89	1,522	1,319	87	1,520	1,346	89	1,520	1,308	86
Total single housing	3,000	2,792	93	2,426	2,226	92	2,427	2,181	90	2,425	2,220	92	2,448	2,184	89
Total all University housing	3,522	3,303	94	2,948	2,741	93	2,949	2,692	91	2,947	2,729	93	2,960	2,683	91

(Source: The University's Housing Services.)

Dining Service Operations. The Dining Service Operations that constitute part of the Student Housing System are as follows:

"The Junction" provides dining service for Richards Hall, Mountain View Tower, Valley View Tower and Bullen Hall. Residents of these halls are required to have a meal plan as part of their housing contract.

"The Hub" is a fast food outlet located in the Taggart Student Center. The operations included in this food court are "the Bakery at USU," "Bloozies," "Caffe Ibis," "Grab–n–Go," "in–b'tween," "Scotsman's Corner," "Sliced," "Taco Time" and "Teriyaki Bull." All franchises are owned and operated by the University.

"Aggie Marketplace" is a large, casual dining facility located in the Taggart Student Center. The central kitchen for this operation also provides catering for the entire University.

"The Skyroom Restaurant" is a full–service restaurant located in the Taggart Student Center serving faculty, staff and students.

"Quick Stop" is a convenience store serving the campus community. This operation is also located in the Taggart Student Center.

"Quadside Café" is a small, casual dining facility serving the campus community. This operation is located on the first floor of the Merrill–Cazier Library.

The following table sets forth the revenues and expenses for Dining Services Operations for the years shown:

	Fiscal Year				
	2015	2014	2013	2012	2011
Revenue	$8,499,471	$8,812,706	$8,148,306	$8,090,493	$7,429,060
Cost of goods sold	(2,834,423)	(2,963,687)	(2,962,497)	(2,764,355)	(2,529,191)
Gross income	5,665,048	5,249,019	5,185,809	5,326,138	4,899,869
Expenses	(4,675,240)	(4,645,923)	(4,564,837)	(4,593,436)	(4,344,789)
Net operating revenue	$ 989,808	$ 603,096	$ 620,972	$ 732,702	$ 555,080
% change from prior period	64.1%	(2.9)%	(15.2)%	32.0%	73.8%

(Source: The University.)

"Taggart Student Center" is a facility supporting various student activities and houses pledged operations including The Hub, Aggie Marketplace, The Skyroom Restaurant, Quick Stop and the Campus Store.

The following table sets forth the revenues and expenses for the Taggart Student Center for the years shown:

	Fiscal Year				
	2015	2014	2013	2012	2011
Revenue	$2,343,777	$2,260,488	$2,240,855	$2,216,199	$2,158,116
Cost of goods sold	(0)	(1,600)	(0)	(0)	(0)
Gross income	2,343,777	2,258,888	2,240,855	2,216,199	2,158,116
Expenses	(1,941,601)	(1,913,315)	(1,882,884)	(1,809,605)	(1,830,233)
Net operating revenue	$ 402,176	$ 345,573	$ 357,971	$ 406,594	$ 327,883
% change from prior period	16.4%	(3.5)%	(12.0)%	24.0%	(9.1)%

(Source: The University.)

Campus Store. The Campus Store provides students with the opportunity to buy textbooks, various school supplies and clothing identified with the University's logo and other items.

The following table sets forth the revenues and expenses for the Campus Store for the years shown:

	Fiscal Year				
	2015	2014	2013	2012	2011
Revenue	$9,356,080	$9,625,767	$10,500,499	$11,006,225	$11,260,515
Cost of goods sold	(6,843,607)	(7,277,041)	(7,932,452)	(8,813,979)	(8,506,716)
Gross income	2,512,473	2,348,726	2,568,047	2,192,246	2,753,799
Expenses	(2,201,304)	(2,238,920)	(2,562,831)	(2,709,601)	(2,683,717)
Net operating revenue	$ 311,169	$ 109,806	$ 5,216	$ (517,355)	$ 70,082
% change from prior period	183.4%	2,005.2%	101.0%	(838.2)%	128.6%

(Source: The University.)

Parking Services. "Big Blue Terrace" provides parking for vehicles, and serves the needs of faculty, staff and hourly users. It has a capacity of 320 vehicles. "Aggie Terrace" is a parking terrace that was built as part of the Living Learning Community, has a capacity of 612 vehicles, and serves the needs of resident students, commuter students, faculty, staff and hourly users. The flat surface "for fee" parking provides approximately 7,100 parking stalls for students, faculty and staff, and visitors at the University's main campus.

The following table sets forth the revenues and expenses for the Parking Services for the years shown:

	Fiscal Year				
	2015	2014	2013	2012	2011
Revenue	$1,865,252	$1,769,508	$1,723,324	$1,705,528	$1,623,578
Expenses	(770,159)	(754,716)	(800,992)	(793,073)	(821,798)
Net operating revenue	$1,095,093	$1,014,792	$ 922,332	$ 912,455	$ 801,780
% change from prior period	7.9%	10.0%	1.1%	13.8%	44.1%

(Source: The University.)

Other Revenue Sources

Student Building Fees. The "Student Building Fee" for the Housing System provides $30.00 per semester from each full–time graduate and undergraduate student (pro–rated for less than full–time). The University has other student building fees which are not pledged under the Resolution. See "UTAH STATE UNIVERSITY—Tuition And Fees" and "—Estimated Enrollment Projections" below. For a discussion of historical and projected revenues associated with Student Building Fees see "HISTORICAL DEBT SERVICE COVERAGE" and "PROJECTED REVENUES AND DEBT SERVICE COVERAGE" below.

Land Grant Income. Land Grant Income is derived by the University from Land Grants described in the constitution of the State of Utah and in the Act of July 16, 1894, Ch. 138, 28 Stat. 109, adopted by the Congress of the United States. For a discussion of historical and projected revenues associated with Land Grant Income see "HISTORICAL DEBT SERVICE COVERAGE" and "PROJECTED REVENUES AND DEBT SERVICE COVERAGE" below.

Interest Income. Interest Income is derived from certain reserve accounts held by the Trustee. For a discussion of historical and projected revenues associated with Interest Income see "HISTORICAL DEBT SERVICE COVERAGE" and "PROJECTED REVENUES AND DEBT SERVICE COVERAGE" below.

Management Discussion Of Revenues

Generally. Revenues for the Bonds are classified under two categories: (i) revenues from operation of the Student Housing System; including Student Housing, Dining Service Operations, Taggart Student Center, Campus Store and the Parking Facilities; and (ii) other pledged revenues, including the Student Building Fee, Land Grant Income and Interest Income (as defined below) on reserves. The Student Housing System and other pledged revenues are detailed in "Student Housing System" above.

During the last five years the annual rate of increase of gross revenues from operations of the Student Housing System has been averaging 1.2%. Efforts are continually being made by managers of the various operations to provide quality services while at the same time containing the costs of delivery.

Other pledged revenues have been relatively steady except for Land Grant Income which has ranged from $265,577 to $809,703 during the past five years.

Student Housing. The University faces a very competitive student housing market. University students are not required to live on campus and there is currently a strong market for off–campus housing. Most notably, the traditional style residence hall, single–student housing units have presented a significant challenge to the University as the competition has drawn students to newer apartment style units.

In response to this competition, the University has continued its marketing efforts for its housing facilities. These marketing efforts emphasize the advantages of the University's housing facilities, which include on–campus location, easier access to University information and services, and reduced transportation costs.

The University continues to make efforts to make its housing facilities more attractive to students. These efforts include the on–going renovation and updating of the housing facilities and the purchase of the 2016 Project. The University strives to keep rates competitive through cost containment practices without sacrificing service and quality.

Dining Service Operations. The Dining Services Operations utilize marketing strategies to increase sales and to enhance profitability.

The Taggart Student Center. The Taggart Student Center derives its revenues from rents charged to tenants and occasional users of the facilities. Revenues in the Taggart Student Center have remained fairly constant in past years and it is anticipated this trend will continue. The Taggart Student Center operations are responsive to the needs of the students.

Campus Store. The Campus Store is housed in the Taggart Student Center. Rents paid by the Campus Store flow into the pledged revenue through the Taggart Student Center. The Campus Store provides net revenue annually that are available for debt service.

Parking Services. Parking Facilities are comprised of the Big Blue Terrace, the Aggie Terrace, and approximately 7,100 "for fee" flat surface stalls on the University's main campus. The "for fee" flat surface parking has been developed over the many years the University has been operated and is managed centrally by the University's Parking Services operation.

Student Building Fee. A Student Building Fee has been approved at $30.00 per semester for a full–time student. The total funds available from this fee are dictated by enrollment. Revenues from Student Building fees have increased 8.8% since 2011 mainly due to full–time enrollment increases. See "UTAH STATE UNIVERSITY—Student Enrollment" below.

Land Grant Revenue. Land Grant Revenue, during the past five years, has provided between $265,577 and $809,703 per year into the Housing System. The State has made some adjustments in its holding in an attempt to increase and stabilize the revenue. The average revenue for the past five years has been $476,970.

Interest Income. Interest Income on Reserves is primarily generated by the $500,000 repair and replacement reserve held by the Trustee.

HISTORICAL DEBT SERVICE COVERAGE

The following table is a summary of historical Revenues and debt service coverage. The "actual" information has been derived from the University's financial statements for Fiscal Years 2011 through 2015 and has been compiled by the University. This information is not presented in a form that can be recognized from the University's financial statements.

In Fiscal Year 2015, the University received approximately 80% of its net pledged revenue available for debt service from the Student Housing System, approximately 15% of the net pledged revenue available for debt service from Student Building Fees and approximately 5% of the net pledged revenue available for debt service from Land Grant Income. Interest income also contributed a small amount to debt service.

In Fiscal Year 2015, approximately 53% of the total expenditures for operations were for salaries, wages and staff benefits, approximately 47% for current operating expense and other deductions (administrative costs, custodial services, rentals, telephone services, operating supplies, data processing, utilities, and minor repairs and maintenance, etc.).

	Fiscal Year Ended June 30					
	2011	2012	2013	2014	2015	
Revenue from Student Housing System operations	$31,455,071	$32,302,184	$32,479,093	$31,773,090	$32,277,498	
Cost of goods sold	(11,036,471)	(11,581,012)	(10,894,981)	(10,242,622)	(9,678,030)	
Gross income	20,418,600	20,721,172	21,584,112	21,530,468	22,599,468	
Operating expenses and other deductions:						
Salaries, wages and staff benefits	7,990,071	8,353,418	8,386,754	8,328,202	8,533,042	
Other current operating expenses	7,806,238	7,599,020	7,489,992	7,401,871	7,602,396	
Total operating expenses and other deductions	15,796,309	15,952,438	15,876,746	15,730,073	16,135,438	
Net revenue from Student Housing System operations	4,622,291	4,768,734	5,707,366	5,800,395	6,464,030	
Other pledged revenue:						
Student Building Fees	1,133,833	1,143,229	1,128,196	1,105,338	1,233,456	
Land Grant Income	265,577	434,607	809,703	454,314	420,650	
Interest on reserves and other revenue	2,491	25,126	14,689	12,131	12,285	
Total other pledged revenues	1,401,901	1,602,962	1,952,588	1,571,783	1,666,391	
Total Net Revenues	$ 6,024,192	$ 6,371,696	$ 7,659,954	$ 7,372,178	$ 8,130,421	
Debt service (Building Fee/Housing Bonds) (1):						
2016 Bonds	$ 0	$ 0	$ 0	$ 0	$ 0	
2015 Bonds	0	0	0	0	0	
2009 Bonds	1,724,417	1,719,620	1,726,216	1,729,875	1,721,250	(2)
2007 Bonds	1,952,013	1,952,013	1,952,013	1,952,013	1,952,013	
Total debt service	$ 3,676,430	$ 3,671,633	$ 3,678,229	$ 3,681,888	$ 3,673,263	
Debt service coverage (Net Revenues)	**1.64X**	**1.74X**	**2.08X**	**2.00X**	**2.21X**	
Rate Covenant Requirement	**1.10X**	**1.10X**	**1.10X**	**1.10X**	**1.10X**	

(1) Debt service is reported on an accrual basis for each Fiscal Year.
(2) Final principal and interest payment on this bond.

(Source: The University.)

PROJECTED REVENUES AND DEBT SERVICE COVERAGE

The "projected" information is based on the historical data of the University with modifications made for operating changes being implemented in specific areas.

Revenue and expense projections for Fiscal Years 2016 through 2020 include a small annual increase of 1% which reflects the current economic conditions.

Student Building Fees are also projected to increase annually at the rate of 1% through Fiscal Year 2020.

Land Grant Income revenues were held constant through Fiscal Year 2020.

Interest on reserves is expected to remain steady at approximately $13,000 per year.

The University does not as a matter of course make public projections as to future sales, earnings, or other results. However, the University has prepared the prospective financial information set forth below to present the projected Revenues. The accompanying prospective financial information was not prepared with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information, but, in the view of the Administration, was prepared on a reasonable basis, reflects the best currently available estimates and judgments, and presents, to the best of the Administration's knowledge and belief, the expected course of action and the expected future financial performance of the University. However, this information is not fact and should not be relied upon as being necessarily indicative of future results, and readers of this statement are cautioned not to place undue reliance on the prospective financial information.

Neither the University's independent auditors, nor any other independent accountants, have compiled, examined, or performed any procedures with respect to the prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the prospective financial information.

	Fiscal Year Ended June 30 (1)				
	Projected				
	2016	2017	2018	2019	2020
Revenue from Student Housing System operations……	$34,646,631	$35,498,097	$35,853,078	$36,211,609	$36,573,725
Cost of goods sold……	(9,774,810)	(9,872,558)	(9,971,284)	(10,070,997)	(10,171,707)
Gross income……	24,871,821	25,625,539	25,881,794	26,140,612	26,402,018
Operating expenses and other deductions:					
Salaries, wages and staff benefits……	9,125,553	9,305,184	9,398,236	9,492,218	9,587,140
Other current operating expenses……	8,450,464	8,673,844	8,760,582	8,848,188	8,936,670
Total operating expenses and other deductions.	17,576,017	17,979,028	18,158,818	18,340,406	18,523,810
Net revenue from Student Housing System operations..	7,295,804	7,646,511	7,722,976	7,800,206	7,878,208
Other pledged revenue:					
Student Building Fees……	1,245,791	1,258,248	1,270,831	1,283,539	1,296,375
Land Grant Income……	420,650	420,650	420,650	420,650	420,650
Interest on reserves and other revenue……	12,408	12,532	12,657	12,784	12,912
Total other pledged revenues……	1,678,849	1,691,430	1,704,138	1,716,973	1,729,937
Total Net Revenues……	$ 8,974,653	$ 9,337,941	$ 9,427,114	$ 9,517,179	$ 9,608,145
Debt service (housing revenue bonds) (2)					
2016 Bonds……	$ 0	$ 1,008,774	$ 1,010,038	$ 1,006,788	$ 1,007,788
2015 Bonds……	682,958	884,406	1,668,481	1,669,594	1,667,855
(Capitalized interest on the 2015 Bonds)……	(461,857)	(884,406)	(368,503)	0	0
2007 Bonds……	3,140,013	3,138,638	3,121,538	3,126,550	3,127,425
Total debt service……	$ 3,361,114	$ 4,147,412	$ 5,431,554	$ 5,802,932	$ 5,803,068
Debt service coverage (Net Revenues)……	**2.67X**	**2.25X**	**1.74X**	**1.64X**	**1.66X**
Rate Covenant Requirement……	**1.10X**	**1.10X**	**1.10X**	**1.10X**	**1.10X**

(1) Information has been provided by the University. For a discussion of the assumptions used for this table see the preceding paragraphs. Also see "DESCRIPTION OF REVENUE SOURCES" above.

(2) Debt service is reported on an accrual basis for each Fiscal Year.

(Source: The University.)

THE 2016 PROJECT

In January 2016 the University purchased a three, four–story modern (suite style) apartment building complex and associated land (approximately 3.62 acres) from a private party. The complex is an addition to the Student Housing System and is known as "Blue Square" (and collectively as the "2016 Project"). The 2016 Project is located adjacent to the University's main Logan Campus and contains 92 units, housing 255 beds (one, two and four bedroom suites with each suite containing a corresponding number of bathrooms). The three buildings were completed at different times (building one in August 2012, containing 72,959 square feet; building two in February 2013, containing 36,686 square feet; and the last building in May 2013, containing 36,686 square feet) and were constructed with concrete, aluminum composite, wood frame with stucco siding. The 2016 Project also contains 5,775 feet of retail/restaurant space. Proceeds of the 2016 Bonds are used to purchase the 2016 Project.

See "SECURITY FOR THE 2016 BONDS" above.

STATE BOARD OF REGENTS OF THE STATE OF UTAH

The University is a body politic and corporate of the State operating under the provisions of the Higher Education Act. The Board of Regents is vested by statute with control, management and supervision of the State institutions of higher education, including the University. The Board of Regents consists of 19 resident citizens of the State, 15 of whom are appointed by the State's governor with the consent of the State Senate for staggered six–year terms; two members who are appointed by the Chair of the State Board of Education and are currently members of the State Board of Education (these members have no vote and no set term expiration date); one member of the Utah College of Applied Technology Board of Trustees (appointed by its chair, with no vote and no set term expiration) and one student member (with voting rights) appointed by the Governor from nominations of the student body presidents' council for a one–year term. From its members, the members of the Board of Regents elect a Chair and Vice Chair, each for two–year terms.

The Board of Regents appoints a Commissioner of Higher Education, who serves as the chief executive officer of the Board of Regents and is responsible for, among other things, proper execution of the policies and programs established by the Board of Regents. The Board of Regents, in consultation with the respective Board of Trustees of each institution of higher education, appoints a President for each institution of higher education in the State. The President of each such institution, including the University, is responsible to the Board of Regents for the governance and administration of his or her institution.

Board of Regents

Board Member/Vocation/Location		Current Term Expires
Daniel W. Campbell	Chair, Businessperson, Provo City	June 2019
France A. Davis	Vice Chair, Businessperson, Salt Lake City	June 2017
Jesselie B. Anderson	Member, Businessperson, Salt Lake City	June 2019
Nina R. Barnes	Member, Businessperson, Cedar City	June 2021
Leslie Castle	Member (non–voting), State Board of Education	No term set
Wilford W. Clyde	Member, Businessperson, Springville City	June 2017
Steven R. Moore	Member (non–voting), Utah College of Applied Tech., Salt Lake City	No term set
Marlin K. Jensen	Member, Businessperson, Salt Lake City	June 2021
Patricia Jones	Member, Businessperson, Salt Lake City	June 2021
Steven J. Lund	Member, Businessperson, Provo City	June 2021
Robert S. Marquardt	Member, Businessperson, Salt Lake City	June 2019
Robert W. Prince	Member, Orthodontist, St. George City	June 2017
Harris H. Simmons	Member, Businessperson, Salt Lake City	June 2021
Mark T. Stoddard	Member, Businessperson, Nephi City	June 2017
Teresa L. Theurer	Member, Community Leader, Logan City	June 2019
Joyce P. Valdez	Member, Businessperson, Salt Lake City	June 2019
John H. Zenger	Member, Businessperson, Midway City	June 2017
vacant	Member (non–voting), State Board of Education	No term set
vacant	Student Member	June 2017

The Board of Regents owns its own office building located in Salt Lake City, Utah and maintains a Web site that may be accessed at http://www.higheredutah.org.

UTAH STATE UNIVERSITY

General

The University was established as part of the public educational system of the State by the Legislature in 1888. The University is a land grant institution authorized under the Morrill Act of 1862. It was first named the Agricultural College of Utah and was later renamed Utah State Agricultural College. In 1965, the Legislature changed the name of the University to "Utah State University of Agriculture and Applied Science." Additionally, the University can legally be known and do business as "Utah State University."

The University's main campus, is located in Logan City, Utah, approximately 85 miles north of Salt Lake City, Utah and includes more than 100 buildings located on 400 acres (with an additional 7,000 acres used for agricultural and other forms of research located in various parts of the State).

The University is well known for its statewide reach. The office of Regional Campuses and Distance Education allows the University to provide courses and degrees in formats that make higher education accessible to students throughout the State and around the world. With distance classes that date back before 1900, the University's distance education program has grown to offer over 70 degrees and programs, including a distance–delivered doctoral degree (PhD). The University has three regional campuses (Vernal City (Uintah County), Utah; Tooele City (Tooele County), Utah; and Brigham City (Box Elder County), Utah); and nearly 40 education centers located throughout the State. On July 1, 2010 the College of Eastern Utah (currently USU Eastern), located in Price, Utah merged with the University as the State's only comprehensive regional college. Additionally, a campus of USU Eastern is located in Blanding City (San Juan County), Utah. USU Eastern has expanded and enhanced the educational opportunities for people residing in this region of the State. Additionally, the University is the State's only land–grant institution, providing "Extension" units in all of the State's 29 counties.

The University also offers a virtual campus through USU Online ("USU Online"), which offers instruction over the internet. In Fall 2015, 2,800 students were taking on–line courses only through USU Online.

The University maintains a Web site that may be accessed at http://www.usu.edu.

The University's combined student head count enrollment for Academic Year 2015–2016 (Fall Semester 2015) was 28,622 students (educating approximately 16.8% of the students in the Board of Regent's Utah Systems of Higher Education system). The University is one of the units of the State system of higher education which is comprised of the following institutions which had Fall Semester 2015 student head count enrollments (including satellite campuses) as listed below:

Name	Location	Student Head Count Enrollment	% of Total Student Enrollment
Utah Valley University	Orem, Utah	33,211	19.4%
University of Utah	Salt Lake City, Utah	31,673	18.5
Salt Lake Community College	Salt Lake City, Utah	28,814	16.9
Utah State University	*Logan/Price, Utah*	*28,622*	*16.8*
Weber State University	Ogden, Utah	25,955	15.2
Southern Utah University	Cedar City, Utah	8,881	5.2
Dixie State University	City of St. George, Utah	8,503	5.0
Snow College	Ephraim, Utah	5,111	3.0
Total		170,770	100.0%

(Source: Utah System of Higher Education.)

The largest private institutions of higher education in the State include Brigham Young University (approximate head count of 30,250) in the City of Provo, Utah; Westminster College (approximate head count of 3,100) in Salt Lake City, Utah; and L.D.S. Business College (approximate head count of 2,200) in Salt Lake City, Utah.

University's Board Of Trustees

The responsibilities and powers of the Board of Trustees for the University are identified in the Higher Education Act, in the Board of Regents' policy, and in the University's policies. The Board of Trustees serves as the legislative authority for the University. The Board of Trustees' duties include approving the hiring of faculty and other professional employees, approving all University policies recommended to it by the University, monitoring institutional finances, and other responsibilities. The Higher Education Act assigns four specific duties to the Board of Trustees: (i) facilitate communication between the University and the community; (ii) assist in planning, implementing and executing fund raising and development projects aimed at supplementing University appropriations; (iii) perpetuate and strengthen alumni and community identification with the University's tradition and goals; and (iv) select recipients of honorary degrees. The Board of Trustees has 10 members, consisting of: (i) eight persons appointed by the Governor with the consent of the State Senate for staggered four–year terms; (ii) the president of the University's alumni association; and (iii) the president of the associated students of the University.

University's Board of Trustees

Board Member	Current Term Expires
Ronald W. Jibson, Chair	June 2017
Scott R. Watterson, Vice Chair (1)	June 2015
Jody K. Burnett	June 2017
Linda Clark Gillmor	June 2017
Mark K. Holland	June 2019
Karen H. Huntsman	June 2019
Susan D. Johnson	June 2017
J. Scott Nixon	June 2019
Frank Peczuh, Jr.	June 2018
Lane L. Thomas	June 2017
Ashley Waddoups, Student Body President	June 2017

(1) Board Member may serve past term expiration date until a new member is appointed.

University Executive Officers

The President of the University is appointed by and serves at the pleasure of the Board of Regents. Executive officers and other officers of the University include:

Office	Person	Years of Service	Expiration of Term
President (1)	Stan L. Albrecht	21	Appointed
Executive Vice President and Provost	Noelle E. Cockett	25	Appointed
Interim Vice President for University Advancement	Neil N. Abercrombie	5	Appointed
Vice President for Extension and Dean of the College of Agriculture and Applied Sciences	Kenneth L. White	25	Appointed

(1) Mr. Albrecht has announced his retirement but will stay with the University until a successor has been appointed.

Office	Person	Years of Service	Expiration of Term
Vice President for Business and Finance	David T. Cowley	20	Appointed
Vice President for Research And Dean of the School of Graduate Studies	Mark R. McLellan	5	Appointed
Vice President for Student Services	James D. Morales	7	Appointed
General Counsel	Mica McKinney	1	Appointed
Associate Vice President for Business and Finance	Dwight Davis	9	Appointed
Controller	Dan Christensen	9	Appointed

Other executive offices include: Chancellor, USU Eastern; Chief Audit Executive; Chief Information Officer; Chief of Staff and Secretary to the Board of Trustees; Dean, Emma Eccles Jones College of Education and Human Services; Dean, Caine College of the Arts; Dean, College of Engineering; Dean, College of Humanities and Social Sciences; Dean, S.J. & Jessie E. Quinney College of Natural Resources; Dean, College of Science; Dean, Jon M. Huntsman School of Business; Dean, Libraries; Vice President and Director of Athletics; Director of Government Relations; and President, USU Research Foundation.

Accreditation

The University is a Carnegie (Research I) Doctoral University and is fully accredited by the Commission on Colleges of the Northwest Association of Schools and Colleges. In addition, many of the professional schools and departments have the approval of appropriate accrediting organizations in such areas as architecture, business and business administration, chemistry, engineering, forestry, psychology, speech pathology and audiology, social work, teacher education, and vocational education.

Faculty And Staff

The number of full–time equivalent ("FTE") faculty, teaching assistants, executives, staff and part–time employees at the University for the indicated years were as follows:

	Fall Semester				
	2015	2014	2013	2012	2011
Faculty:					
Full–time	1,109	1,086	1,088	1,073	1,058
Part–time	175	222	187	143	125
Total faculty	1,284	1,308	1,275	1,216	1,183
Teaching assistants	507	505	479	472	491
Executive	62	64	61	63	60
Staff	2,231	2,121	2,116	2,054	2,049
Part–time	1,551	1,569	1,608	1,561	1,440
Total employees	5,635	5,567	5,538	5,366	5,224
% change from prior year	1.2%	0.5%	3.2%	2.7%	2.8%

(Source: Utah System of Higher Education, Data Book ("USHE").)

Currently, approximately 53% of the University's full–time faculty is tenured.

Student Enrollment

Enrollment periods based on Academic Years do not correspond to the University's Fiscal Years and should not be used for comparison purposes.

The University's annualized full–time equivalent enrollment for Academic Year 2015–2016 (budget related and self–support) was 23,881 students while the headcount enrollment for 2015 Fall Semester (end of term/budget related and self–support) enrollment was 29,319. Enrollment periods based on Academic Years do not correspond to the University's Fiscal Years and should not be used for comparison purposes.

Enrollment Statistics

	Academic Year (annualized FTE)				
	2015–16	2014–15	2013–14	2012–13	2011–12
Resident enrollment	19,110	18,283	18,668	19,403	20,321
Nonresident enrollment	4,771	4,321	3,397	2,660	2,750
Annualized FTE total (budget related and self–support)	23,881	22,604	22,065	22,063	23,071
% change from prior year	5.6%	2.4%	0.0%	(4.4)%	1.6%
	Fall Semester (headcount end of term)				
	2015	2014	2013	2012	2011
Total headcount (budget related and self–support)	29,319	28,707	28,698	29,694	29,908
% change from prior year	2.1%	0.0%	(3.4)%	(0.7)%	1.2%
Resident enrollment	23,696	23,471	25,516	26,732	26,931
Nonresident enrollment	5,623	5,236	3,182	2,962	2,977
Undergraduate enrollment	25,835	25,208	25,120	26,297	26,430
Graduate enrollment	3,484	3,499	3,578	3,397	3,478
Full–time enrollment	18,419	17,193	16,372	16,817	16,845
Part–time enrollment	10,900	11,514	12,326	12,877	13,063

(Source: USHE.)

Estimated Enrollment Projections

No projections of future enrollments can be assured or guaranteed. In particular, possible changes in student aid programs and in the general economy, as well as potential actions by the Board of Regents or the Legislature, make the current prediction of enrollments somewhat difficult.

The Administration has attempted to develop realistic predictions by reviewing historical trends and seeking a consensus of opinion on various, non–quantifiable factors. The resulting long–term enrollment estimates are as follows:

Projected Annualized FTE Enrollments

	Academic Year				
	2016–17	2017–18	2018–19	2019–20	2020–21
Total enrollment	24,492	25,080	25,606	26,144	26,693
% change from prior year	2.6%	2.4%	2.1%	2.1%	2.1%

(Source: USHE.)

Admissions

General. University admission is based on successful completion in high school of a core curriculum consisting of the following units: four English, three advanced mathematics, three science, two social studies and two foreign languages (recommended) and four other academic areas. An admissions index is based on high school grade point average and an Academic College Test "ACT" score which determines admission eligibility.

The table below sets forth the total number of new degree seeking student applications received and accepted, and the number of students enrolled for the fall semester indicated for the University Logan campus.

Fall Semester	Applications Received	Applicants Accepted	Percent Accepted	Applicants Enrolled	Percent Enrolled
2015	16,158	15,620	97%	4,751	30%
2014	12,835	12,557	98	4,071	32
2013	10,935	10,768	98	3,970	37
2012	9,052	8,757	97	3,824	44
2011	8,657	8,414	97	3,936	47

(Source: The University.)

Tuition And Fees

General. Payment in full of all tuition and fees is required by the third week of class of each semester. *Tuition and other fees are not pledged for the repayment of the 2016 Bonds.* Students taking certain courses offered by the College of the Arts, the College of Business, the College of Engineering, the College of Education and the College of Natural Resources are assessed tuition at a different rate and may have additional fees associated with such courses. However, for purposes of this OFFICIAL STATEMENT, those tuitions and additional fees are not shown.

The schedule set forth below shows resident and non–resident tuition and fees per credit hour for Academic Year 2015.

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Tuition and Fees Schedule 2016-2017

Per Semester (effective Fall 2016 Semester)

	Tuition					**Fees**					**Total**				
	Undergraduate (1)			Graduate (1)		Student Building Fee (2)					Undergraduate (1)			Graduate (1)	
Cr. Hrs.	Resident Students	Non-Resident Students U.S.A.	Non-Resident Students International	Resident Students	Non-Resident Students	**Pledged for Debt Service Under Indenture**	Not Pledged for Debt Service Under Indenture	Total Student Building Fee	Other Fees	Total Fees	Resident Students	Non-Resident Students U.S.A.	Non-Resident Students International	Resident Students	Non-Resident Students
1	$519.17	$1,671.79	$1,768.80	$612.62	$2,144.23	$19.77	$116.71	$136.48	$210.18	$346.66	$865.83	$2,018.45	$2,115.46	$959.28	$2,490.89
2	736.24	2,370.74	2,508.28	868.76	3,040.71	20.70	122.20	142.90	220.05	362.95	1,099.19	2,733.69	2,871.23	1,231.71	3,403.66
3	953.31	3,069.69	3,247.76	1,124.90	3,937.19	21.64	127.67	149.31	229.93	379.24	1,332.55	3,448.93	3,627.00	1,504.14	4,316.43
4	1,170.38	3,768.64	3,987.24	1,381.04	4,388.67	22.56	133.16	155.72	239.81	395.53	1,565.91	4,164.17	4,382.77	1,776.57	4,784.20
5	1,387.45	4,467.59	4,726.72	1,637.18	5,730.15	23.49	138.65	162.14	249.68	411.82	1,799.27	4,879.41	5,138.54	2,049.00	6,141.97
6	1,604.52	5,166.54	5,466.20	1,893.32	6,626.63	24.42	144.13	168.55	259.56	428.11	2,032.63	5,594.65	5,894.31	2,321.43	7,054.74
7	1,821.59	5,865.49	6,205.68	2,149.46	7,523.11	25.35	149.61	174.96	269.44	444.40	2,265.99	6,309.89	6,650.08	2,593.86	7,967.51
8	2,038.66	6,564.44	6,945.16	2,405.60	8,419.59	26.28	155.10	181.38	279.31	460.69	2,499.35	7,025.13	7,405.85	2,866.29	8,880.28
9	2,255.73	7,263.39	7,684.64	2,661.74	9,316.07	27.21	160.58	187.79	289.19	476.98	2,732.71	7,740.37	8,161.62	3,138.72	9,793.05
10	2,472.80	7,962.34	8,424.12	2,917.88	10,212.55	28.14	166.06	194.20	299.07	493.27	2,966.07	8,455.61	8,917.39	3,411.15	10,705.82
11	2,689.87	8,661.29	9,163.60	3,174.02	11,109.03	29.07	171.55	200.62	308.94	509.56	3,199.43	9,170.85	9,673.16	3,683.58	11,618.59
12	2,906.94	9,360.24	9,903.08	3,430.16	12,005.51	30.00	177.03	207.03	318.82	525.85	3,432.79	9,886.09	10,428.93	3,956.01	12,531.36
13	2,906.94	9,360.24	9,903.08	3,430.16	12,005.51	30.00	177.03	207.03	318.82	525.85	3,432.79	9,886.09	10,428.93	3,956.01	12,531.36
14	2,906.94	9,360.24	9,903.08	3,430.16	12,005.51	30.00	177.03	207.03	318.82	525.85	3,432.79	9,886.09	10,428.93	3,956.01	12,531.36
15	2,906.94	9,360.24	9,903.08	3,430.16	12,005.51	30.00	177.03	207.03	318.82	525.85	3,432.79	9,886.09	10,428.93	3,956.01	12,531.36
16	2,906.94	9,360.24	9,903.08	3,430.16	12,005.51	30.00	177.03	207.03	318.82	525.85	3,432.79	9,886.09	10,428.93	3,956.01	12,531.36
17	2,906.94	9,360.24	9,903.08	3,430.16	12,005.51	30.00	177.03	207.03	318.82	525.85	3,432.79	9,886.09	10,428.93	3,956.01	12,531.36
18	2,906.94	9,360.24	9,903.08	3,430.16	12,005.51	30.00	177.03	207.03	318.82	525.85	3,432.79	9,886.09	10,428.93	3,956.01	12,531.36
19	3,124.01	10,059.19	10,642.56	3,686.30	12,901.99	30.93	182.51	213.44	328.70	542.14	3,666.15	10,601.33	11,184.70	4,228.44	13,444.13
20	3,341.08	10,758.14	11,382.04	3,942.44	13,798.47	31.86	188.00	219.86	338.57	558.43	3,899.51	11,316.57	11,940.47	4,500.87	14,356.90
21	3,558.15	11,457.09	12,121.52	4,198.58	14,694.95	32.78	193.49	226.27	348.45	574.72	4,132.87	12,031.81	12,696.24	4,773.30	15,269.67
22	3,775.22	12,156.04	12,861.00	4,454.72	15,591.43	33.71	198.97	232.68	358.33	591.01	4,366.23	12,747.05	13,452.01	5,045.73	16,182.44
23	3,992.29	12,854.99	13,600.48	4,710.86	16,487.91	34.65	204.45	239.10	368.20	607.30	4,599.59	13,462.29	14,207.78	5,318.16	17,095.21
24	4,209.36	13,553.94	14,339.96	4,967.00	17,384.39	35.57	209.94	245.51	378.08	623.59	4,832.95	14,177.53	14,963.55	5,590.59	18,007.98
25	4,426.43	14,252.89	15,079.44	5,223.14	18,280.87	36.50	215.42	251.92	387.96	639.88	5,066.31	14,892.77	15,719.32	5,863.02	18,920.75

(1) Students taking certain courses offered by the Colleges of Agriculture, Arts, Business, Engineering, Education, and Natural Resources are assesed at a higher rate.

(2) 14.5% is pledged to the Housing System Revenue/Refunding bond issues, 81.5% is pledged to the Stadium/Spectrum Revenue/Refunding bond issues, 4% is earmarked for Taggart Student Center maintenance.

(Source: The University.)

Annual Semester Tuition and Fees. The following table sets forth the annual tuition and fees for full–time (undergraduate credit hours of 15; and graduate credit hours of 10) University students for the Academic Years indicated.

	Two Academic Semesters				
	2015–16	2014–15	2013–14	2012–13	2011–12
Undergraduate, resident	$ 6,664	$ 6,383	$ 6,185	$ 5,931	$ 5,563
Undergraduate, nonresident	19,134	18,490	17,888	17,077	16,078
Graduate, resident	6,620	6,346	5,772	5,535	5,192
Graduate, nonresident	20,716	20,032	18,118	17,293	16,284

(Source: The University.)

Estimated Student Costs. The following student budget is being used by the University's Financial Aid Office and represents estimated average resident and nonresident undergraduate student costs (exclusive of tuition and fees as shown above) at the University for the past five Academic Years:

	Estimated Student Costs				
Category	2015–16	2014–15	2013–14	2012–13	2011–12
Room and board	$ 7,780	$ 6,720	$ 6,630	$ 6,520	$ 6,350
Miscellaneous	2,020	2,300	2,270	2,220	2,170
Transportation	1,700	1,570	1,570	1,530	1,490
Books and supplies	800	1,260	1,240	1,220	1,190
Total	$12,300	$11,850	$11,690	$11,490	$11,200

(Source: The University.)

Student Tuition and Fee Revenues. The total amount of student tuition and fee revenues of the University including instructional fees, Student Building Fees and other fees assessed during the past five Fiscal Years are as follows:

	Fiscal Year				
	2015	2014	2013	2012	2011
Tuition and fee revenues (1)	$190,990,025	$174,516,416	$166,253,849	$159,601,713	$144,465,816
% increase from prior year	9.4%	5.0%	4.2%	10.5%	21.4%

(1) Includes scholarship allowances.

(Source: The University.)

Student Financial Aid

Approximately 60% of the students of the University receive financial aid through various programs administered by the University. The primary responsibility for this function is placed with the University Office of Financial Aid. A substantial portion of funds provided are from sources outside the University. Historically, federal loans, grants and other programs have provided a large portion of student financial assistance. All programs furnished by the federal and State government are subject to appropriation and funding by the respective legislatures. There can be no assurance that the current amounts of federal and State financial aid to students will be available in the future at the same levels and under the same terms and conditions as presently apply.

The University offers students a full range of fellowships, assistantships, scholarships, grants, loans, work study, and employment opportunities. All part–time and temporary jobs on campus are offered first to student applicants.

The following table summarizes the financial aid provided by the University for the years indicated.

	Fiscal Year				
	2015	2014	2013	2012	2011 (1)
Scholarships and Grants (2):					
University Funds	$ 58,438,040	$ 52,268,752	$ 47,209,747	$ 42,986,428	$ 40,599,535
Pell Grants	38,009,508	37,054,870	37,608,539	36,913,317	33,284,590
Federal /State SEOG	921,088	922,388	952,393	920,794	826,261
Utah Career Teaching	420,849	491,879	471,438	380,300	326,231
TEACH	280,549	284,105	388,392	385,843	332,145
HESSP (UCOPE)	80,675	23,600	106,317	83,721	66,650
UHEAA	25,946	35,936	11,919	–	–
UTAP (ended FY 2012)	–	–	–	44,625	127,250
SMART (ended FY 2011)	–	–	–	–	2,013,588
LEAP (SSIG) (ended FY 2011)	–	–	–	–	308,000
ACG (ended FY 2011)	–	–	–	–	304,392
Subtotal	98,176,655	91,081,530	86,748,745	81,715,028	78,188,642
Loans:					
Federal GSL/direct loans	61,847,720	59,403,038	59,817,192	61,982,898	51,621,135
Private loans	3,795,810	3,250,959	2,921,263	2,399,517	1,936,014
Federal/Perkins	1,394,947	1,944,007	2,606,087	1,882,756	2,150,000
Subtotal	67,038,477	64,598,004	65,344,542	66,265,171	55,707,149
Student Employment:					
Federal Work Study	592,927	611,459	616,561	616,461	550,000
University/Departments	488,755	243,309	188,299	270,009	244,666
HESSP (UCOPE) Work Study	240,564	344,966	362,558	267,992	159,438
State Work Study	149,983	149,995	147,095	136,992	136,992
Subtotal	1,472,229	1,349,729	1,314,513	1,291,454	1,091,096
Total assistance	$166,687,361	$157,029,263	$153,407,800	$149,271,653	$134,986,887

(1) Excludes USU Eastern.
(2) Scholarships includes all on/off campus awards (including waivers and athletics).

(Source: The University.)

Scope Of Education Programs

The programs offered at the University are segregated into eight academic colleges, 43 departments, a School of Graduate Studies, numerous research centers and institutes, the Extension Service, Regional Campuses and Distance Education, and the Agricultural and Engineering Experiment Stations. The University's academic colleges are:

> College of Agriculture and Applied Sciences; Jon M. Huntsman School of Business; Emma Eccles Jones College of Education and Human Services; College of Engineering; College of Humanities and Social Sciences; Caine College of the Arts; S.J. & Jessie E. Quinney College of Natural Resources; and College of Science.

The University's diversified curriculum offers 155 Bachelor's degrees, 22 Associate's degrees, 22 Certificates, 96 Master's degrees and 40 Doctoral degrees.

As a land grant institution, the University supports basic and applied research, which is conducted in every college at the University and in the following centers:

> Utah Agricultural Experiment Station; Engineering Experiment Station; Utah Water Research Laboratory; Ecology Center; Center for Atmospheric and Space Sciences; Space Dynamic Laboratories; Utah State University Research Foundation; Center for Persons with Disabilities; Institute for Outdoor Recreation and Tourism; Utah Center for Productivity and Quality; Institute for Political Economy; Center for Environmental Toxicology; National Center for Design of Molecular Function; Biotechnology Center; International Irrigation Center; Remote Sensing Geographical Information Systems Laboratory; Center for Self–Organizing and Intelligent Systems; Utah Science, Technology, and Research Initiative (USTAR); United States Department of Agriculture ("USDA") Agricultural Research Service; and USDA Forestry Sciences Laboratory.

Funding for research and training, gifts, grants and contracts, is derived from federal, state, local and private sources. For Fiscal Year 2015, the University received approximately $227 million in research and student financial aid funding from all external sources.

The University's Cooperative Extension Service is sponsored jointly by federal, State, and county governments. Its programs provide leadership throughout the State for solving peoples' problems in varied facets of life. In the State, these programs focus on (i) agriculture, (ii) marketing, (iii) international extension, (iv) safety and disaster, (v) 4–H youth programs, (vi) human nutrition, (vii) family living, (viii) health, (ix) community development, and (x) natural resources and environment.

The University is a National Collegiate Athletic Association Division 1 University and a member of the Mountain West Conference. The University sponsors 16 varsity sports, nine for women and seven for men. In addition to intercollegiate athletics, the University sponsors an extensive and active intramural sports program and recreational opportunities for students, faculty and the community as a whole.

Budget Process

State Appropriations. That portion of the University's operating budget request supporting the general academic, student service, institutional support, and plant fund that includes State General Fund appropriations is approved annually by the Board of Regents and transmitted to the Governor for his or her consideration and inclusion in the Executive Budget.

Other Funds. The budget for other University funds, such as auxiliary enterprises (bookstore, student housing), federal funds, loan funds, etc., are approved annually by the University and are not subject to legislative appropriation.

The University adopts an operating budget each fiscal year for each University department. These departmental budgets are reviewed by the President and senior administrative officers. Those budgets funded with State appropriations are then submitted to the Board of Trustees and the Board of Regents. The State appropriation includes various components for operations, maintenance, instruction, research, public service and other special functions. For more information, see "State Appropriation To The University" in this section below. The Board of Regents considers the amount of appropriation, when determined, along with the University's budget requirements and other revenue sources in establishing student tuition and fees and other fees for each academic year.

Capital Improvement Program

Each year, the University prepares and updates its five–year capital improvement program. This provides the basis for a capital appropriation request which the University submits to the Board of Regents, the Governor, and the Legislature. The request identifies the projects, purpose, priority and the amount and source of funds. The Legislature may approve or decline, in its capital appropriation program for the University, each project and may stipulate the source of funding and amount.

State Appropriations To The University

The University has annually received and anticipates receiving appropriations from the Legislature which are to be applied to the educational and general expenditures of the University, as well as for capital construction and facilities maintenance.

Annual State appropriations to the University are not pledged for the repayment of the 2016 Bonds.

The State's General Fund appropriations for operations to the University for the indicated years are set forth below:

Fiscal Year Ended June 30	General Operating	% Change From Prior Period	Restricted	% Change From Prior Period	Total Appropriations	% Change From Prior Period
2016*	$122,650,300	1.7%	$64,190,400	4.3%	$186,840,700	2.6%
2015	120,628,000	2.9	61,565,753	12.0	182,193,753	5.8
2014	117,278,500	7.3	54,958,848	2.1	172,237,348	5.6
2013	109,296,100	1.5	53,839,295	(0.1)	163,135,395	0.9
2012	107,714,300	24.4	53,894,116	1.6	161,608,416	15.8
2011	86,584,600	(11.3)	53,032,197	32.7	139,616,797	1.5

* Preliminary; subject to change.

(Source: The University.)

Appropriations for New Facilities, Renovations and Repairs. In addition to the appropriations set forth above, the University receives an appropriation for new facilities, renovation and major repairs. These appropriations are project specific and the amount of funding will fluctuate from year to year depending on the availability of funds at the State level and the demand for those funds State wide.

The following table sets forth State appropriations to the University for new facilities, renovations and major repairs for the following Fiscal Years. Appropriations are booked and considered final in the Fiscal Year in which the project on which appropriated amounts were spent is completed. Accordingly, the amount of appropriations in each Fiscal Year below includes all appropriations spent on projects completed in such Fiscal Year (regardless of when the appropriation was actually spent by the University).

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Fiscal Year	State Appropriations for Building	% Change From Prior Period
2016 (1)	$42,900,000	437.2%
2015	7,985,988	9.8
2014	7,272,764	16.3
2013	6,255,707	(88.2)
2012 (2)	53,071,628	(18.1)
2011 (3)	64,793,845	912.4

(1) The majority of this appropriation is for the Business Building addition on the Logan campus and the USU Eastern Central Instructional Building Renovation.
(2) The majority of this appropriation was for the Agricultural Science Building project.
(3) The majority of this appropriation was for the USTAR BioInnovations Building project.

(Source: The University.)

Annual Fund Raising

The University conducts an ongoing annual fund raising campaign as well as special development programs to raise funds for scholarship funds and other special projects and programs.

In 2013 the University completed a comprehensive campaign which provided substantial financial support for University programs, capital facilities, scholarship endowments and other priorities. The University was able to reach the campaign's goal of $400 million. Proceeds received from the campaign will be used to increase the University's reputation as a national center of academic excellence.

The amount of funds raised will often vary from year to year depending on the nature of the special projects and programs. Annual fund raising amounts are not pledged to the payment of Bonds and the University does not rely on such amounts in its annual operating budgets. The following table summarizes the annual private gifts received by the University for the following Fiscal Years:

Fiscal Year	Receipts	% Change From Prior Period
2015	$38,803,989	(9.3)%
2014	42,765,227	28.1
2013	33,383,387	169.6
2012	12,383,979	(56.4)
2011	28,393,859	(28.3)

(Source: The University.)

Investment Of University Funds

Investment of Operating Funds; The State Money Management Act. The State Money Management Act, Title 51, Chapter 7, Utah Code (the "Money Management Act") governs the investment of all public funds held by public treasurers in the State. The Money Management Act establishes a limited list of approved investments, including the Utah Public Treasurers' Investment Fund ("PTIF"), and establishes a five member State Money Management Council to exercise oversight of public deposits and investments.

The University is currently complying with all of the provisions of the Money Management Act for all University operating funds.

The Utah Public Treasurers' Investment Fund. A portion of the University's cash and cash equivalent funds are invested in PTIF. PTIF is a local government investment fund established in 1981, and managed by the State Treasurer. PTIF invests to ensure safety of principal, liquidity and a competitive rate of return. All moneys transferred to the PTIF are promptly invested in securities authorized by the Money Management Act. Safekeeping and audit controls for all investments owned by the PTIF must comply with the Money Management Act. PTIF is not rated.

See "APPENDIX B—FINANCIAL REPORT OF UTAH STATE UNIVERSITY FOR FISCAL YEAR 2015–Notes to Financial Statements–Note B. Cash and Cash Equivalents and Short–Term Investments" (page B–32) "–Note C. Investments" (page B–32) and "–Note D. Deposits and Investments" (page B–33) below.

Insurance Coverage

The University insures its buildings, including those under construction, and contents against all insurable risks of direct physical loss or damage through policies administered by the Utah State Risk Management Fund. This all–risk insurance coverage, that includes earthquake insurance, provides for repair or replacement of damaged property at a replacement cost basis subject to a $1,000 per occurrence deductible.

The approximate amount of property insurance currently in force for the University's buildings, contents (including fine art and valuable papers), data processing, boiler and machinery is $1.4 billion.

All revenues from University operations, rental income for its residence halls, and tuition are insured against loss due to business interruption caused by fire or other insurable perils with the Utah State Risk Management Fund.

The Utah State Risk Management Fund provides coverage to the University for general, automobile, personal injury, errors and omissions, employee dishonesty and malpractice liability at up to $10 million per occurrence. The University qualifies as a "governmental body" under the Utah Governmental Immunity Act which limits applicable claim settlements to the amounts specified in that act.

All University employees are covered by worker's compensation insurance, including employer's liability coverage by the Worker's Compensation Fund of Utah.

See "APPENDIX B—FINANCIAL REPORT OF UTAH STATE UNIVERSITY FOR FISCAL YEAR 2015–Notes to Financial Statements–Note M. Risk Management" (page B–51).

Employee Workforce; Retirement System; No Post–Employment Benefits; Termination Benefits

Employee Workforce; Retirement System. The University currently employs approximately 3,350 full–time employees and 2,300 part–time employees for a total employment of 5,650 employees. The University participates in two retirement plans covering substantially all of its regular employees. The University is a participant of the Utah State Retirement Systems ("URS"), the Teacher's Insurance and Annuity Association and Fidelity Investments. The University also participates in several deferred compensation plans, which are administered by an unrelated third–party financial institution.

For a detailed discussion regarding retirement benefits and contributions see "APPENDIX B—FINANCIAL REPORT OF UTAH STATE UNIVERSITY FOR FISCAL YEAR 2015–Notes to Financial Statements–Note K. Pension Plans and Retirement Benefits" (page B–43).

Due to the implementation of Governmental Auditing Standard Board Statement 68, beginning Fiscal Year 2015, the University is required to record a liability and expense equal to its proportionate share of the collective net pension liability and expense of URS. See "APPENDIX B—FINANCIAL REPORT OF

UTAH STATE UNIVERSITY FOR FISCAL YEAR 2015–Notes to Financial Statements–Note P. Prior Period Adjustments of Net Position” (page B–55).

No Post–Employment Benefits. The University does not provide any post–employment benefits to its employees and has no post–employment liability costs.

Termination Benefits. The University offers early retirement benefits to qualified employees that are approved by the Board of Trustees where there accrues a benefit to the University for such early termination. Under this policy, the early retirement benefit liability is limited to the net present value of the cost of providing this benefit to those who have been allowed to early retire. At the end of Fiscal Year 2015, the liability for those on early retirement was equal to $11,521,429. This amount reflects the net present value of the retirement payments and the associated liability of providing health insurance to those on early retirement. See “APPENDIX B—FINANCIAL REPORT OF UTAH STATE UNIVERSITY FOR FISCAL YEAR 2015–Notes to Financial Statements–Note L. Termination Benefits” (page B–50). *The University currently does not expect its current or future policies regarding early retirement benefits to have a material negative financial impact on the University.*

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DEBT STRUCTURE OF UTAH STATE UNIVERSITY

Outstanding Debt Of The University

The University has complied with the covenants of its bond agreements. The University has the following debt outstanding.

Series	Purpose	Original Principal Amount	Final Maturity Date	Current Principal Outstanding
Student Fee/Housing Bonds (1)				
2016 (a) (2) (3)	Bldg. acquisition	$19,540,000	April 1, 2046	$ 19,540,000
2015 (2) (3)	Building	24,455,000	April 1, 2038	24,455,000
2007 (2) (4)	Refunding	39,155,000	April 1, 2035	37,955,000
Totals (5)				81,950,000
Building Fee Bonds (6)				
2015 (2) (3)	Building	23,900,000	June 1, 2046	23,900,000
2013B (2)	Building	43,310,000	December 1, 2044	42,635,000
2013 (2)	Refunding	8,405,000	April 1, 2026	7,160,000
Totals (7)				73,695,000
Research Bonds (8)				
2016 (b) (2) (9)	Building	10,135,000	December 1, 2046	10,135,000
2015B (2)	Refunding	13,145,000	December 1, 2030	13,145,000
2015 (2) (3) (9)	Building	19,500,000	December 1, 2046	19,500,000
2010 (2) (3)	Refunding	11,070,000	December 1, 2017	4,500,000
2009 (2) (10)	Building	22,000,000	December 1, 2018 (13)	2,725,000
Totals (11)				50,005,000
Total all outstanding debt (12)				$205,650,000

(a) For purposes of this OFFICIAL STATEMENT, the 2016 Bonds will be considered to be issued and outstanding.

(b) At approximately the same time as the issuance of the 2016 Bonds, the University issued $10,135,000 of federally taxable Research Bonds at a negotiated sale. For purposes of this OFFICIAL STATEMENT, these bonds will be considered to be issued and outstanding.

(1) These Student Fee/Housing Bonds are issued on a parity basis with each other.

(2) Rated “AA” by S&P, as of the date of this OFFICIAL STATEMENT.

(3) These bonds are insured by AGM.

(4) These bonds are insured by National Public Finance Guarantee Corp.

(5) For accounting purposes, the total unamortized bond premium is $2,778,702 (as of June 30, 2015) and together with current debt outstanding of $81,950,000, results in total outstanding net debt of $84,728,702.

(6) These Building Fee Bonds are issued on a parity basis with each other.

(7) For accounting purposes, the total unamortized bond premium was $1,714,827 (as of June 30, 2015) and together with the current debt outstanding of $73,695,000, results in total outstanding net debt of $75,409,827.

(8) The Research Bonds are issued on a parity basis with each other.

(9) Federally taxable bond.

(10) Principal portions of this bond were refunded by the 2015B Bonds.

(11) For accounting purposes, the total unamortized bond premium is $748,105 (as of June 30, 2015) and together with current debt outstanding of $50,005,000, results in total outstanding net debt of $50,753,105.

(12) For accounting purposes, the total unamortized bond premium is $5,241,634 (as of June 30, 2015) and together with current debt outstanding of $205,650,000, results in total outstanding net debt of $210,891,634.

(13) Final maturity date and redemption date after a portion of these bonds has been refunded by the 2015B Bonds.

For the University Fiscal Year 2015 debt information see "APPENDIX B—FINANCIAL REPORT OF UTAH STATE UNIVERSITY FOR FISCAL YEAR 2015—Notes to Financial Statements–Note H. Bonds, Notes, Contracts and Other Non–Current Liabilities–Figure H.1." (page B–39) and "–Note I. Pledged Bond Revenue" (page B–42).

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Debt Service Schedule Of Outstanding Debt Of The University By Fiscal Year

	Student Fee/Housing Bonds (1)								**Totals**		
Fiscal Year Ending June 30	Series 2016 $19,540,000		Series 2015 $24,455,000		Series 2009 (8) $8,130,000		Series 2007 $39,155,000				
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	**Total Principal**	**Total Interest**	**Total Debt Service**
2015……….	$ 0	0	$ 0	0	$1,700,000	$ 25,500	$ 0	$ 1,952,013	$ 1,700,000	$ 1,977,513	$ 3,677,513
2016……….	0	0	0	461,857 (7)	–	–	1,200,000	1,952,013	1,200,000	2,413,869	3,613,869
2017……….	515,000	493,774	0	884,406 (7)	–	–	1,250,000	1,904,013	1,765,000	3,282,193	5,047,193
2018……….	365,000	645,038	790,000	884,406 (7)	–	–	1,295,000	1,842,513	2,450,000	3,371,956	5,821,956
2019……….	380,000	626,788	815,000	860,706	–	–	1,365,000	1,778,613	2,560,000	3,266,106	5,826,106
2020……….	400,000	607,788	840,000	836,256	–	–	1,435,000	1,710,363	2,675,000	3,154,406	5,829,406
2021……….	420,000	587,788	875,000	802,656	–	–	1,505,000	1,638,613	2,800,000	3,029,056	5,829,056
2022……….	440,000	566,788	910,000	767,656	–	–	1,575,000	1,563,363 (9)	2,925,000	2,897,806	5,822,806
2023……….	465,000	544,788	955,000	722,156	–	–	1,670,000	1,480,675 (9)	3,090,000	2,747,619	5,837,619
2024……….	485,000	521,538	985,000	693,506	–	–	1,745,000	1,393,000	3,215,000	2,608,044	5,823,044
2025……….	510,000	497,288	1,030,000	644,256	–	–	1,835,000	1,305,750	3,375,000	2,447,294	5,822,294
2026……….	535,000	471,788	1,060,000	618,506	–	–	1,930,000	1,214,000	3,525,000	2,304,294	5,829,294
2027……….	555,000	450,388	1,110,000	565,506	–	–	2,025,000	1,117,500 (10)	3,690,000	2,133,394	5,823,394
2028……….	580,000	428,188	1,165,000	510,006	–	–	2,120,000	1,016,250 (10)	3,865,000	1,954,444	5,819,444
2029……….	595,000	410,788	1,200,000	475,056	–	–	2,240,000	910,250 (11)	4,035,000	1,796,094	5,831,094
2030……….	615,000	392,938	1,240,000	439,056	–	–	2,365,000	798,250 (11)	4,220,000	1,630,244	5,850,244
2031……….	635,000	374,488	1,275,000	401,856	–	–	2,460,000	680,000 (12)	4,370,000	1,456,344	5,826,344
2032……….	650,000	355,438	1,315,000	362,013	–	–	2,580,000	557,000 (12)	4,545,000	1,274,450	5,819,450
2033……….	670,000	339,188	1,355,000	319,275	–	–	2,725,000	428,000 (12)	4,750,000	1,086,463	5,836,463
2034……….	690,000	319,088	1,405,000	273,544	–	–	2,845,000	291,750 (12)	4,940,000	884,381	5,824,381
2035……….	710,000	298,388	1,450,000	224,369	–	–	2,990,000	149,500 (12)	5,150,000	672,256	5,822,256
2036……….	730,000 (2)	279,750	1,505,000	173,619	–	–	–	–	2,235,000	453,369	2,688,369
2037……….	750,000 (2)	257,850	1,560,000	119,063	–	–	–	–	2,310,000	376,913	2,686,913
2038……….	770,000 (3)	235,350	1,615,000	60,563	–	–	–	–	2,385,000	295,913	2,680,913
2039……….	795,000 (3)	212,250	–	–	–	–	–	–	795,000	212,250	1,007,250
2040……….	820,000 (4)	188,400	–	–	–	–	–	–	820,000	188,400	1,008,400
2041……….	845,000 (4)	163,800	–	–	–	–	–	–	845,000	163,800	1,008,800
2042……….	870,000 (5)	138,450	–	–	–	–	–	–	870,000	138,450	1,008,450
2043……….	895,000 (5)	112,350	–	–	–	–	–	–	895,000	112,350	1,007,350
2044……….	920,000 (6)	85,500	–	–	–	–	–	–	920,000	85,500	1,005,500
2045……….	950,000 (6)	57,900	–	–	–	–	–	–	950,000	57,900	1,007,900
2046……….	980,000 (6)	29,400	–	–	–	–	–	–	980,000	29,400	1,009,400
Totals……….	$19,540,000	$10,693,249	$24,455,000	$12,100,294	$1,700,000	$ 25,500	$39,155,000	$25,683,425	$84,850,000	$ 48,502,468	$133,352,468

(1) These Student Fee/Housing Bonds are issued on a parity with each other.
(2) Mandatory sinking fund principal amounts from a $1,480,000, 3.00% term bond due April 1, 2037.
(3) Mandatory sinking fund principal amounts from a $1,565,000, 3.00% term bond due April 1, 2039.
(4) Mandatory sinking fund principal amounts from a $1,665,000, 3.00% term bond due April 1, 2041.
(5) Mandatory sinking fund principal amounts from a $1,765,000, 3.00% term bond due April 1, 2043.
(6) Mandatory sinking fund principal amounts from a $2,850,000, 3.00% term bond due April 1, 2046.
(7) Interest payment to be made with capitalized interest from bond proceeds from the issuance of the 2015 Housing Bonds. However in Fiscal Year 2018 the capitalized interest payment is $368,503.
(8) This bond issue is included in the table because final principal and interest payments occurred in Fiscal Year 2015.
(9) Mandatory sinking fund principal amounts from a $3,245,000, 5.25% term bond due April 1, 2023.
(10) Mandatory sinking fund principal amounts from a $4,145,000, 5.00% term bond due April 1, 2028.
(11) Mandatory sinking fund principal amounts from a $4,605,000, 5.00% term bond due April 1, 2030.
(12) Mandatory sinking fund principal amounts from a $13,600,000, 5.00% term bond due April 1, 2035.

Debt Service Schedule Of Outstanding Debt Of The University By Fiscal Year–continued

Fiscal Year Ending June 30	Building Fee Bonds (1) Series 2015 $23,900,000 Principal	Series 2015 Interest	Series 2013B $43,310,000 Principal	Series 2013B Interest	Series 2013 $8,405,000 Principal	Series 2013 Interest	Totals: Total Principal	Total Interest	Total Debt Service
2015………	$ 0	$ 0	$ 0	$ 1,987,300 (8)	$ 565,000	$ 252,438	$ 565,000	$ 2,239,738	$ 2,804,738
2016………	0	835,752 (4)	675,000	1,977,175	590,000	235,488	1,265,000	3,048,415	4,313,415
2017………	430,000	934,381	750,000	1,955,800	605,000	217,788	1,785,000	3,107,969	4,892,969
2018………	440,000	921,481	775,000	1,932,925	625,000	199,638	1,840,000	3,054,044	4,894,044
2019………	460,000	903,881	800,000	1,905,300	650,000	180,888	1,910,000	2,990,069	4,900,069
2020………	475,000	885,481	830,000	1,872,700	675,000	154,888	1,980,000	2,913,069	4,893,069
2021………	500,000	861,731	870,000	1,838,700	700,000	127,888	2,070,000	2,828,319	4,898,319
2022………	525,000	836,731	900,000	1,803,300	735,000	99,888	2,160,000	2,739,919	4,899,919
2023………	550,000	810,481	940,000	1,766,500	765,000	70,488	2,255,000	2,647,469	4,902,469
2024………	580,000	782,981	975,000	1,728,200	780,000	55,188	2,335,000	2,566,369	4,901,369
2025………	610,000	753,981	1,020,000	1,688,300	805,000	38,613	2,435,000	2,480,894	4,915,894
2026………	640,000	723,481	1,065,000	1,641,275	820,000	20,500	2,525,000	2,385,256	4,910,256
2027………	660,000	704,281	1,120,000	1,586,650	–	–	1,780,000	2,290,931	4,070,931
2028………	680,000	684,481	1,175,000	1,529,275	–	–	1,855,000	2,213,756	4,068,756
2029………	700,000	663,231	1,230,000	1,475,300	–	–	1,930,000	2,138,531	4,068,531
2030………	720,000	640,481	1,285,000	1,418,575	–	–	2,005,000	2,059,056	4,064,056
2031………	745,000	616,181	1,355,000	1,352,575	–	–	2,100,000	1,968,756	4,068,756
2032………	770,000	591,038	1,425,000	1,283,075	–	–	2,195,000	1,874,113	4,069,113
2033………	800,000	564,088	1,495,000	1,210,075	–	–	2,295,000	1,774,163	4,069,163
2034………	825,000	536,088	1,570,000	1,137,375	–	–	2,395,000	1,673,463	4,068,463
2035………	855,000	506,181	1,645,000 (5)	1,065,038	–	–	2,500,000	1,571,219	4,071,219
2036………	885,000	475,188	1,720,000 (5)	989,325	–	–	2,605,000	1,464,513	4,069,513
2037………	920,000 (2)	442,000	1,795,000 (5)	910,238	–	–	2,715,000	1,352,238	4,067,238
2038………	960,000 (2)	405,200	1,880,000 (5)	827,550	–	–	2,840,000	1,232,750	4,072,750
2039………	995,000 (2)	366,800	1,970,000 (6)	738,463	–	–	2,965,000	1,105,263	4,070,263
2040………	1,035,000 (2)	327,000	2,065,000 (6)	642,631	–	–	3,100,000	969,631	4,069,631
2041………	1,075,000 (2)	285,600	2,165,000 (6)	542,169	–	–	3,240,000	827,769	4,067,769
2042………	1,120,000 (3)	242,600	2,270,000 (7)	434,000	–	–	3,390,000	676,600	4,066,600
2043………	1,165,000 (3)	197,800	2,390,000 (7)	317,500	–	–	3,555,000	515,300	4,070,300
2044………	1,210,000 (3)	151,200	2,515,000 (7)	194,875	–	–	3,725,000	346,075	4,071,075
2045………	1,260,000 (3)	102,800	2,640,000 (7)	66,000	–	–	3,900,000	168,800	4,068,800
2046………	1,310,000 (3)	52,400	–	–	–	–	1,310,000	52,400	1,362,400
Totals………	$23,900,000	$17,805,002	$43,310,000	$39,818,163	$8,315,000	$1,653,688	$75,525,000	$ 59,276,852	$134,801,852

(1) These Building Fee Bonds are issued on a parity with each other.
(2) Mandatory sinking fund principal amounts from a $4,985,000, 4.00% term bond due June 1, 2041.
(3) Mandatory sinking fund principal amounts from a $6,065,000, 4.00% term bond due June 1, 2046.
(4) Interest payment to be made with capitalized interest from bond proceeds from the issuance of the 2015 Building Fee Bonds.
(5) Mandatory sinking fund principal amounts from a $7,040,000, 4.50% term bond due December 1, 2037.
(6) Mandatory sinking fund principal amounts from a $6,200,000, 4.75% term bond due December 1, 2040.
(7) Mandatory sinking fund principal amounts from a $9,815,000, 5.00% term bond due December 1, 2044.
(8) Interest payment to be made with capitalized interest from bond proceeds from the issuance of the 2013B Building Fee Bonds.

Debt Service Schedule Of Outstanding Debt Of The University By Fiscal Year–continued

	Research Bonds (1)												Totals		
Fiscal Year Ending June 30	Series 2016 $10,135,000 Principal	Series 2016 Interest	Series 2015B $13,145,000 Principal	Series 2015B Interest	Series 2015 $19,500,000 Principal	Series 2015 Interest	Series 2010 $11,070,000 Principal	Series 2010 Interest	Series 2009 $22,000,000 Principal	Series 2009 Interest	Series 2003 (11) $705,000 Principal	Series 2003 (11) Interest	**Total Principal**	**Total Interest**	**Total Debt Service**
2015……………	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 2,105,000	$ 238,125	$ 800,000	$ 492,419	$ 65,000	$ 4,390	$ 2,970,000	$ 734,934	$ 3,704,934
2016……………	0	0	0	258,419	0	534,370 (9)	2,200,000	163,500	850,000	121,750	68,000	1,496	3,118,000	1,079,535	4,197,535
2017……………	0	318,376	0	585,100	0	825,636 (9)	2,200,000	116,750	875,000	91,500	–	–	3,075,000	1,937,361	5,012,361
2018……………	215,000	351,560	0	585,100	365,000	823,501	2,300,000	46,000	900,000	56,000	–	–	3,780,000	1,862,161	5,642,161
2019……………	220,000	349,111	0	585,100	370,000	818,465	–	–	950,000	19,000	–	–	1,540,000	1,771,676	3,311,676
2020……………	220,000	346,157	875,000	563,225	380,000	811,728	–	–	0	0 (10)	–	–	1,475,000	1,721,110	3,196,110
2021……………	225,000	342,668	920,000	518,350	385,000	803,427	–	–	0	0 (10)	–	–	1,530,000	1,664,446	3,194,446
2022……………	230,000	338,687	965,000	471,225	395,000	793,898	–	–	0	0 (10)	–	–	1,590,000	1,603,810	3,193,810
2023……………	235,000	334,158	1,005,000	421,975	405,000	783,131	–	–	0	0 (10)	–	–	1,645,000	1,539,264	3,184,264
2024……………	240,000	328,941	1,080,000	369,850	420,000	771,045	–	–	0	0 (10)	–	–	1,740,000	1,469,836	3,209,836
2025……………	245,000	323,056	1,105,000	315,225	435,000	757,523	–	–	0	0 (10)	–	–	1,785,000	1,395,803	3,180,803
2026……………	250,000	316,601	1,160,000	258,600	450,000	742,464	–	–	0	0 (10)	–	–	1,860,000	1,317,665	3,177,665
2027……………	255,000	309,638	1,235,000	198,725	465,000 (5)	724,798	–	–	0	0 (10)	–	–	1,955,000	1,233,161	3,188,161
2028……………	265,000 (2)	301,414	1,280,000	142,250	485,000 (5)	704,891	–	–	0	0 (10)	–	–	2,030,000	1,148,554	3,178,554
2029……………	275,000 (2)	292,012	1,335,000	96,625	505,000 (5)	684,145	–	–	0	0 (10)	–	–	2,115,000	1,072,782	3,187,782
2030……………	285,000 (2)	282,263	1,080,000	60,400	530,000 (5)	662,457	–	–	0	0 (10)	–	–	1,895,000	1,005,119	2,900,119
					(5)										
2031……………	295,000 (2)	272,165	1,105,000	22,100	550,000 (5)	639,825	–	–	0	0 (10)	–	–	1,950,000	934,090	2,884,090
2032……………	305,000 (2)	261,719	–	–	575,000 (6)	615,147	–	–	–	–	–	–	880,000	876,866	1,756,866
2033……………	315,000 (3)	250,189	–	–	600,000 (6)	588,269	–	–	–	–	–	–	915,000	838,458	1,753,458
2034……………	330,000 (3)	237,454	–	–	630,000 (6)	560,133	–	–	–	–	–	–	960,000	797,586	1,757,586
2035……………	345,000 (3)	224,126	–	–	660,000 (6)	530,624	–	–	–	–	–	–	1,005,000	754,749	1,759,749
2036……………	355,000 (3)	210,304	–	–	690,000 (6)	499,743	–	–	–	–	–	–	1,045,000	710,047	1,755,047
2037……………	370,000 (3)	195,989	–	–	725,000 (7)	466,831	–	–	–	–	–	–	1,095,000	662,820	1,757,820
2038……………	385,000 (4)	180,889	–	–	760,000 (7)	431,748	–	–	–	–	–	–	1,145,000	612,637	1,757,637
2039……………	400,000 (4)	164,997	–	–	795,000 (7)	395,011	–	–	–	–	–	–	1,195,000	560,007	1,755,007
2040……………	420,000 (4)	148,396	–	–	835,000 (7)	356,502	–	–	–	–	–	–	1,255,000	504,898	1,759,898
2041……………	435,000 (4)	131,086	–	–	875,000 (8)	315,994	–	–	–	–	–	–	1,310,000	447,080	1,757,080
2042……………	455,000 (4)	113,068	–	–	915,000 (8)	273,481	–	–	–	–	–	–	1,370,000	386,550	1,756,550
2043……………	475,000 (4)	94,240	–	–	960,000 (8)	228,950	–	–	–	–	–	–	1,435,000	323,190	1,758,190
2044……………	490,000 (4)	74,704	–	–	1,010,000 (8)	182,163	–	–	–	–	–	–	1,500,000	256,867	1,756,867
2045……………	510,000 (4)	54,459	–	–	1,055,000 (8)	133,119	–	–	–	–	–	–	1,565,000	187,578	1,752,578
2046……………	535,000 (4)	33,303	–	–	1,110,000 (8)	81,700	–	–	–	–	–	–	1,645,000	115,003	1,760,003
2047……………	555,000 (4)	11,236	–	–	1,165,000 (8)	27,669	–	–	–	–	–	–	1,720,000	38,905	1,758,905
Totals…………	$ 10,135,000	$ 7,192,966	$ 13,145,000	$ 5,452,269	$ 19,500,000	$ 17,568,382	$ 8,805,000	$ 564,375	$ 4,375,000	$ 780,669	$ 133,000	$ 5,886	$ 56,093,000	$ 31,564,547	$ 87,657,547

(1) These Research Bonds are issued on a parity with each other.
(2) Mandatory sinking fund principal payments from a $1,425,000, 3.482% term bond due December 1, 2031.
(3) Mandatory sinking fund principal payments from a $1,715,000, 3.949% term bond due December 1, 2036.
(4) Mandatory sinking fund principal payments from a $4,660,000, 4.049% term bond due December 1, 2046.
(5) Mandatory sinking fund principal payments from a $2,535,000, 4.191% term bond due December 1, 2030.
(6) Mandatory sinking fund principal payments from a $3,155,000, 4.575% term bond due December 1, 2035.
(7) Mandatory sinking fund principal payments from a $3,115,000, 4.725% term bond due December 1, 2039.
(8) Mandatory sinking fund principal payments from a $7,090,000, 4.750% term bond due December 1, 2046.
(9) Interest payment to be made with capitalized interest from bond proceeds from the issuance of the 2015 Research Revenue Bonds.
(10) Principal and interest have been refunded by the 2015B Bonds.
(11) This bond issue has been included in this table because final principal and interest payment occurred in Fiscal Year 2016.

Other Financial Considerations

As of Fiscal Year 2015, the University had approximately $17.8 million in principal outstanding in notes and capital leases and approximately $1.3 million in principal outstanding in equipment contracts payable. Amounts due on notes, capital leases and equipment contracts payable in future Fiscal Years 2016 through 2045 may be found in "APPENDIX B—FINANCIAL REPORT OF UTAH STATE UNIVERSITY FOR FISCAL YEAR 2015—Notes to Financial Statements–Note H. Bonds, Notes, Contracts and Other Non–Current Liabilities–Figure H.3." (page B–41).

Proposed Revenue Debt Of The Board Of Regents And The University

The Board of Regents may issue from time to time various debt for student loan programs and debt for projects for colleges and universities.

Student Fee/Housing Revenue Bonds. As of the date of this OFFICIAL STATEMENT, the Board of Regents and the University do not plan to issue Additional Bonds under the Resolution. However, in the future the University may issue may issue Additional Bonds for housing projects as needed. See "SECURITY FOR THE 2016 BONDS—Additional Bonds" above.

Research Revenue Bonds. At approximately the same time of the issuance of the 2016 Bonds, the Board of Regents and the University will issue $10.135 million of federally taxable Research Revenue Bonds through a negotiated bond sale.

No Defaulted Obligations

The University has never failed to pay principal of and interest on its financial obligations when due.

FINANCIAL INFORMATION REGARDING UTAH STATE UNIVERSITY

Management's Discussion And Analysis

Economic Outlook. There are continuing signs of moderate expansion of the economy in the State. Decreasing unemployment rates, increased job growth, and increased personal income continue to be positive signs of increased economic activity in the State. Expectations of sustained economic growth in the foreseeable future improve the opportunity for increased legislative funding support for the University.

Overall, the Fall 2015 headcount of 29,319 students results in an increase of 2.1% from Fall 2014. It marks a rebound from the prior three years of declining headcount enrollment that were due to new guidelines of the predominant religion of the State, implemented in 2012, that allowed religious missionary service to begin at an earlier age. The University expects enrollment to continue to grow as recruiting momentum remains strong and returning religious missionaries resume higher education pursuits.

The University's financial strengths include a diverse source of revenues, including those from the State, student tuition and fees, sponsored research programs, private support, and self–supporting enterprises. These diversified sources of revenue continue to provide financial stability and reduce the impact of potentially difficult future economic times.

Management believes that the University's financial position will continue to enable the University to move forward and accomplish its mission of being one of the nation's premier student–centered, land–grant, and space–grant universities.

Management's Discussion and Analysis of the University's Financial Statements for Fiscal Year 2015. The administration of the University prepared a narrative discussion, overview, and analysis of the financial activities of the University for Fiscal Year 2015. For the complete discussion see "APPENDIX B—FINANCIAL REPORT OF UTAH STATE UNIVERSITY FOR FISCAL YEAR 2015–Management's Discussion and Analysis" (page B–7) below. *The Management's Discussion and Analysis for Fiscal Year 2016 is not available. Under State law the University must complete its annual financial report for Fiscal Year 2016 by December 31, 2016.*

Financial Summaries

The financial statements reflect the financial reporting standards as outlined by the Governmental Accounting Standards Board. The financial statements are prepared with a focus on the financial condition of the University, the results of operations, and cash flows of the University as a whole. The following comparative summaries are unaudited.

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Utah State University

Statement of Net Position

(This summary has not been audited)

	As of June 30				
	2015	2014	2013	2012	2011
Assets:					
Current assets:					
Cash and cash equivalents	$ 81,995,711	$ 57,195,235	$ 37,254,827	$ 32,722,248	$ 30,766,362
Accounts receivable–net of allowances	42,726,562	43,377,513	46,694,034	51,208,175	67,311,309
Short–term investments	44,041,040	25,505,138	80,949,500	58,131,205	8,309,605
Accounts receivable from primary government	13,178,082	9,131,120	8,857,848	6,550,907	8,004,017
Inventories	4,197,562	4,871,672	4,604,882	5,125,751	4,851,548
Prepaid expenses	4,125,275	2,195,104	3,479,349	1,974,189	2,255,058
Notes receivable–net of allowances	1,361,874	1,321,185	1,146,866	1,341,338	1,302,342
Credits receivable	572,406	428,481	329,714	285,635	1,024,756
Total current assets	192,198,512	144,025,448	183,317,020	157,339,448	123,824,997
Non–current assets:					
Property, plant and equipment–net	709,458,580	681,471,707	688,177,285	687,817,640	581,138,619
Investments	256,876,214	268,105,619	166,479,380	167,992,593	196,065,065
Restricted:					
Investments	158,295,245	155,908,344	130,229,697	113,779,135	113,537,160
Accounts receivable	25,913,130	28,248,178	21,453,837	16,894,025	1,742,397
Cash and cash equivalents	3,134,141	1,707,051	2,262,278	2,045,220	2,462,882
Short–term investments	2,410,879	1,421,228	5,421,325	4,064,510	851,710
Real estate held for resale	445,520	1,917,520	1,070,320	660,520	660,520
Notes receivable	61,533	64,543	67,409	69,960	–
Accounts receivable	13,824,199	17,943,000	11,646,238	17,391,147	29,519,958
Notes receivable	10,337,642	11,192,329	11,305,549	10,789,545	10,956,795
Other noncurrent assets	131,726	221,468	105,014	100,754	68,188
Net pension asset	46,288	–	–	–	–
Total non–current assets	1,180,935,097	1,168,200,987	1,038,218,332	1,021,605,049	937,003,294
Total assets	1,373,133,609	1,312,226,435	1,221,535,352	1,178,944,497	1,060,828,291
Deferred outflows of resources:					
Resources related to pensions	5,826,112	–	–	–	–
Unamortized refunding losses on bonds	2,036,600	2,286,574	2,543,035	2,282,648	2,608,792
Total deferred outflows of resources	7,862,712	2,286,574	2,543,035	2,282,648	2,608,792
Total assets and deferred outflows of resources	$ 1,380,996,321	$ 1,314,513,009	$ 1,224,078,387	$ 1,181,227,145	$ 1,063,437,083
Liabilities:					
Current liabilities:					
Accounts payable and accrued liabilities to others	$ 48,413,887	$ 45,017,876	$ 43,948,652	$ 42,227,460	$ 42,397,406
Unearned revenue and deposits	23,246,052	17,795,545	17,074,848	16,870,929	19,878,505
Accounts payable and accrued liabilities to primary government	16,858,029	6,091,383	4,991,740	5,471,279	3,482,033
Liability for compensated absences	11,837,156	11,598,822	11,129,300	10,222,918	10,269,606
Bonds, notes, and contracts payable	8,673,131	8,413,390	7,970,434	7,248,691	7,256,813
Liability for early retirement	4,444,441	5,272,590	6,159,695	5,564,230	5,013,442
Other current liabilities	183,334	180,676	78,145	75,735	73,439
Notes payable to primary government	146,557	405,307	462,366	305,640	189,195
Funds held for others	57,245	1,021,010	715,939	630,657	666,808
Total current liabilities	113,859,832	95,796,599	92,531,119	88,617,539	89,227,247
Non–current liabilities:					
Bonds, notes, and contracts payable	130,800,695	139,561,435	101,900,463	105,450,269	118,290,394
Net pension liability	37,273,380	–	–	–	–
Liability for early retirement	7,076,988	8,515,026	8,914,511	10,005,742	9,678,124
Liability for compensated absences	5,662,414	5,347,141	5,565,319	6,189,855	6,004,848
Other non–current liabilities	1,156,880	1,340,215	543,965	622,108	635,698
Deposit due to primary government	465,000	465,000	465,000	465,000	465,000
Notes payable to primary government	288,825	435,382	769,689	1,037,698	1,033,812
Total non–current liabilities	182,724,182	155,664,199	118,158,947	123,770,672	136,107,876
Total liabilities	296,584,014	251,460,798	210,690,066	212,388,211	225,335,123
Deferred inflows of resources:					
Resources related to pensions	3,548,725	–	–	–	–
Total deferred inflows of resources	3,548,725	–	–	–	–
Net position:					
Invested in capital assets–net of debt	585,148,796	562,997,550	579,617,366	576,057,990	462,776,010
Unrestricted	136,838,005	148,435,449	134,423,598	121,214,646	100,283,026
Restricted for:					
Expendable:					
Research, instruction and public service	177,173,317	172,228,884	149,781,003	133,559,286	132,258,809
Capital projects	57,549,252	61,168,626	34,390,492	30,858,330	41,445,717
Non–expendable:					
Primary scholarships and fellowships	110,991,067	105,102,003	100,657,358	93,294,196	87,420,367
Loans	13,163,145	13,119,699	14,518,504	13,854,486	13,918,031
Total net position	1,080,863,582	1,063,052,211	1,013,388,321	968,838,934	838,101,960
Total liabilities, deferred inflows of resources and net position	$ 1,380,996,321	$ 1,314,513,009	$ 1,224,078,387	$ 1,181,227,145	$ 1,063,437,083

(Source: Compiled from the audit finanical statements of the University by the Municipal Advisor.)

Utah State University

Statement of Revenues, Expenses, and Changes in Net Position

(This summary has not been audited)

	Fiscal Year Ended June 30				
	2015	2014	2013	2012	2011
Operating revenues:					
Federal contracts and grants	$ 145,282,788	$ 136,412,545	$ 131,105,348	$ 130,387,284	$ 131,078,557
Tuition and fees (net of scholarship allowances)	120,604,507	109,763,378	105,692,050	100,132,189	88,973,927
Auxiliary enterprises	46,676,670	44,683,682	43,375,214	42,761,478	41,651,322
Other operating revenues	15,619,485	16,506,551	13,433,804	14,090,423	13,384,722
Private contracts and grants	14,470,872	16,818,494	17,717,473	14,146,993	12,748,945
Sales and service of education departments	12,516,265	11,692,912	12,252,380	11,918,715	12,143,651
State contracts and grants	10,045,701	9,651,278	9,347,641	9,838,396	11,873,557
Conferences and institutes (non–credit)	7,332,858	7,406,687	6,849,133	6,949,618	6,505,776
Federal appropriations	5,132,187	4,357,530	5,018,732	4,864,251	4,784,300
Local contracts and grants	2,805,012	2,712,988	2,548,420	2,510,584	2,369,989
Service departments	2,215,933	2,126,930	3,272,909	2,736,236	2,545,480
Total operating revenues	382,702,278	362,132,975	350,613,104	340,336,167	328,060,226
Operating expenses:					
Salaries and wages	278,044,304	269,666,808	262,130,549	252,807,368	243,914,211
Other operating expenses	158,263,562	151,205,039	147,099,966	142,679,470	150,103,924
Employee benefits	95,656,845	100,054,411	94,396,401	95,696,086	82,123,662
Depreciation	41,709,640	41,527,931	42,001,726	40,044,284	35,989,823
Scholarships and fellowships	32,920,131	30,027,362	29,533,011	28,694,927	33,862,743
Actuarial calculated pension expenses	7,098,347	–	–	–	–
Total operating expenses	613,692,829	592,481,551	575,161,653	559,922,135	545,994,363
Operating loss	(230,990,551)	(230,348,576)	(224,548,549)	(219,585,968)	(217,934,137)
Non–operating revenues (expenses):					
State appropriations	182,193,753	172,237,348	163,135,395	161,608,416	139,616,797
Financial aid grants	40,726,907	39,474,953	40,313,904	39,609,911	42,777,829
Investment income	14,848,005	30,547,478	16,600,369	15,002,896	24,271,797
Private gifts	14,398,439	19,941,174	12,096,416	8,504,098	11,142,061
State grants	8,250,501	9,784,182	14,187,095	9,751,846	4,828,210
State land grant revenues	420,650	454,314	809,703	434,607	265,577
Federal grants (ARRA)	–	–	–	–	28,076,043
Other	(176,310)	(6,169)	(563,771)	(292,887)	(274,088)
Net non–operating revenues	260,661,945	272,433,280	246,579,111	234,618,887	250,704,226
Income before other revenues (expenses)	29,671,394	42,084,704	22,030,562	15,032,919	32,770,089
Other revenues (expenses):					
Private grants and gifts for capital purposes	19,285,840	18,571,938	15,242,985	1,736,360	13,244,323
State appropriations for capital purposes	7,985,988	7,272,764	6,255,707	53,071,628	8,081,890
Additions to permanent endowments	5,119,710	4,252,115	6,043,986	2,143,521	4,007,475
Other	(2,964,793)	969,902	(803,385)	760,155	(120,334)
Interest on capital asset related debt	(4,076,093)	(4,214,355)	(4,220,468)	(4,457,186)	(4,314,880)
Total other revenues	25,350,652	26,852,364	22,518,825	53,254,478	20,898,474
Increase in net position	55,022,046	68,937,068	44,549,387	68,287,397	53,668,563
Net position–beginning of year as previously reported	1,063,052,211	1,013,388,321	968,838,934	838,101,960	720,347,202
Prior period adjustment	(37,210,675) (1)	(19,273,178) (2)	–	62,449,577 (3)	64,086,195 (4)
Net position–beginning of year (as restated)	1,025,841,536	994,115,143	968,838,934	900,551,537	784,433,397
Net position–end of year	$ 1,080,863,582	$ 1,063,052,211	$ 1,013,388,321	$ 968,838,934	$ 838,101,960

(1) Net adjustment for the GASB Statement 68 requirement to record the University's share of the unfunded liability associated with participation in a defined benefit pension plan of $38,160,754 and the reclassification of some Agency Funds as University Funds of $950,079.

(2) Includes a write–off of capital assets, recorded in prior years, that were less than the increased capitalization thresholds of $16,315,956; a write–off of funds held by others for prior years of $1,902,675; and a GASB Statement 65 write–off of debt issuance costs previously recorded as deferred outflows of resources of $1,054,547.

(3) It was determined that the $56,711,955 Utah Science, Technology, and Research (USTAR) BioInnovations building, completed in Fiscal Year 2011 and previously not included in the University's financial statements, should be included in the University's property, plant, and equipment since control and use of the building rests with the University. It was further determined that the $5,737,622 net book value of a building, previously recorded as a liability due to USTAR in Fiscal Year 2011, should not be a liability.

(4) Includes the net position of The College of Eastern Utah (currently USU Eastern) which was merged with the University on July 1, 2010.

(Source: Compiled from the audit finanical statements of the University by the Municipal Advisor.)

Additional Financial Information Regarding The University

See "APPENDIX B—FINANCIAL REPORT OF UTAH STATE UNIVERSITY FOR FISCAL YEAR 2015" below for additional financial information regarding the University.

LEGAL MATTERS

Absence Of Litigation Concerning The 2016 Bonds

There is no litigation pending or threatened against the Board of Regents or the University questioning or in any matter relating to or affecting the validity of the 2016 Bonds.

On the date of the execution and delivery of the 2016 Bonds, certificates will be delivered by the Board of Regents and the University to the effect that, to the best knowledge of the Board of Regents and the University, respectively, there is no action, suit, proceeding or litigation pending or threatened against the Board of Regents and the University, which in any way materially questions or affects the validity or enforceability of the 2016 Bonds or any proceedings or transactions relating to their authorization, execution, authentication, marketing, sale or delivery or which materially adversely affects the existence or powers of the Board of Regents or the University, respectively.

A non–litigation opinion of the Attorney General of the State, counsel to the Board of Regents and the University, dated the date of closing, will be provided stating, among other things, there is not now pending, or to his knowledge threatened, any action, suit, proceeding, inquiry or any other litigation or investigation, at law or in equity, before or by any court, public board or body, which is pending or threatened against the Board of Regents or the University challenging the creation, organization or existence of the Board of Regents or the University, or the performance of any of the covenants contained in the Resolution, or the titles of the officers of the Board of Regents or the University to their respective offices, or the adoption or performance of the Resolution.

Miscellaneous Legal Matters

The Board of Regents and the University, their respective officers, agencies, and departments, are parties to numerous routine legal proceedings, many of which normally occur in governmental operations.

See "APPENDIX B—FINANCIAL REPORT OF UTAH STATE UNIVERSITY FOR FISCAL YEAR 2015—Notes to Financial Statements–Note M. Risk Management–Contingencies" (page B–52).

Based on discussions with representatives of the Board of Regents and the University, the Attorney General is of the opinion that the miscellaneous legal proceedings against the Board of Regents and the University, individually or in the aggregate, are not likely to have a materially adverse impact on the Board of Regents' and the University's ability to make its payments of the principal of and interest on the 2016 Bonds as those payments come due.

General

The authorization and issuance of the 2016 Bonds are subject to the approval of the 2016 Bonds by Ballard Spahr LLP, Bond Counsel to the Board of Regents in connection with the issuance of the 2016 Bonds. Certain legal matters regarding this OFFICIAL STATEMENT will be passed on for the Board of Regents and the University by Ballard Spahr LLP, Disclosure Counsel to the Board of Regents. Certain legal matters will be passed on for the Board of Regents and the University by the Attorney General of the State. The approving opinion of Bond Counsel will be delivered with the 2016 Bonds. A copy of the opinion of Bond Counsel in substantially the form set forth in "APPENDIX C—PROPOSED FORM OF OPINION OF BOND COUNSEL" of this OFFICIAL STATEMENT will be made available upon request from the contact person for the University as indicated under "INTRODUCTION—Contact Persons" above.

The various legal opinions to be delivered concurrently with the delivery of the 2016 Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

TAX EXEMPTION

Federal Income Tax Matters

In the opinion of Ballard Spahr LLP, Bond Counsel to the Board of Regents, interest on the 2016 Bonds is excludable from gross income for purposes of federal income tax under existing laws as enacted and construed on the date of initial delivery of the 2016 Bonds, assuming the accuracy of the certifications of the Board of Regents and the University and continuing compliance by the Board of Regents and the University with the requirements of the Internal Revenue Code of 1986. Interest on the 2016 Bonds is not an item of tax preference for purposes of either individual or corporate federal alternative minimum tax; however, interest on 2016 Bonds held by a corporation (other than an S corporation, regulated investment company, or real estate investment trust) may be indirectly subject to federal alternative minimum tax because of its inclusion in the adjusted current earnings of a corporate holder.

The 2016 Bonds Original Issue Premium. The 2016 Bonds maturing on April 1, 2017 through April 1, 2031; April 1, 2033; and April 1, 2034 (collectively, the "Premium Bonds") are offered at a premium ("original issue premium") over their principal amount. For federal income tax purposes, original issue premium is amortizable periodically over the term of a Premium Bond through reductions in the holders' tax basis in the Premium Bond for determining taxable gain or loss from the sale or from redemption prior to maturity. Amortization of premium does not create a deductible expense or loss. Holders of Premium Bonds should consult their tax advisors for an explanation of the amortization rules.

The 2016 Bonds Original Issue Discount. The 2016 Bonds maturing on April 1, 2032; April 1, 2035; April 1, 2039; April 1, 2041; April 1, 2043; and April 1, 2046 (collectively, the "Discount Bonds") may be offered at a discount ("original issue discount") equal generally to the difference between the public offering price and stated redemption price at maturity. For federal income tax purposes, original issue discount on a Discount Bond accrues periodically over the term of the Discount Bond as interest with the same tax exemption and alternative minimum tax status as regular interest. The accrual of original issue discount increases the holder's tax basis in the Discount Bond for determining taxable gain or loss from the sale or from redemption prior to maturity. Holders of Discount Bonds should consult their tax advisors for an explanation of the accrual rules.

State Of Utah Income Taxation

Bond Counsel is also of the opinion that interest on the 2016 Bonds is exempt from State of Utah individual income taxes under currently existing law.

No Further Opinion

Bond Counsel expresses no opinion regarding any other tax consequences relating to ownership or disposition of, or the accrual or receipt of interest on, the 2016 Bonds.

Changes In Federal And State Tax Laws

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the 2016 Bonds or otherwise prevent holders of the 2016 Bonds from realizing the full benefit of the tax exemption of interest on the 2016 Bonds. Further, such proposals may impact the marketability or market value of the 2016 Bonds simply by being proposed. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to 2016 Bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the 2016 Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the 2016 Bonds would be impacted thereby.

Purchasers of the 2016 Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the 2016 Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

MISCELLANEOUS

Bond Ratings

As of the date of this OFFICIAL STATEMENT, the 2016 Bonds are expected to be rated “AA” (stable outlook) by S&P, with the understanding that upon delivery of the 2016 Bonds, a policy guaranteeing the payment when due of the principal of and interest on the 2016 Bonds will be issued by AGM. See “BOND INSURANCE” above.

S&P has assigned their underlying municipal bond rating of “AA” (stable outlook) to the 2016 Bonds. An explanation of the rating may be obtained from S&P. The Board of Regents has not directly applied to Fitch Ratings, Inc. or Moody’s for a rating on the 2016 Bonds.

Such rating does not constitute a recommendation by the rating agency to buy, sell or hold the 2016 Bonds. Such rating reflects only the views of S&P and any desired explanation of the significance of such rating should be obtained from S&P. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own.

There is no assurance that the rating given the 2016 Bonds will be maintained for any period of time or that the rating may not be lowered or withdrawn entirely by the rating agency if, in its judgment, circumstances so warrant. Any such downward change or withdrawal of such rating may have an adverse effect on the market price of the 2016 Bonds.

Trustee

The obligations and duties of the Trustee are described in the Resolution and the Trustee has undertaken only those obligations and duties that are expressly set out in the Resolution. The Trustee has not independently passed upon the validity of the 2016 Bonds, the security therefor, the adequacy of the provisions for payment thereof or the exclusion from gross income for federal tax purposes of the interest on the 2016 Bonds. The Trustee may resign or be removed or replaced as provided in the Resolution. The Trustee is not required to take any action with respect to any Event of Default (as defined in the Resolution) or otherwise unless indemnified to its satisfaction. See "APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION–Events of Default" and "–Rights and Remedies of Bondowners and Contracting Parties."

Municipal Advisor

The Board of Regents and the University have entered into an agreement with the Municipal Advisor whereunder the Municipal Advisor provides financial recommendations and guidance to the Board of Regents and the University with respect to preparation for sale of the 2016 Bonds, timing of sale, tax–exempt bond market conditions, costs of issuance and other factors related to the sale of the 2016 Bonds. The Municipal Advisor has read and participated in the drafting of certain portions of this OFFICIAL STATEMENT and has supervised the completion and editing thereof. The Municipal Advisor has not audited, authenticated or otherwise verified the information set forth in the OFFICIAL STATEMENT, or any other related information available to the Board of Regents and the University, with respect to accuracy and completeness of disclosure of such information, and the Municipal Advisor makes no guaranty, warranty or other representation respecting accuracy and completeness of the OFFICIAL STATEMENT or any other matter related to the OFFICIAL STATEMENT.

Independent Auditors

The financial statements of the University as of June 30, 2015 and for the year then ended, included in "APPENDIX B—FINANCIAL REPORT OF UTAH STATE UNIVERSITY FOR FISCAL YEAR 2015" to this OFFICIAL STATEMENT, have been audited by the Office of the Utah State Auditor, as stated in its report thereon. The Board of Regents or the University has neither requested nor has been obligated to obtain the consent of the State Auditor to include its report in this OFFICIAL STATEMENT and therefore the State Auditor has not performed any procedures with respect to such financial statements subsequent to the date of its report.

Additional Information

All quotations contained herein from and summaries and explanations of the State Constitution, statutes, programs, laws of the State, court decisions and the Resolution, do not purport to be complete, and reference is made to said State Constitution, statutes, programs, laws, court decisions and the Resolution for full and complete statements of their respective provisions.

Any statements in this OFFICIAL STATEMENT involving matters of opinion, whether or not expressly so stated, are intended as such and not as representation of fact.

The Appendices attached hereto are an integral part of this OFFICIAL STATEMENT and should be read in conjunction with the foregoing material.

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This OFFICIAL STATEMENT and its distribution and use have been duly authorized by the Board of Regents and the University.

State Board of Regents of the State of Utah

/s/ France A. Davis

France A. Davis, Vice Chair

Utah State University

/s/ David T. Cowley

David T. Cowley
Vice President for Business and Finance

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APPENDIX A

SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION

The following summary is a brief outline of certain provisions and definitions contained in the Resolution and are not to be considered as a full statement thereof. Reference is made to the Resolution for full details of all the terms of the 2016 Bonds and the security provisions appertaining thereto. A table of contents is provided for the readers use.

DEFINITIONS

Unless the context otherwise requires the terms defined below, for all purposes of the Resolution and of any certificate, opinion or other document mentioned in the Resolution, have the meanings specified in the Resolution.

"Accountant's Certificate" means a certificate signed by an independent public accountant.

"Accrued Aggregate Debt Service" means, as of any date of calculation, the sum of the amounts of Accrued Debt Service with respect to all Series of Bonds, all Contracts and all Security Instrument Repayment Obligations.

"Accrued Debt Service" means, as of any date of calculation, the amount of Debt Service that has accrued with respect to any Series of Bonds, any Contract and any related Security Instrument Repayment Obligation, calculating the Debt Service that has accrued with respect to each Series of Bonds (other than Pledged Bonds), each Contract and each related Security Instrument Repayment Obligation as an amount equal to the sum of (a) the interest on the Bonds of such Series, such Contract and such related Security Instrument Repayment Obligation that has accrued and is unpaid and that will have accrued up to and including the day next preceding an interest payment date for such Bonds, Contract and Security Instrument Repayment Obligation, and (b) the Principal Installment for the Bonds of such Series, such Contract and such related Security Instrument Repayment Obligation that is due and payable on the next succeeding Principal Installment payment date.

"Act" means, collectively, Chapter 21 of Title 53B of the Utah Code, the Utah Refunding Bond Act, Chapter 27 of Title 11 of the Utah Code, the Utah Registered Public Obligations Act, Chapter 7 of Title 15 of the Utah Code, Chapter 31 of Title 11 of the Utah Code, the Utah Public Finance Act, and such other provisions of State law as may be applicable to the issuance of revenue bonds of the Board on behalf of the University and all laws amendatory thereof or supplemental thereto.

"Aggregate Debt Service" means, as of the date of calculation and with respect to any period, the sum of the amounts of Debt Service for all Series of Bonds Outstanding, all Contracts Outstanding and all Repayment Obligations Outstanding for such period.

"Authorized Officer" means the Chairman of the Board, the President of the University, the Chief Financial Officer or his designee and any other person authorized by resolution of the Board to perform the act or sign the document in question.

"Average Aggregate Debt Service" means, as of any date of calculation, the quotient obtained by dividing (a) the sum of (i) the Aggregate Debt Service on all Series of Bonds Outstanding, (ii) the Aggregate Debt Service on all Contracts Outstanding plus (iii) the Aggregate Debt Service on all Repayment Obligations Outstanding, in each case as computed for each Fiscal Year during which any such Bonds, Contracts or Repayment Obligations are Outstanding by (b) the number of such Fiscal Years.

"Average Debt Service" means, with respect to any Series of Bonds, any Contract and any related Security Instrument Repayment Obligation, the quotient obtained by dividing (a) the sum of the amounts of Debt Service on such Series of Bonds, Contract or Repayment Obligation for each Fiscal Year during which such Series of Bonds, Contract or Repayment Obligation is Outstanding, by (b) the number of such Fiscal Years.

"Board" means the State Board of Regents of the State of Utah, or such Board's legal successor, as the governing authority or body of the University.

"Bondowner," "Owner of Bonds," "Owner," "Bondholder," "Holder of Bonds" or "Holder" or any similar term, means any person who shall be the registered owner of any Bond or Bonds.

"Bond Payments" means any amount payable from time to time as Principal Installments, Redemption Price or Purchase Price of and interest on Bonds.

"Bonds" means the bonds, notes or other obligations (other than Repayment Obligations and Contracts) authorized by and at any time Outstanding pursuant to the Resolution.

"Business Day" means a day of the year that is not a Saturday, Sunday or legal holiday in the State or other day on which the Trustee, any Security Instrument Issuer or any Reserve Instrument Issuer is authorized or permitted to close.

"Chief Financial Officer" means the person designated from time to time by the President of the University to perform the function of Chief Financial Officer of the University for the purposes of the Resolution. Initially, the title of such official designated to perform such duties and functions is that of Vice President for Administrative Affairs.

"Code" means the Internal Revenue Code of 1986, as amended and supplemented from time to time. Each reference in the Resolution to a section of the Code shall be deemed to include the United States Treasury Regulations, including temporary and proposed regulations, relating to such section that are applicable to the Bonds or the use of the proceeds thereof.

"Completion Date" means the date of substantial completion of the construction of a Project as that date shall be certified as described in paragraph (j) under the heading "Construction Fund" below.

"Construction Bonds" means all Bonds, whether issued in one or more Series, authenticated and delivered for the purpose of paying or providing for the payment of all or a portion of the Cost of Construction of a Project and any Bonds thereafter authenticated and delivered in lieu thereof or in substitution therefor.

"Construction Fund" means the Fund established with the Trustee pursuant to the Resolution, to be known as the "Utah State University Housing System Construction Fund."

"Contract" means any loan, agreement, lease or other contract (other than Bonds, Reserve Instrument Agreements and Security Instrument Agreements) entered into by the Board or the University pursuant to the Act by Supplemental Resolution the payment on which is secured by the Revenues on a parity with any Bonds Outstanding under the Resolution.

"Contracting Party" means any party contracting with the Board or the University in a Contract.

"Cost of Construction" means the costs of the University properly attributable to the financing, acquisition, design, construction, improvement, remodeling, addition to, extension, equipping and furnishing of the Student Housing System, as identified for a particular Project, and all expenses preliminary and incidental thereto incurred by the University in connection therewith and in the issuance of the Bonds, including all engineering, fiscal and legal expenses and costs of issuance, printing and advertising, for which funds may be disbursed from the Construction Fund and the establishment of necessary reserves and payment of interest during construction, including, but not limited to:

(a) payment of the costs of acquiring, purchasing, constructing, improving, remodeling, adding to, extending, equipping and furnishing a Project, including the acquisition of all necessary land;

(b) payment of the initial or acceptance fee of the Trustee;

(c) payment to the University of such amounts, if any, as shall be necessary to reimburse the University in full for advances and payments theretofore made or costs theretofore incurred by the University for any item of Cost of Construction, but only to the extent that any such reimbursement shall not adversely affect the excludability of interest on the Bonds (if applicable) from gross income of the owners thereof for federal income tax purposes;

(d) costs to obtain any insurance policy or policies or surety bonds with respect to a Project during the acquisition, design, construction, remodeling, addition to, extension, equipping and furnishing of such Project;

(e) amounts payable to contractors and costs incident to the award of contracts on a Project;

(f) cost of labor, facilities and services furnished for the Project by the University and its employees;

(g) engineering, architectural, legal, planning, underwriting, accounting and other professional and advisory fees;

(h) payment of audit fees and all expenses for maintenance of construction records required to be kept with respect to a Project;

(i) payment of the costs of any necessary litigation and the obtaining of all necessary permits, licenses and rulings;

(j) payment of the costs of issuance of the Bonds, including, but not limited to, legal, accounting, fiscal agent and underwriting fees and expenses, payments and fees due under any agreement pursuant to which any Series of Bonds is sold, bond insurance premiums, bond discount, printing and engraving costs and fees of rating agencies, incurred in connection with the authorization, sale and issuance of the Bonds and preparation of the Resolution and any Supplemental Resolution pursuant to which the Bonds will be issued and fees, charges or other amounts coming due under any Security Instrument or Reserve Instrument;

(k) the amount, if any, to be deposited into the Construction Fund representing interest on the Bonds estimated to fall due during the period of construction of a Project and for not more than 12 months thereafter;

(l) the amount, if any, to be deposited into the Debt Service Reserve Account pursuant to the Supplemental Resolution authorizing a particular Series of Bonds or Contract;

(m) the amount, if any, to be deposited into the Renewal and Replacement Reserve Fund pursuant to the Supplemental Resolution authorizing a particular Series of Bonds or Contract; and

(n) payment of any other costs and expenses relating to a Project, including, but not limited to, Security Instrument Costs. Reserve Instrument Costs and fees and expenses of the Trustee during the acquisition, purchase. construction. improvement, remodeling, addition to, extension, equipping and furnishing of a Project. "Cross–over Dare" means, with respect to Cross–over Refunding Bonds, the date on which the principal portion of the related Cross–over Refunded Bonds is to be paid or redeemed from the proceeds of such Cross–over Refunding Bonds.

"Cross–over Refunded Bonds" means Bonds refunded by Cross–over Refunding Bonds.

"Cross–over Refunding Bonds" means Bonds issued for the purpose of refunding Bonds if the proceeds of such Cross–over Refunding Bonds are irrevocably deposited in escrow in satisfaction of the requirements of Section 11–27–3 of the Utah Code to secure the payment on an applicable redemption date or maturity date of the Cross–over Refunded Bonds (subject to possible use to pay principal of the Cross–over Refunding Bonds under certain circumstances) and the earnings on such escrow deposit are required to be applied to pay interest on the Cross–over Refunding Bonds until the Cross–over Date.

"Debt Service" means, for any particular Fiscal Year and for any Series of Bonds, Contract and Repayment Obligation, an amount equal to the sum of (a) all interest (net of any interest subsidy with respect to Bonds paid or payable to or for the account of the University by any governmental body or agency other than the University) payable during such Fiscal Year on such Series of Bonds (other than Pledged Bonds), Contract or Repayment Obligation Outstanding, plus (b) the Principal Installment or Installments during such Fiscal Year on (i) such Bonds or Contract Outstanding, calculated on the assumption that Bonds and Contracts Outstanding on the day of calculation cease to be Outstanding by reason of, but only by reason of, payment either upon maturity or application of any Sinking Fund Installments required by the Resolution, and (ii) any Repayment Obligations; provided, however, that for any Series of Variable Rate Bonds or related Repayment Obligations, it shall be assumed that such Series of Variable Rate Bonds or related Repayment Obligations will bear interest at the average of the variable rates applicable to such Series of Variable Rate Bonds or related Repayment Obligations during any twenty–four month period (or a shorter period, commencing on the date of issuance of a Series of Variable Rate Bonds or the date of incurring the related Repayment Obligations) ending within thirty (30) days prior to the date of computation, or, with respect to any Series of Variable Rate Bonds or related Repayment Obligations for which such an average of the variable rates cannot be determined, at a rate certified by a qualified financial advisor selected by the University for this purpose, to be the rate of interest such Series of Variable Rate Bonds or related Repayment Obligations would bear if issued in the same amount, with the same maturity or maturities and with the same security, but bearing interest at a fixed rate; provided, however, that there shall be excluded from "Debt Service" (x) interest on Bonds (whether Cross–over Refunding Bonds or Cross–over Refunded Bonds) to the extent that Escrowed Interest is available to pay such interest, (y) principal of Cross–over Refunded Bonds to the extent that the proceeds of Cross–over Refunding Bonds are on deposit in an irrevocable escrow in satisfaction of the requirements of Section 11–27–3 of the Utah Code, and such proceeds or the earnings thereon are required to be applied to pay such principal (subject to the possible use to pay the principal of the Cross–over Refunding Bonds under certain circumstances) and such amounts so required to be applied are sufficient to pay such principal, and (z) pre–funded Debt Service deposited into a Project Amount.

"Debt Service Account" means the Account in the Principal and Interest Fund by that name established pursuant to the Resolution.

"Debt Service Reserve Account" means the Account in the Principal and Interest Fund by that name established pursuant to the Resolution.

"Debt Service Reserve Requirement" means, with respect to any Series of Bonds or any Contract for which a Series Subaccount has been established in the Debt Service Reserve Account corresponding to such Series of Bonds or Contract, as the case may be, the amount specified in the Supplemental Resolution establishing such Series Subaccount.

"Depositary" means any bank or trust company, including the Trustee, selected by the Chief Financial Officer and satisfactory to the Trustee as a depositary of moneys and securities held under the provisions of the Resolution.

"Escrowed Interest" means amounts irrevocably deposited in escrow in accordance with the requirements of Section 11–27–3 of the Utah Code and earnings on such amounts that are required to be applied to pay interest on Bonds.

"Estimated Completion Date" means the estimated date upon which a Project will have been substantially completed in accordance with the plans and specifications applicable thereto.

"Estimated Net Revenues" means, for any Fiscal Year, the estimated Revenues for such Fiscal Year less the estimated Operation and Maintenance Expenses for such Fiscal Year, based upon estimates prepared by the Chief Financial Officer. In computing Estimated Net Revenues for a given Fiscal Year, historical Revenues may be adjusted by the Chief Financial Officer to include not more than the Revenues estimated to be available in such Fiscal Year from: (a) any fee increase that has been or will be in effect prior to the delivery of a Series of Bonds or the execution of a Contract in connection with which an estimate is made; and (b) to the extent that the same are to be occupied and used during such Fiscal Year, any additions, improvements or extensions to the Student Housing System to be purchased, acquired or constructed in whole or in part during such Fiscal Year with the proceeds of a Series of Bonds, pursuant to a Contract or from other sources using the schedule of rates and charges for such facilities to be used upon completion of construction of such facilities. Such calculations shall exclude any Revenues derived from over–occupancy, if any, in relation to designed capacity of existing facilities of the Student Housing System and shall assume for all purposes a future utilization or occupancy rate equal to the average utilization or occupancy rate of the portion of the Student Housing System consisting of student housing over the most recent past three (3) Fiscal Years. In such calculations the historical Operation and Maintenance Expenses shall also be adjusted by the Chief Financial Officer to reflect any anticipated increases or decreases in Operation and Maintenance Expenses, whether as a result of the purchase, acquisition or construction of a Project or otherwise.

"Fiduciary" or "Fiduciaries" means a Depositary, the Trustee, the Paying Agent or any or all of them, as may be appropriate.

"Financial Newspaper or Journal" means The Wall Street Journal or The Bond Buyer or any other newspaper or journal printed in the English language and customarily published on each Business Day devoted to financial news and selected by the Trustee, whose decision shall be final.

"Fiscal Year" means the annual accounting period of the University as from time to time in effect, initially a period commencing on July I of each calendar year and ending on the next succeeding June 30.

"Fund" means any of the funds established pursuant to the Resolution.

"Investment Securities" means any of the following securities, if and to the extent that the same are at the time legal for investment of the Board's or the University's funds:

(a) direct obligations of the United States of America (including obligations issued or held in book–entry form on the books of the Department of the Treasury and "CATS" and "TGRS") or obligations the principal of and Interest on which are unconditionally guaranteed by the United States of America;

(b) bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself):

1. U.S. Export–Import Bank ("Eximbank"); Direct obligations or fully guaranteed certificates of beneficial ownership

2. Farmers Home Administration ("FmHA"); Certificates of beneficial ownership

3. Federal Financing Bank

4. Federal Housing Administration Debentures ("FHA ")

5. General Services Administration; Participation certificates

6. Government National Mortgage Association ("GNMA" or "Ginnie Mae"); GNMA–guaranteed mortgage–backed bonds; GNMA– guaranteed pass–through obligations

7. U.S. Maritime Administration; Guaranteed Title XI financing

8. U.S. Department of Housing and Urban Development ("HUD"); Project Notes; Local Authority Bonds New Communities Debentures–U.S. government guaranteed debentures

U.S. Public Housing Notes and Bonds–U.S. government guaranteed public housing notes and bonds;

(c) bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non–full faith and credit U.S. government agencies (stripped securities are only permitted if they have been stripped by the agency itself):

1. Federal Home Loan Bank System; Senior debt obligations
2. Federal Home Loan Mortgage Corporation ("FHLMC" or "Freddie Mac'); Participation Certificates Senior debt obligations
3. Federal National Mortgage Association ("FNMA" or "Fannie Mae"); Mortgaged–backed securities and senior debt obligations
4. Student Loan Marketing Association ("SLMA" or "Sallie Mae"); Senior debt obligations
5. Resolution Funding Corp. ("REFCORP") obligations
6. Farm Credit System; Consolidated system wide bonds and notes;

(d) money market funds registered under the Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933, and having a rating by S&P of "AAAm–G," "AAAm" or "AAm";

(e) certificates of deposit secured at all times by collateral described in (a) and/or (b) above. Such certificates must be issued by commercial banks, savings and loan associations or mutual savings banks. The collateral must be held by a third party and the Bondholders must have a perfected first security interest in the collateral;

(f) certificates of deposit, savings accounts, deposit accounts or money market deposits that are fully insured by the Federal Deposit Insurance Corporation;

(g) investment agreements, including guaranteed investment contracts, acceptable to the Security Instrument Issuer;

(h) commercial paper rated, at the time of purchase, "Prime–1" by Moody's and "A–1" or better by S&P;

(i) bonds or notes issued by any state or municipality that are rated by Moody's and S&P in one of the two highest rating categories assigned by such agencies;

(j) federal funds or bankers acceptances with a maximum term of one year of any bank that has an unsecured, uninsured and unguaranteed obligation rating of "Prime–1" or "A3" or better by Moody's and "A–1" or "A" or better by S&P;

(k) repurchase agreements that satisfy the following criteria or are approved by the Security Instrument Issuer:

1. repurchase agreements must be entered into between the University and a dealer bank or securities firm

    a. Primary dealers on the Federal Reserve reporting dealer list that are rated A or better by S&P and Moody's or

    b. Banks rated "A" or above by S&P and Moody's.

2. the written repurchase agreement must include the following:

    a. Securities which are acceptable for transfer are:

        (1) Direct U.S. governments or

        (2) Federal agencies backed by the full faith and credit of the US, government (and FNMA and FHLMC)

b. The term of the repurchase agreement may be up to 30 days

c. The collateral must be delivered to the University, the Trustee (if the Trustee is not supplying the collateral) or a third party acting as agent for the Trustee (if the Trustee is supplying the collateral) before/simultaneous with payment (perfection by possession of certificated securities).

d. Valuation of Collateral

(1) The securities must be valued weekly, marked–to–market at current market price plus accrued interest

(2) The value of collateral must be equal to 104% of the amount of cash transferred by the University to the dealer bank or security firm under the repurchase agreement plus accrued interest, If the value of securities held as collateral slips below 104% of the value of the cash transferred by the University, then additional cash and/or acceptable securities must be transferred. If, however, the securities used as collateral are FNMA or FHLMC, then the value of collateral must equal 105%.

(3) Legal opinion must be delivered to the University:

The repurchase agreement must meet guidelines under State law for legal investment of public funds;

(l) investments in the Utah State Treasurer's investment pool; and

(m) any other investment that may be approved from time to time by the Security Instrument Issuer.

"Land Grant Income" means the revenues and income derived from the Land Grants described in Section 7 of Article X of the Constitution of Utah and in the Act of July 16, 1894, ch. 138, 28 Stat. 109, adopted by the Congress of the United States of America.

"Net Revenues" means, for any period, the Revenues during such period less amounts used or applied to pay the Operation and Maintenance Expenses during such period.

"Operation and Maintenance Expenses" means all actual operation and maintenance expenses related to the Student Housing System incurred in any particular Fiscal Year or period to which said term is applicable or charges made therefor during such Fiscal Year or period, including amounts reasonably required to be set aside in reserves for items of Operation and Maintenance Expenses, the payment of which is not then immediately required. Such Operation and Maintenance Expenses include, but are not limited to, amounts paid by the University for the following: (a) ordinary repairs, renewals and replacements of the Student Housing System; (b) salaries and wages and employees' health, hospitalization, pension and retirement expenses; (c) fees for services, materials and supplies (including the cost of food, beverages and merchandise) used or provided in connection with the Student Housing System; (d) rents. administrative and general expenses; (e) insurance expenses; (f) Security Instrument Costs and Reserve Instrument Costs; (g) Trustee. Paying Agent, legal, engineering, accounting and financial advisory fees and expenses and costs of other consulting and technical services; (h) fees and charges of financial, banking or other institutions for letters of credit, standby credit facilities. reimbursement agreements and remarketing. indexing and tender agent agreements to secure or provide liquidity with respect to any Series of Bonds; (i) training of personnel; (j) taxes, payments in lieu of taxes and other governmental charges imposed by governmental entities other than the Board or the University; (k) utility costs; and (l) any other current expenses or obligations required to be paid under the provisions of the Resolution or by law, all to the extent properly allocable to the Student Housing System, and the fees and expenses of the Fiduciaries.

Such Operation and Maintenance Expenses do not include depreciation or obsolescence charges or reserves therefor, amortization of intangibles or other bookkeeping entries of a similar nature, interest charges and charges for the payment of principal, or amortization, of bonded or other indebtedness of the University or the Board on behalf of the University, including Repayment Obligations and costs or charges made therefor, and do not include losses from the sale, abandonment, reclassification, revaluation or other disposition of any properties of the Student Housing System.

"Outstanding" means, as of any date of calculation, (a) with respect to Bonds, all Bonds that have been duly authenticated and delivered by the Trustee except: (i) Bonds theretofore canceled by the Trustee or delivered to the Trustee for cancellation; (ii) Bonds that have been paid or deemed to have been paid as described under the heading "Discharge of Indebtedness" below; (iii) Bonds in exchange for or in lieu of which other Bonds have been authenticated or delivered; and (iv) Bonds owned or held by or for the account of the Board or the University to the extent described under the heading "Disqualified Bonds" below; (b) with respect to Contracts, each Contract that has been duly executed and delivered by the University, except for any Contract that has been paid or deemed to have been paid as described under the heading "Discharge of Indebtedness;" and (c) with respect to Repayment Obligations, any such Repayment Obligation that has been incurred and is unpaid.

"Paying Agent" means any bank or trust company designated as paying agent for the Bonds of any Series, and such agent's successor or successors appointed in the manner provided in the Resolution. As to any Contract, "Paying Agent" means the person or firm designated by the Contracting Party as provided under the terms of the Contract to receive payments of installments due under the Contract.

"Pledged Bonds" means any Bonds that have been pledged or in which any interest has otherwise been granted to a Security Instrument Issuer as collateral security for Security Instrument Repayment Obligations.

"Principal and Interest Fund" means the Fund by that name established pursuant to the Resolution.

"Principal Installment" means, as of any date of calculation, (a) with respect to any Series of Bonds, so long as any Bonds thereof are Outstanding, (i) the principal amount of Bonds of such Series due on a certain future date for which no Sinking Fund Installments have been established, or (ii) the unsatisfied balance (determined as provided in the definition of "Sinking Fund Installment") of any Sinking Fund Installment due on a certain future date for Bonds of such Series, plus the amount of the sinking fund redemption premiums, if any, that would be applicable upon redemption of such Bonds on such future date in a principal amount equal to such unsatisfied balance of such Sinking Fund Installment, or if such future dates coincide as to different Bonds of such Series, the sum of such principal amount of Bonds and of such unsatisfied balance of such Sinking Fund Installment due on such future date plus such applicable redemption premium, if any, (b) with respect to any Repayment Obligation, the principal amount of such Repayment Obligation due on a certain future date, and (c) with respect to any Contract, an installment payable under the Contract due on a certain future date.

"Project" means facilities for the housing and boarding of students in attendance at the University, including administrative offices for student related services and such facilities normally contained within similar buildings on college and university campuses. together with all related appurtenant facilities, furnishings and equipment, and all other improvements, extensions and additions to the Student Housing System if and to the extent that such facilities shall be designated by the Board as a Project in a Supplemental Resolution authorizing the issuance of the initial Series of Construction Bonds or the Contract for such Project.

"Project Account" means, with respect to each Project, the separate account for such Project in the Construction Fund.

"Refunding Bonds" means all Bonds, whether issued in one or more Series, authenticated and delivered as described under the heading "Special Provisions for the Issuance of the Refunding Bonds" below, and any Bonds thereafter authenticated and delivered in lieu thereof or in substitution therefore.

"Renewal and Replacement Reserve Fund" means the Fund by that name established pursuant to the Resolution.

"Renewal and Replacement Reserve Fund Requirement" means the amount required to be on deposit in the Renewal and Replacement Reserve Fund, which shall be an amount equal to not less than (a) Five Hundred Thousand Dollars ($500,000) or (b) such greater amount as may be required from time to time by a Supplemental Resolution.

"Repayment Obligations" means, collectively, all Outstanding Security Instrument Repayment Obligations and Reserve Instrument Repayment Obligations.

"Reserve Instrument" means a device or instrument (other than a Security Instrument) issued by a Reserve Instrument Issuer to satisfy all or any portion of the Debt Service Reserve Requirement with respect to one or more Series of Bonds or Contracts; provided, however, that if a condition to issuance of a Reserve Instrument is to require that only certain instruments qualify as Reserve Instruments for purposes of the Resolution then the term "Reserve Instrument" shall include only such instruments that qualify as Reserve Instruments so long as such requirement is in effect and shall be stated in the Supplemental Resolution relating to the Series of Bonds or Contracts for which the limitation is a condition to issuance of the related Reserve Instrument. Subject to the foregoing provision, the term "Reserve Instrument" includes, by way of example and not of limitation, letters of credit, bond insurance policies, standby bond purchase agreements, lines of credit, surety bonds, and other security instruments and other devices; provided that, if the Outstanding Bonds or Contract are rated by a rating agency, "Reserve Instrument" shall be deemed to refer only to a reserve instrument that is issued by a Reserve Instrument Issuer whose general unsecured, unenhanced debt obligations are rated by such rating agency in a category at least as favorable as the rating on such Bonds or Contract.

"Reserve Instrument Agreement" means any agreement entered into by the University and a Reserve Instrument Issuer pursuant to a Supplemental Resolution and providing for the issuance by such Reserve Instrument Issuer of a Reserve Instrument.

"Reserve Instrument Costs" means all fees, premiums, expenses and similar costs, other than Reserve Instrument Repayment Obligations, required to be paid to a Reserve Instrument Issuer pursuant to a Reserve Instrument Agreement. Each Reserve Instrument Agreement shall specify the fees, premiums, expenses and costs constituting Reserve Instrument Costs.

"Reserve Instrument Coverage" means, with respect to each Reserve Instrument and as of any date of calculation, the amount available to be paid to the Trustee as described in paragraph (b) under the heading "Principal and Interest Fund–Debt Service Reserve Account" under each Reserve Instrument.

"Reserve Instrument Issuer" means any bank, savings and loan association, savings bank, thrift institution, credit union, insurance company, surety company or other institution that issues a Reserve Instrument.

"Reserve Instrument Limit" means, as of any date of calculation and with respect to any Reserve Instrument, the maximum aggregate amount available to be paid under such Reserve Instrument into the Debt Service Reserve Account, assuming for purposes of such calculation that the amount initially available under each Reserve Instrument has not been reduced or that the amount initially available under each Reserve Instrument has only been reduced as a result of the payment of principal of the Bonds at maturity or upon redemption or purchase thereof.

"Reserve Instrument Repayment Obligations" means, as of any date of calculation and with respect to any Reserve Instrument Agreement, those outstanding amounts payable by the University under such Reserve Instrument Agreement to repay the Reserve Instrument Issuer for payments previously or concurrently made by the Reserve Instrument Issuer pursuant to a Reserve Instrument. The Reserve Instrument Repayment Obligations shall be paid by the University from amounts on deposit in the appropriate Series Subaccount in the Debt Service Reserve Account in the Principal and Interest Fund. There shall not be included in the calculation of the amount of Reserve Instrument Repayment Obligations any Reserve Instrument Costs. Each Reserve Instrument Agreement and the Supplemental Resolution authorizing the execution and delivery of such Reserve Instrument Agreement shall specify the amounts payable under it that, when Outstanding, shall constitute Reserve Instrument Repayment Obligations.

"Revenue Fund" means the Fund established with the University pursuant to the Resolution, to be known as the "Utah State University Student Fee and Housing System Revenue Fund."

"Revenues" means (a) rentals, charges, fees, income and other revenues to be derived from the ownership and operation of the Student Housing System; (b) all Student Building Fees levied for the Student Housing System; (c) all Land Grant Income; (d) all net income derived from the operation of concessions, vending and the University's central meat services, Lundstrom Depot and the rental houses owned by the University that are known as the University Homes; and (e) all earnings on all funds and accounts held by the Trustee under the Resolution (excluding the Construction Fund, any escrow account established for the purpose of refunding any Bonds or Contracts and any rebate fund created with respect to any Bonds or Contracts). Revenues shall not include: (i) proceeds received on insurance resulting from casualty damage to assets of the Student Housing System; (ii) the proceeds of sale of Bonds or Contracts issued or executed for Student Housing System purposes; (iii) moneys received under any Security Instrument or any Reserve Instrument; (iv) appropriations by the Legislature and (v) any revenues of the University not specifically identified in this definition.

"Security Instrument" means a device or instrument (other than a Reserve Instrument) issued by a Security Instrument Issuer to pay, or to provide security or liquidity for the payment of, Bond Payments. The term "Security Instrument" includes, by way of example and not of limitation, letters of credit, bond insurance policies, standby bond purchase agreements, lines of credit and other security instruments and credit enhancement or liquidity devices.

"Security Instrument Agreement" means any agreement entered into by the University and a Security Instrument Issuer pursuant to a Supplemental Resolution and providing for the issuance by such Security Instrument Issuer of a Security Instrument.

"Security Instrument Costs" means all fees, premiums, expenses and similar costs, other than Security Instrument Repayment Obligations, required to be paid to a Security Instrument Issuer pursuant to a Security Instrument Agreement. Each Security Instrument Agreement shall specify the fees, premiums, expenses and costs constituting Security Instrument Costs.

"Security Instrument Issuer" means any bank, savings and loan association, savings bank, thrift institution, credit union, insurance company. surety company or other institution that issues a Security Instrument.

"Security Instrument Repayment Obligations" means, as of any date of calculation and with respect to any Security Instrument Agreement, those outstanding amounts payable by the University under such Security Instrument Agreement to repay the Security Instrument Issuer for payments previously or concurrently made by the Security Instrument Issuer pursuant to a Security Instrument. The Security Instrument Repayment Obligations shall be paid by the University from amounts on deposit in the appropriate Series Subaccount in the Debt Service Account in the Principal and Interest Fund. There shall not be included in the calculation of the amount of Security Instrument Repayment Obligations any Security Instrument Costs. Each Security Instrument Agreement and the Supplemental Resolution authorizing the execution and delivery of such Security Instrument Agreement shall specify the amounts payable under it that, when Outstanding, shall constitute Security Instrument Repayment Obligations.

"Series" means all of the Bonds designated as being of the same Series authenticated and delivered on original issuance in a simultaneous transaction, and any Bonds thereafter authenticated and delivered in lieu thereof or in substitution therefor.

"Series Subaccount" means the separate Subaccount created for each Series of Bonds in the Debt Service Account or in the Debt Service Reserve Account, as appropriate.

"Sinking Fund Installment" means an amount so designated that is established pursuant to a Supplemental Resolution authorizing a particular Series of Bonds or Contract. The portion of any such Sinking Fund Installment remaining after the deduction of any such amounts credited toward the same (or the original amount of any such Sinking Fund Installment if no such amounts shall have been credited toward the same) shall constitute the unsatisfied balance of such Sinking Fund Installment for the purpose of calculation of Sinking Fund Installments due on a future date.

"Student Building Fees" means the student building fees that the University has heretofore imposed and will hereafter impose on, and collect from, each regular on–campus student in attendance at the University for the use and availability of certain of the facilities and buildings of the Student Housing System. The amount of Student Building Fees to be assessed against students attending the University shall be fixed from time to time by the University, all as required under the provisions of the Resolution.

"Student Housing System" means (a) the six multi–story residential facilities known as the Student Living/Learning Center; (b) the existing traditional (room and board) hall facilities comprised of Mountain View Tower, the new Valley View Tower and Richards Hall, including the dining facilities for the students residing in each such facility known as The Junction; (c) the existing apartment style facilities comprised of Merrill Hall, Bullen Hall, Moen Hall, Greaves Hall, Reeder Hall and Snow Hall; (d) the existing apartment housing comprised of the 39 triad buildings known as Aggie Village, the 6 buildings known as West Stadium Villa and the 11 buildings known as the Townhouses; (e) the existing trailer court presently owned and operated by the University known as the Mobile Home Park; (f) all parking services; (g) the Taggart Student Center, including, but not limited to, the food services operations therein known as Quick Stop, The HUB, The Marketplace and The Skyroom, and the Bookstore and all other business operations in the Taggart Student Center; (h) the facilities to be constructed, remodeled or improved as part of the Family Student Housing Project, the Single Student Housing Project and the Taggart Student Center Addition Project described in and to be financed pursuant to the terms of the Resolution as supplemented by that certain Supplemental Resolution dated of even date with the Resolution, which authorizes and confirms the sale of the first two Series of Bonds under the Resolution; (i) the Quadside Café located on the first floor of the Merrill–Cazier Library; and (j) all other facilities financed as Projects under the Resolution together, in each instance, with all appurtenances and properties, real, personal and mixed, of every nature used or useful in connection with any of the above–described buildings and facilities while any of the Bonds authorized remain Outstanding, all in accordance with the provisions of the Resolution.

"Supplemental Resolution" means any resolution in full force and effect that has been duly adopted by the Board under the Act, but only if and to the extent that such Supplemental Resolution is adopted in accordance with the provisions of the Resolution.

"Utah Code" means the Utah Code Annotated 1953, as amended.

"Variable Rate Bonds" means, as of any date of calculation, Bonds the terms of which on such date of calculation are such that interest thereon for any future period of time is expressed to be calculated at a rate that is not susceptible of a precise determination.

"Year" means any period of twelve consecutive months.

PROVISIONS FROM MASTER RESOLUTION

General Provisions for the Issuance of Bonds

Whenever the Board shall determine to issue any Series of Bonds pursuant to the Master Resolution, the Board shall adopt a Supplemental Resolution specifying certain information required by the Master Resolution.

Special Provisions for the Issuance of Construction Bonds

(a) One or more Series of Construction Bonds payable on a parity with all Outstanding Bonds may be authenticated and delivered upon original issuance from time to time in such principal amount for each such Series as may be determined by the Board for the purpose of paying or providing for the payment of all or a portion of the Cost of Construction of a Project. Each such Series shall be in such principal amount that, when taken together with funds previously used or to be provided for such Project, will provide the University with funds not in excess of the estimated Cost of Construction of such Project, as set forth in the certificate of the Chief Financial Officer furnished as described in subparagraph (c)(i) below.

(b) Each Supplemental Resolution authorizing the issuance of a Series of Construction Bonds: (i) shall specify the Project for which the proceeds of such Series of Construction Bonds will be applied; (ii) shall provide a schedule of Principal Installments for such Series of Construction Bonds; and (iii) may require the University to deposit a specified amount of money from the proceeds of the sale of such Series of Construction Bonds into a Project Account in the Construction Fund to pay when due all or a portion of the interest on such Series of Construction Bonds accrued and to accrue to the Estimated Completion Date set forth in the certificate of the Chief Financial Officer delivered with respect to such Series of Construction Bonds as described in subparagraph (c) (i) below, plus not to exceed twelve (12) months.

(c) Each Series of Construction Bonds shall be authenticated and delivered by the Trustee only upon receipt by the Trustee (in addition to other documents required by the Resolution) of the following documents, all dated as of the date of such delivery (unless the Trustee shall accept any of such documents bearing a prior date):

(i) a certificate of the Chief Financial Officer setting forth the then Estimated Completion Date and the then estimated Cost of Construction of the Project being financed by such Series of Construction Bonds;

(ii) a written certificate of the University to the effect that, upon the authentication and delivery of the Bonds of such Series, the Board and the University will not be in default in the performance of any of the covenants, conditions, agreements. terms or provisions of the Resolution or of any of the Bonds, Contracts, Reserve Instrument Agreements or Security Instrument Agreements; and

(iii) a written certificate of the University that the Project under the Supplemental Resolution is to be made a part of the Student Housing System for all purposes of the Resolution, including the addition of the income, revenues and fees thereof to the Revenues derived from the remainder of the Student Housing System for purposes of the Resolution.

(d) Each Series of Construction Bonds shall be authenticated and delivered by the Trustee only upon receipt by the Trustee (in addition to other documents required by the Resolution) of the following documents, all dated as of the date of such delivery (unless the Trustee shall accept any of such documents bearing a prior date):

(i) an Accountant's Certificate setting forth (A) for any Year within the 24 calendar months next preceding the authentication and delivery of such Series of Bonds, the Net Revenues for such period, and (B) the Aggregate Debt Service during the Year so selected with respect to all Series of Bonds, Contracts and Repayment Obligations that were then Outstanding; and showing that such Net Revenues were at least equal to 110 times such Aggregate Debt Service for such period;

(ii) a certificate of the Chief Financial Officer setting forth the Estimated Net Revenues either: (A) if the Supplemental Resolution authorizing the Series of Bonds being issued contains the requirement (relating to the funding of interest during construction) referred to in clause (iii) of paragraph (b) above, for each of the three Fiscal Years succeeding the then Estimated Completion Date of the Project, or (B) if the conditions specified in clause (A) shall not be the case, for the then current Fiscal Year and each succeeding Fiscal Year to and including the third Fiscal Year succeeding the then Estimated Completion Date of the Project; and

(iii) a written certificate of the University showing the Average Aggregate Debt Service with respect to all Series of Bonds and all Contracts to be Outstanding calculated for each of the Fiscal Years set forth in the certificate of the Chief Financial Officer delivered pursuant to clause (ii) of this paragraph (d) and showing that the Estimated Net Revenues are not less than 1.10 times the Average Aggregate Debt Service calculated for each of such Fiscal Years with respect to all Series of Bonds and all Contracts to be Outstanding and the Repayment

Obligations that are anticipated to be Outstanding immediately after the authentication and delivery of such Series of Construction Bonds being issued.

(e) The proceeds, including accrued interest, of the Construction Bonds of each Series shall be applied simultaneously with the delivery of such Bonds, as follows:

(i) There shall be deposited into the Debt Service Account in the Principal and Interest Fund the amount of such proceeds representing accrued interest, if any;

(ii) There shall be deposited into the Construction Fund and the Debt Service Reserve Account in the Principal and Interest Fund, the amounts, if any, required by the Supplemental Resolution authorizing the issuance of such Series of Construction Bonds;

(iii) There shall be deposited in such other funds or accounts as may be required by the Supplemental Resolution such amounts, if any, as may be provided in the Supplemental Resolution authorizing the issuance of such Series of Construction Bonds; and

(iv) The balance of the proceeds of such Series of Construction Bonds shall be deposited in the appropriate Project Account in the Construction Fund.

Special Provisions for the Issuance of Refunding Bonds

(a) One or more Series of Refunding Bonds may be issued in such principal amount that, when taken together with funds otherwise provided by the Board or the University and available therefor, will provide the Board with funds sufficient for the purpose of refunding all or a part of the Outstanding Bonds of one or more Series or any other obligations of the University, including in each case the payment of all expenses in connection with such refunding and the funding of any debt service reserves.

(b) Each Supplemental Resolution authorizing the issuance of a Series of Refunding Bonds shall specify the Bonds or borrowing to be refunded.

(c) Each Series of Refunding Bonds shall be authenticated and delivered by the Trustee only upon receipt by the Trustee (in addition to other documents required by the Resolution) of the following documents, moneys or securities, all of such documents dated as of the date of such delivery:

(i) either (A) a written certificate of the University signed by the Chief Financial Officer setting forth the Aggregate Debt Service for each Fiscal Year to and including the Fiscal Year next preceding the date of the latest maturity of any Bonds of any Series or other obligations to be refunded or the Series of Bonds or other obligations to be authenticated, whichever is later, (I) with respect to the Bonds of each Series of Bonds or other obligations to be refunded and (II) with respect to the Series of Bonds or other obligations to be authenticated and delivered, and (1) stating that the Aggregate Debt Service for each such Fiscal Year set forth pursuant to clause (A)(II) is no greater than the sum of $50,000 plus the Aggregate Debt Service for each such Fiscal Year set forth pursuant to clause (A)(I) and (2) containing such additional statements as may be reasonably necessary to show compliance with the requirements of the Resolution or (B) the documents specified in paragraph (d) under the heading "Special Provisions for the Issuance of Construction Bonds" above as though the Series of Refunding Bonds to be authenticated and delivered were Construction Bonds (provided that for such purposes, the certificate of the Chief Financial Officer shall set forth Estimated Net Revenues for the current Fiscal Year and the next following two Fiscal Years);

(ii) irrevocable instructions to the Trustee, satisfactory to it, to give due notice of redemption of all the Bonds or other obligations to be refunded on the redemption date or dates specified in such instructions;

(iii) if any Bonds or other obligations to be refunded are not by their terms subject to redemption within the next succeeding sixty (60) days, irrevocable instructions to the Trustee, satisfactory to it, to mail the Notice of Defeasance described below under the heading "Discharge of Indebtedness" to the Owners of the Bonds or other obligations being refunded; and

(iv) either (A) moneys in an amount sufficient to effect payment at the applicable Redemption Price of the Bonds or other obligations to be refunded, together with accrued interest on such Bonds or other obligations to the redemption date, which moneys shall be held by the Trustee or any one or more of the Paying Agents (or a trustee or paying agent for any other obligation to be refunded, if any) in a separate account irrevocably in trust for and assigned to the respective Owners of the Bonds or other obligations to be refunded, or (B) Investment Securities in such principal amounts, of such maturities, bearing such interest and otherwise having such terms and qualifications and any moneys, as described below under the heading "Discharge of Indebtedness," which Investment Securities and moneys shall be held in trust and used only as described under such heading.

(v) If the Refunding Bonds to be issued are Cross–over Refunding Bonds, the Supplemental Resolution providing for the issuance of the Refunding Bonds shall also provide:

(A) That until the Cross–over Date neither principal of nor interest on the Cross–over Refunding Bonds shall be payable from or secured by a pledge of the Revenues, but shall be payable solely from the escrow provided for In compliance with Section 11–27–3 of the Utah Code; and

(B) There shall be filed with the Trustee an Accountant's Certificate demonstrating the sufficiency of the moneys and investments in the escrow provided for in compliance with Section 11–27–3 of the Utah Code to pay principal of and interest on the Cross–over Refunding Bonds to the Cross–over Date (which Cross–over Date may, at the option of the Board be extended as provided in the Supplemental Resolution providing for the issuance of the Cross–over Refunding Bonds, but only upon filing a revised Accountant's Certificate that demonstrates that the moneys and investments then in the escrow will be sufficient to pay principal of and interest on the Cross–over Refunding Bonds to the extended Cross–over Date).

(d) A Series of Refunding Bonds may be combined with a Series of Construction Bonds.

Provisions Relating to Contracts

(a) One or more Contracts may be entered into by the Board or the University pursuant to the provisions of the Act to pay for construction, operation and maintenance of facilities constituting a Project, and expenses preliminary and incidental thereto.

(b) Prior to the execution of a Contract, the Board and the University shall comply with the provisions described above under the heading "General Provisions for the Issuance of Bonds" and paragraph (b) under the heading "Special Provisions for the Issuance of Construction Bonds," to the extent applicable to a Contract, and paragraphs (b), (c) and (d) under the heading "Special Provisions for the Issuance of Construction Bonds" as if a Series of Bonds were being issued for the purpose of acquiring a Project within the meaning of the Resolution; notwithstanding the foregoing requirements, the Board and the University shall not be required to deposit moneys, or to commence a schedule of deposits, into any Subaccount in the Debt Service Reserve Account in the Principal and Interest Fund or into the Renewal and Replacement Reserve Fund with respect to any Contract executed by the Board or the University, unless so required by the provisions of the Supplemental Resolution authorizing the execution of such Contract. The Contract shall provide for all terms and conditions of payment of installments of principal and interest due under the Contract, which terms and conditions shall not be inconsistent with the provisions of the Resolution.

The Pledge Effected by the Resolution

(a) The Bonds, the Repayment Obligations and the Contracts are not an indebtedness of the State, the University or the Board but are special obligations payable only from and secured by the Revenues and funds pledged therefor. The following are pledged under the Resolution for the payment of Bond Payments, Repayment Obligations and principal and interest components of payments on the Contracts in accordance with their terms and the provisions of the Resolution, subject only to the provisions of the Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution: (i) the proceeds of sale of Bonds, (ii) the Revenues and (iii) all Funds established by the Resolution, including the investments, if any, of such proceeds, Revenues and other amounts in such Funds, subject to any required rebate of all or a portion of the earnings on such amounts and investments thereof to the United States of America pursuant to the requirements of Section 148 (1) of the Code.

(b) Any interest or benefit of a Reserve Instrument Issuer under or to be derived from the pledge described in paragraph (a) above shall be and is made under the Resolution subordinate to the interests and benefits of the Bondowners, Security Instrument Issuers and Contracting Parties thereunder or derived therefrom.

Establishment of Funds

(a) The following Funds are created and ordered established:

(i) Construction Fund, to be held by the Trustee;

(ii) Revenue Fund, to be held by the University, consisting of such Accounts or Subaccounts therein as the University shall deem appropriate and which shall be kept separate and apart from any other funds and accounts of the University;

(iii) Principal and Interest Fund, to be held by the Trustee, consisting of (A) a Debt Service Account in which the Trustee shall establish a separate Series Subaccount for each Series of Bonds, related Security Instrument Repayment Obligations and each Contract and (B) a Debt Service Reserve Account in which the Trustee shall establish a separate Series Subaccount for each Series of Bonds (and any related Reserve Instrument Repayment Obligations) and for each Contract for which a Debt Service Reserve Requirement has been established; and

(iv) Renewal and Replacement Reserve Fund, to be held by the Trustee.

(b) The Trustee may establish one or more separate and segregated Subaccounts within the Debt Service Account or the Debt Service Reserve Account from time to time as shall be requested by the University.

Construction Fund

(a) There shall be paid into the Construction Fund the amounts required to be so paid by the provisions of the Resolution or any Supplemental Resolution.

(b The Trustee shall establish within the Construction Fund a separate Project Account for each Project and may establish one or more Subaccounts in each Project Account as shall be requested by the University.

(c) The proceeds of insurance maintained in connection with a Project during the period of construction of such Project against physical loss of or damage to properties of the Student Housing System, or of contractors' performance bonds with respect thereto, pertaining to the period of construction thereof, shall be paid into the appropriate Project Account in the Construction Fund.

(d) Amounts in each Project Account in the Construction Fund established for a Project shall be applied to pay the Cost of Construction of the Project and, to the extent of amounts deposited into the Construction Fund pursuant to the Supplemental Resolution authorizing the particular Series of Bonds, shall be transferred from the Project Account and deposited into the Debt Service Account, to pay interest on the Bonds as the same comes due during construction of the Project and during a period ending not more than twelve (12) months after the Project is completed.

(e) Before any payment is made from any Project Account by the Trustee (except for transfers into the Debt Service Account to pay interest on the Bonds as contemplated in paragraph (d) above), there shall be filed with the Trustee a written request and written certificate of the University (i) showing with respect to each payment to be made, the name of the person to whom payment is due and the amount to be paid, (ii) certifying that the obligation to be paid was incurred and is a proper charge against the Project Account in the Construction Fund and (iii) satisfying any other condition with respect to payment of money from such Project Account as may be specified in a Supplemental Resolution.

(f) Each written request and written certificate of the University filed as described above shall be sufficient evidence to the Trustee that: (i) obligations in the stated amounts have been incurred by the University and each item thereof is a proper charge against the Construction Fund as a Cost of Construction; (ii) there has not been filed with or served upon the University notice of, and the University has obtained waivers with respect to, any lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable to any person named in such written request that has not been released or will not be released simultaneously with the payment of such obligation; and (iii) the University is, and after such payment will continue to be, in compliance with any requirements undertaken pursuant to any Security Instrument Agreement and Reserve Instrument Agreement entered into by the University with respect to the Revenues.

(g) Upon receipt of each such written request, the Trustee shall pay the amounts set forth therein as directed by the terms thereof.

(h) Amounts in the Construction Fund shall be invested and reinvested by the Trustee at the direction of the Chief Financial Officer to the fullest extent practicable in Investment Securities maturing in such amounts and at such times as may be necessary to provide funds when needed to pay the Cost of Construction of each Project or such other purpose to which such moneys are applicable. The Trustee may, and to the extent required for payments from the Construction Fund shall, sell any such Investment Securities at any time, and the proceeds of such sale and of all payments at maturity and upon redemption of such investments shall be held in the applicable Project Account in the Construction Fund.

(i) All net income earned on any moneys or investments in a Project Account established in the Construction Fund for a Project shall be held in such Project Account for the purposes thereof.

(j) The Completion Date of a Project shall be evidenced by a certificate of the Chief Financial Officer, which shall be filed with the Trustee as soon as practicable upon completion of the Project, stating (i) that such Project has been completed substantially in accordance with the plans and specifications applicable thereto, as from time to time amended, (ii) the date of such Completion Date and (iii) the amounts, if any, required in the opinion of the signer or signers for the payment of any remaining part of the Costs of Construction of such Project. Upon the filing of such certificate, the balance in the Project Account in the Construction Fund in excess of the amount, if any, stated in such certificate, and if, subsequent to the filing of such certificate, a supplemental certificate of the Chief Financial Officer is filed with the Trustee stating that the balance of the money remaining in the Construction Fund is no longer needed to pay Costs of Construction of such Project, any remaining balance in the Project Account in the Construction Fund shall, subject to any further limitations with respect to the application of the proceeds of a Series of Bonds that may be specified in the Supplemental Resolution authorizing such Series of Bonds, (1) be used to purchase Bonds as provided in the Resolution, (2) be deposited into the appropriate Series Subaccount in the Debt Service Account in the Principal and Interest Fund to be used to pay principal and interest on such Series of Bonds as the same become due and payable, (3) be deposited into the appropriate Series Subaccount in the Debt Service Reserve Account in the Principal and Interest Fund to the extent that the amount then on deposit therein is less than the applicable Debt Service Reserve Requirement or (4) be used for any combination of purposes described in the foregoing clauses.

Revenues and Revenue Fund; Payment of Operation and Maintenance Expenses

(a) All Revenues shall be promptly deposited by the University to the credit of the Revenue Fund, and to the appropriate Accounts and Subaccounts therein as the University shall establish.

(b) The Operation and Maintenance Expenses shall be paid by the University from time to time as they become due and payable from moneys in the Revenue Fund.

Flow of Funds

(a) After the deposit of Revenues in the Revenue Fund and subject to payment of the Operation and Maintenance Expenses from amounts in the Revenue Fund pursuant to paragraph (b) under the heading “Revenues and Revenue Fund; Payment of Operation and Maintenance Expenses” above in any case no later than the fifteenth (15th) day of the month next preceding each date on which any Principal Installment or interest on any Series of Bonds or Contract becomes due and payable, the Chief Financial Officer shall withdraw from the Revenue Fund, to the extent available, and deposit the following amounts of moneys or Investment Securities that mature or are redeemable at the option of the owner or holder thereof prior to the date when it is anticipated that the proceeds from such Investment Securities are to be required:

(i) First, into the Principal and Interest Fund:

(A) first, for credit to the Debt Service Account, the amount, if any, required so that the balance in each of the separate Series Subaccounts therein shall equal the Accrued Debt Service with respect to the Series of Bonds or Contract for which such Series Subaccount was established, excluding any Pledged Bonds but including any related Security Instrument Repayment Obligations; provided, that moneys shall be transferred from the appropriate Project Account in the Construction Fund and deposited into the appropriate Series Subaccount in the Debt Service Account whenever and to the extent that there are moneys in the appropriate Project Account in the Construction Fund for that purpose, in an amount sufficient to cause the balance in such Series Subaccount to equal the Accrued Debt Service; *provided, however*, if the moneys available in the Revenue Fund for transfer shall be insufficient to equal the Accrued Aggregate Debt Service on all such Outstanding Bonds (excluding any Pledged Bonds), Contracts and Security Instrument Repayment Obligations, the University shall deposit from the moneys so available in the Revenue Fund into each such Series Subaccount such amount on a pro rata basis that reflects the portion of the principal amount of each Series of Bonds, Contracts and Security Instrument Repayment Obligations then Outstanding to the aggregate principal amount of all such Series of Bonds, Contracts and Security Instrument Repayment Obligations then Outstanding; and

(B) second, for credit to the Debt Service Reserve Account:

(I) if any Reserve Instrument satisfying all or a portion of the Debt Service Reserve Requirement with respect to a Series of Bonds or a Contract has been terminated or is to expire pursuant to its terms, an amount, in not to exceed ten (10) approximately equal semiannual installments commencing on the fifteenth (l5th) day of the month next preceding each interest payment date of such Series of Bonds or each payment date on such Contract next succeeding the date of such termination or receipt by the University of notice of such expiration, necessary to cause the balance in the appropriate Series Subaccount in the Debt Service Reserve Account to equal the Debt Service Reserve Requirement with respect to such Series of Bonds; and

(II) if (1) moneys shall ever have been paid out of any Series Subaccount in the Debt Service Reserve Account for the purpose specified in clause (i) of paragraph (b) under the heading “Principal and Interest Fund–Debt Service Reserve Account” below, or (2) a draw on a Reserve Instrument shall have been made for the purpose specified in clause (ii) of paragraph (b) under the heading "Principal and Interest Fund–Debt Service Reserve Account," or (3) if for any other reason the fair market value of the moneys and Investment Securities in any Series Subaccount in the Debt Service Reserve Account shall have become less than the applicable Debt Service Reserve Requirement or the amount previously deposited therein pursuant to clause (I) above, then such amount of the money remaining in the Revenue Fund, or all of the money so remaining if less than the amount necessary, shall be deposited into such Series Subaccount until (x) there shall be on deposit in such Series Subaccount in the Debt Service Reserve Account the amount required to be paid to the Reserve Instrument Issuer pursuant to any Reserve Instrument Agreement in order to cause the Reserve Instrument Coverage to be reinstated in an amount to equal the Reserve Instrument Limit, and such amount shall be promptly paid to the Reserve Instrument Issuer, and (y) such additional amounts as necessary until the amount, if any, required to be deposited into such Series Subaccount in the Debt Service Reserve Account, after taking into account both the moneys on deposit therein and the Reserve Instrument Coverage applicable to such Bonds or Contracts, equals the Debt Service Reserve Requirement required to be on deposit in such Series Subaccount;

provided, however, if the moneys in the Revenue Fund are insufficient to make the required deposits into all Series Subaccounts in the Debt Service Reserve Account, the University shall deposit from the moneys so available into all such Series Subaccounts on a pro rata basis that reflects the proportion of the principal amount of each Series of Bonds and each Contract then Outstanding to the aggregate principal amount of all such Series of Bonds and Contracts; provided further, however, that so long as there shall be held in the Principal and Interest Fund, excluding any Reserve Instrument Coverage, an amount sufficient to pay in full all Outstanding Bonds, related Repayment Obligations and Contracts in accordance with their terms (including principal or applicable sinking fund Redemption Price and interest thereon), no deposits shall be required to be made into the Principal and Interest Fund; and

(ii) Second, into the Renewal and Replacement Reserve Fund:

(A) if, after the issuance of a Series of Bonds, an amount equal to the Renewal and Replacement Reserve Fund Requirement is not on deposit in the Renewal and Replacement Reserve Fund because sufficient moneys were not required by a Supplemental Resolution to be deposited into the Renewal and Replacement Reserve Fund, an amount sufficient to accumulate in the Renewal and Replacement Reserve Fund the Renewal and Replacement Reserve Fund Requirement in not to exceed ten (10) approximately equal semiannual installments;

(B) if the Renewal and Replacement Reserve Fund Requirement shall ever be increased, the amount specified in a Supplemental Resolution sufficient to cause the balance in the Renewal and Replacement Reserve Fund to equal the increased Renewal and Replacement Reserve Fund Requirement after ten (10) approximately equal semiannual deposits into the Renewal and Replacement Reserve Fund; and

(C) if moneys shall ever have been paid out of the Renewal and Replacement Reserve Fund and shall not have been replaced from any source, the amount of money necessary, in not to exceed ten (10) approximately equal semiannual installments, to cause the amount so paid out of the Renewal and Replacement Reserve Fund to be replaced, or to cause to be on deposit in the Renewal and Replacement Reserve Fund an amount equal to the Renewal and Replacement Reserve Fund Requirement, whichever is less.

(b) Amounts remaining in the Revenue Fund during a Fiscal Year after payment of the amounts described in paragraph (a) above for such Fiscal Year and the deposit of certain other amounts therein pursuant to the Resolution may be applied by the University, free and clear of the lien of the Resolution, to any one or more of the following, to the extent permitted by law: (i) the purchase or redemption of any Bonds and payment of expenses in connection with the purchase or redemption of any Bonds; (ii) payments of principal or redemption price of and interest on any bonds, including junior lien revenue bonds; (iii) payments into any Project Account or Accounts established in the Construction Fund for application to the purposes of such Accounts; (iv) payment of the costs of capital improvements to the Student Housing System; and (v) any other lawful purpose of the University.

(c) Upon any purchase or redemption, pursuant to paragraph (b) above, of Bonds of any Series and maturity for which Sinking Fund Installments shall have been established, the principal amount of such Bonds shall be credited toward such Sinking Fund Installments in such order as the University shall elect by providing the Trustee with a written request of the University making such election.

Principal and Interest Fund–Debt Service Account

(a) Each Supplemental Resolution providing for the issuance of a Series of Bonds or the execution of a Contract shall establish a separate Series Subaccount in the Debt Service Account for each such Series of Bonds issued or each such Contract executed, which Series Subaccount may be subdivided as provided in such Supplemental Resolution, Subject to the provisions of the Supplemental Resolution authorizing the issuance of any Series of Bonds, any payments made by a Security Instrument Issuer with respect to a Series of Bonds shall be deposited into the Series Subaccount relating to such Series of Bonds.

(b) The Trustee shall pay out of the appropriate Series Subaccount in the Debt Service Account to the respective Paying Agents: (i) on or before each interest payment date for the respective Bonds and Contracts, the amount required for the interest payable on such Bonds or Contracts on such date; (ii) on or before each Principal Installment due date, the amount required for the Principal Installment payable on such due date; and (iii) on or before any redemption date for such Bonds, the amount required for the payment of interest on and Redemption Price of the Bonds then to be redeemed. Such amounts shall be applied by the Paying Agents on and after the due dates thereof. The Trustee shall also pay out of the Debt Service Account the accrued interest included in the purchase price of Bonds purchased for retirement.

(c) Whenever there is a Security Instrument Repayment Obligation due and payable to any Security Instrument Issuer pursuant to the terms and provisions of a related Security Instrument Agreement, the Trustee shall pay out of the appropriate Series Subaccount in the Debt Service Account to such Security Instrument Issuer an amount equal to such Security Instrument Repayment Obligation. If payment is so made to a Security Instrument Issuer a corresponding payment on any Pledged Bonds held for the benefit of the Security Instrument Issuer shall not be paid, and the Trustee shall correct its records accordingly.

(d) Amounts accumulated in the Debt Service Account with respect to any Sinking Fund Installment (together with amounts accumulated therein with respect to interest on the Bonds for which such Sinking Fund Installment was established) shall, if so directed by the University in a written request of the University, on or prior to the sixtieth (60th) day preceding the due date of such Sinking Fund Installment, be applied by the Trustee to (i) the purchase of Bonds of the Series and maturity for which such Sinking Fund Installment was established, or (ii) the redemption at the applicable sinking fund Redemption Price, if applicable of such Bonds, if then redeemable by their terms, or (iii) any combination of purposes described in clauses (i) and (ii). All purchases of any Bonds pursuant to this paragraph (d) shall be made at prices not exceeding the applicable sinking fund Redemption Price of such Bonds plus accrued interest, and such purchases shall be made in such manner as the University shall direct the Trustee in a written certificate of the University filed with the Trustee. The applicable sinking fund Redemption Price (or principal amount of maturing Bonds) of any Bonds so purchased or redeemed shall be deemed to constitute part of the Debt Service Account until such Sinking Fund Installment due date, for the purpose of calculating the amount of such Account. As soon as practicable after the sixtieth (60th) day preceding the due date of any such Sinking Fund Installment, the Trustee shall proceed to call for redemption, on such due date Bonds of the Series and maturity for which such Sinking Fund Installment was established (except in the case of Bonds maturing on a Sinking Fund Installment due date) in such amount as shall be necessary to complete the retirement of the unsatisfied balance of such Sinking Fund Installment. The Trustee shall pay out of the Debt Service Account to the appropriate Paying Agents, on or before such redemption date (or maturity date), the amount required for the redemption of the Bonds so called for redemption (or for the payment of such Bonds then maturing), and such amount shall be applied by such Paying Agents to such redemption (or payment). All expenses in connection with the purchase or redemption of Bonds may be paid by the University as an Operation and Maintenance Expense.

Principal and Interest Fund–Debt Service Reserve Account

(a) Each Supplemental Resolution providing for the issuance of a Series of Bonds or the execution of a Contract by the University for which a Debt Service Reserve Requirement is established shall establish a separate Series Subaccount in the Debt Service Reserve Account for each such Series of Bonds or Contract.

(b) If on the fifteenth (l5th) day of the month next preceding each maturity date or payment date of the Bonds or Contracts or interest payment date of the Bonds or Contracts, the amount in any Series Subaccount in the Debt Service Account shall be less than the Accrued Debt Service on such Bonds or Contracts, the Trustee shall on such date: (i) transfer any money or investments from the appropriate Series Subaccount in the Debt Service Reserve Account to the corresponding Series Subaccount in the Debt Service Account to the extent necessary to eliminate any deficiency in such Series Subaccount in the Debt Service Account; and (ii) to the extent that moneys and investments in such Series Subaccount in the Debt Service Reserve Account are not sufficient to eliminate the deficiencies in the corresponding Series Subaccount in the Debt Service Account, immediately draw or make a demand for payment on any Reserve Instrument with respect to such Series of Bonds or Contract, up to the maximum extent authorized by such Reserve Instrument, in the amount necessary to make up such deficiency, and, subject to the provisions of the Supplemental Resolution authorizing such Series of Bonds or Contract, immediately deposit such payment upon receipt thereof in the appropriate Series Subaccount in the Debt Service Account.

(c) Whenever there is an unpaid Reserve Instrument Repayment Obligation, unless otherwise instructed in writing by a Security Instrument Issuer, which may be subrogated to the rights and interests of the Reserve Instrument Issuer under the Reserve Instrument Agreement, the Trustee shall, from moneys on deposit in the appropriate Series Subaccount in the Debt Service Reserve Account, repay all or such portion of such Reserve Instrument Repayment Obligation that may be repaid with the moneys so on deposit, in accordance with the terms and conditions of the Reserve Instrument Agreement.

(d) Whenever the moneys on deposit in any Series Subaccount in the Debt Service Reserve Account, including Reserve Instrument Coverage, shall exceed the Debt Service Reserve Requirement with respect to the Outstanding Bonds of the Series, including related Repayment Obligations, or Outstanding Contract, such excess shall be transferred by the Trustee and deposited into the related Series Subaccount in the Debt Service Account and credited against future amounts to be deposited therein from the Revenue Fund.

(e) Whenever the amount in the Debt Service Reserve Account (exclusive of any Reserve Instrument Coverage), together with the amount in the Debt Service Account, is sufficient to pay in full all Outstanding Bonds, Contracts and related Repayment Obligations in accordance with their terms (including principal and applicable Sinking Fund Installments and interest thereon), the funds on deposit in the Debt Service Reserve Account shall be transferred to the Debt Service Account. Prior to said transfer, all investments held in the Debt Service Reserve Account shall be liquidated. Any provision of the Resolution to the contrary notwithstanding, so long as there shall be held in the Principal and Interest Fund (exclusive of any Reserve Instrument Coverage) an amount sufficient to pay in full all Outstanding Bonds, Contracts and related Repayment Obligations in accordance with their terms (including principal or applicable Sinking Fund Installments and interest thereon), no deposits shall be required to be made into the Debt Service Reserve Account.

(f) In calculating the amount on deposit in any Series Subaccount in the Debt Service Reserve Account, the amount of the Reserve Instrument Coverage will be treated as an amount on deposit in such Series Subaccount in the Debt Service Reserve Account. A Reserve Instrument may be deposited into any Series Subaccount in the Debt Service Reserve Account to satisfy all or a portion of the Debt Service Reserve Requirement with respect to the Series of Bonds or Contract for which such Series Subaccount was established, and, upon such deposit, any moneys or Investment Securities in such Series Subaccount in excess of such Debt Service Reserve Requirement shall be deposited into the Revenue Fund.

(g) The value of any investments held in any Series Subaccount in the Debt Service Reserve Account shall be determined on the fair market value method of valuation. The Trustee shall determine on or before June 1 and December 1 of each year the value of any investments then held in each Series Subaccount in the Debt Service Reserve Account based on the fair market value of such investments as of each respective June 1 and December 1, except in the event of a withdrawal from any such Series Subaccount whereupon investments held in such Series Subaccount shall be valued immediately after such withdrawal and monthly thereafter until the amount in such Series Subaccount equals the applicable Debt Service Reserve Requirement. If the total value of such investments is less than the applicable Debt Service Reserve Requirement, then the Trustee shall immediately notify the University of such deficiency and the University shall cause to be deposited from Revenues an amount necessary to restore such Series Subaccount to the applicable Debt Service Reserve Requirement. If amounts on deposit in any Series Subaccount in the Debt Service Reserve Account shall, at any time, be less than the applicable Debt Service Reserve Requirement as a result of a withdrawal from such Series Subaccount, the Trustee shall immediately notify the University and the University shall cause to be deposited from Revenues an amount necessary to restore such Series Subaccount to the applicable Debt Service Reserve Requirement.

Renewal and Replacement Reserve Fund

(a) The amounts in the Renewal and Replacement Reserve Fund shall, from time to time, be applied upon the filing of a written request of the University with the Trustee, to the payment of extraordinary Operation and Maintenance Expenses and contingencies, including the prevention or correction of any unusual loss or damage to the Student Housing System to the extent not covered by the proceeds of insurance or other moneys recoverable as a result thereof.

(b) If on the fifteenth (l5th) day of the month next preceding each maturity date or payment date of the Bonds or Contracts or interest payment date of the Bonds or Contracts, the amount in any Series Subaccount in the Debt Service Account shall be less than the amount required to be in such Series Subaccount in the Debt Service Account, and the moneys transferred from the corresponding Series Subaccount in the Debt Service Reserve Account and the moneys available under any Reserve Instrument are not sufficient moneys to cure such deficiency, on such fifteenth (15th) day there shall be transferred from the Renewal and Replacement Reserve Fund and deposited into such Series Subaccount in the Debt Service Account the amount necessary (or all the moneys in the Renewal and Replacement Reserve Fund, if less than the amount necessary) to make up such deficiency: *provided, however*, if the moneys in the Renewal and Replacement Reserve Fund are insufficient to make up deficiencies in two or more Series Subaccounts in the Debt Service Account, the University shall deposit from the moneys so available in the Renewal and Replacement Reserve Fund into all such Series Subaccounts on a pro rata basis that reflects the proportion of the principal amount of each Series of Bonds and each Contract then Outstanding to the aggregate amount of all such Series of Bonds and Contracts then Outstanding.

(c) At the end of each Fiscal Year any balance of moneys or Investment Securities in the Renewal and Replacement Reserve Fund in excess of the Renewal and Replacement Reserve Fund Requirement and not required to meet any deficiency in any Series Subaccount in the Debt Service Account or Debt Service Reserve Account or needed for any of the purposes for which the Renewal and Replacement Reserve Fund was established, shall be transferred and deposited into the Revenue Fund.

Purchase of Bonds

The University may purchase any Bond, with the consent of the Owner thereof, from any available funds at public or private sale, as and when and at such prices as the University may in its discretion determine, but at a price excluding accrued interest not exceeding the principal amount thereof, or in the case of Bonds that by their terms are subject to redemption prior to maturity, at the then current or first applicable Redemption Price (excluding accrued interest), as the case may be. All Bonds so purchased shall at such times as shall be selected by the University be delivered to and canceled by the Trustee and shall thereafter be delivered to, or upon the order of, the Chief Financial Officer, and no Bonds shall be issued in place thereof. In the case of the purchase of Bonds of a Series and maturity for which Sinking Fund Installments shall have been established, the University shall, by a written request of the University delivered to the Trustee, elect the manner in which the principal amount of such Bonds shall be credited toward Sinking Fund Installments.

Rate Maintenance Covenant; Rules and Adequacy for Use of the Student Housing System

(a) The Board covenants that the University shall establish and maintain, so long as any of the Bonds, Contracts or Repayment Obligations remain Outstanding, such rules and such fees, rental rates and charges for the use of the Student Housing System as shall be necessary to (i) assure maximum occupancy and use of the same and the services afforded thereby, (ii) yield sufficient Revenues to pay the Operation and Maintenance Expenses and Debt Service, to maintain the minimum amounts required by the Resolution in the Debt Service Reserve Account and the Renewal and Replacement Reserve Fund and make all other payments and charges as are required under the Resolution. The Board further covenants that, so long as any of the Bonds, Contracts or Repayment Obligations remain Outstanding, there shall be charged against all users of services pertaining to and all users of the Student Housing System, including the Board and the University, the fees, rates and other charges so that the resulting Revenues shall be adequate to meet the requirements of the Resolution. Such charges, together with Student Building Fees and all other Revenues, shall yield at least the following amounts for each Fiscal Year:

(A) *Operation and Maintenance Expenses*. An amount equal to the annual Operation and Maintenance Expenses for such Fiscal Year;

(B) *Principal and Interest and Debt Service Reserve*. An amount equal to at least one hundred ten percent (110%) of the sum of (I) the Aggregate Debt Service for the Fiscal Year and (II) any amount required to be deposited by the University into any Series Subaccount in the Debt Service Reserve Account for such Fiscal Year as described above under the heading "Flow of Funds;" and

(C) *Deficiencies*. Other amounts required to meet then existing deficiencies or requirements pertaining to any other Fund or Account created under the Resolution and relating to the Revenues and the application thereof or any securities or obligations payable therefrom.

The Board and the University agree that should the annual financial report made in accordance with the provisions of the Resolution disclose that during the period covered by such financial report the Net Revenues were not at least equal to the requirement of clauses (B) and (C) above, the University shall revise, and to the extent necessary the Board shall cause such revision of, the schedule of fees, rental rates and charges as is practicable and the Operation and Maintenance Expenses so as to produce the necessary Net Revenues as required in the Resolution.

(b) The rate maintenance covenant in paragraph (a) above is subject to compliance by the University with any legislation of the United States or the State (exclusive of any legislation the subject matter of which is the appropriation of any of the Revenues) or any regulation or other action taken by the federal government or any State agency or political subdivision of the State pursuant to such legislation (exclusive of any legislation the subject matter of which is the appropriation of any of the Revenues), in the exercise of the police power thereof for the public welfare, which legislation (exclusive of any legislation the subject matter of which is the appropriation of any of the Revenues), regulation or action limits or otherwise inhibits the amounts of fees, rates and other charges due to the University for the use of or otherwise pertaining to all services rendered by the Student Housing System, including, without limitation, increases in the amounts of such charges. All of such Revenues, including any Revenues received from the University, shall be subject to distribution to the payment of the Operation and Maintenance Expenses and to the payment of Debt Service requirements of all Bonds, Contracts and Repayment Obligations and other obligations payable from the Revenues, including reasonable reserves therefor, as in the Resolution specifically provided.

(c) The Board also covenants that both it and the University will permit no waiver or waivers of collection of any fees, rates or charges pertaining to the Student Building Fees or the facilities of the Student Housing System that will, either singularly or in the aggregate, materially affect the University's ability to comply with its obligations under the Resolution. The University will promptly collect all charges due for Student Housing System use and service as the same become due and will at all times maintain and promptly and vigorously enforce its rights against any person who does not pay such charges when due. The Board covenants for the benefit of the Owners of the Bonds that neither the Board nor the University will unreasonably permit any free occupancy or use of any facilities of the Student Housing System.

(d) The Board and the University shall not surrender their rights to fix and maintain rates for services provided by the Student Housing System as provided in the Resolution.

(e) The Board and the University will at all times faithfully and punctually perform all duties with respect to the Student Housing System required by the Constitution and laws of the State and comply with all terms, covenants and provisions, express or implied, of all contracts and agreements entered into for Student Housing System use and services and all other contracts or agreements affecting or involving the Student Housing System or the business of the Board and the University with respect thereto.

First Lien Bonds; Equality of Liens

Subject to the payment of all necessary and reasonable Operation and Maintenance Expenses, each Series of Bonds, each Contract and each Security Instrument Repayment Obligation constitutes an irrevocable first lien (but not necessarily an exclusive first lien) upon the Revenues, except as expressly provided otherwise in the Resolution, and each is equitably and ratably secured by a first lien on the Revenues regardless of the time or times of the issuance thereof. It is intended that, except as expressly provided in the Resolution, there shall be no priority among the Bonds, Contracts and Security Instrument Repayment Obligations, regardless of the fact that they may be actually issued and delivered at different times.

Payment of Principal and Interest

The Board covenants that the University will promptly pay the principal or Redemption Price of and interest on every Bond, Contract and Repayment Obligation, in strict conformity with the Resolution and each Bond, Contract, Security Instrument Agreement and Reserve Instrument Agreement. The Bonds, Contracts and Repayment Obligations are not obligations, general, special or otherwise, of the State, do not constitute a debt, legal, moral or otherwise, of the State, and are not enforceable against the State, nor shall payment therefor be enforceable out of any funds of the Board or University other than the Revenues and Funds pledged thereto by the Resolution.

Performance of Covenants; Compliance with Resolution

The Board covenants that the University will faithfully perform at all times any and all covenants, undertakings. stipulations and provisions contained in the Resolution, and in any and every Bond and Contract executed, authenticated and delivered under the Resolution. The Board and the University will not issue, or permit to be issued, any Bonds or Contracts in any manner other than in accordance with the provisions of the Resolution and will not suffer or permit any default to occur under the Resolution. The Board and the University will make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of the Resolution, and for the better assuring and confirming unto the Owners of the Bonds, the Security Instrument Issuers and the Reserve Instrument Issuers of the rights, benefits and security provided in the Resolution. The Board for itself, its successors and assigns, represents, covenants and agrees with the Owners of the Bonds, the Security Instrument Issuers and the Reserve Instrument Issuers, as a material inducement to the purchase of the Bonds and the issuance of the Security Instruments and the Reserve Instruments, that the Board and the University will faithfully perform all of the covenants, agreements and obligations contained in the Resolution, the Bonds and the Contracts.

Construction of Projects

The Board covenants that, once it and the University have determined to commence a Project and the University has issued Bonds or executed a Contract with respect to such Project, the acquisition and construction of the Project shall commence and continue with all practicable dispatch and that such Project shall be constructed in a sound and economic manner.

Equipping of Projects

The Board covenants that, as soon as practicable, upon the completion of construction or acquisition of each Project, the University will, from the proceeds of the Bonds or from other revenues and funds of the University lawfully available therefor, equip and furnish the Project with all equipment and furnishings necessary for the use, occupancy and operation thereof.

Rules Concerning the Student Housing System

The Board covenants that the University shall establish and enforce reasonable rules and regulations governing the use, collection and application of the Revenues and the operation of the Student Housing System, that all compensation, salaries, fees and wages paid by the University in connection with the operation, maintenance and repair of the Student Housing System will be just and reasonable, that the buildings and facilities of the Student Housing System will at all times be maintained and operated continuously and in an efficient and economical manner, that the same will at all times be maintained in good repair and in sound operating condition and that all necessary repairs, renewals and replacements thereto and thereof will be made so that the business carried on in connection with the Student Housing System may at all times be properly and advantageously conducted in a manner consistent with prudent management and the rights and security of the Owners of the Bonds, Contracting Parties, Security Instrument Issuers and Reserve Instrument Issuers may be fully protected and preserved.

Maintenance of Paying Agents

The University shall cause the Trustee to pay to the Paying Agents, to the extent of the moneys held by the Trustee for such payment, funds for the prompt payment of the principal and Redemption Price of and interest on the Bonds or Contracts to be paid by such Paying Agent.

Payment of Operation and Maintenance Expenses

Notwithstanding any other provisions of the Resolution, nothing in the Resolution shall be construed to prevent the University from paying all or any part of the Operation and Maintenance Expenses from any funds available to the University for such purpose, or from depositing any funds available to the University for such purpose in any Fund or Account under the Resolution.

Payment of Taxes

The Board covenants that the University shall pay all taxes and assessments or other municipal or governmental charges lawfully levied or assessed upon the Student Housing System or upon any part thereof or upon any Revenues when the same shall become due, that no lien or charge upon the Student Housing System or any part thereof or upon any Revenues, except for the lien and charge thereon created under the Resolution and securing the Bonds. Contracts and Repayment Obligations, will be created or permitted to be created ranking equally with or prior to the Bonds, Contracts and Repayments Obligations, and that all lawful claims and demands for labor, materials, supplies or other objects that, if unpaid, might by law become a lien upon the Student Housing System or any part thereof or upon the Revenues, will be paid or discharged, or adequate provision will be made for the payment or discharge of such claims and demands within sixty (60) days after the same shall accrue; *provided, however*, that nothing in this paragraph contained shall require any such lien or charge to be paid or discharged or provision made therefor so long as the validity of such lien or charge shall be contested in good faith and by appropriate legal proceedings.

Insurance

(a) The Board covenants that the University shall insure and keep insured the buildings and facilities of the Student Housing System at all times to the full insurable value thereof, by a combination of self-insurance by the State and a policy or policies of insurance issued by a responsible insurance company or companies authorized and qualified under the laws of the State to assume the risks thereof, against physical loss or damage however caused with such exceptions as are ordinarily required by insurers carrying similar insurance until the Bonds, Contracts and Repayment Obligations secured under the Resolution and the interest thereon shall have been paid or provision for such payment shall have been made.

(b) The Board further covenants that (i) for each Project the University shall carry or cause to be carried insurance required to be carried by the State for construction contracts, and that any proceeds of such insurance shall be applied to the construction of the Project, and (ii) the University will procure and maintain, or cause to be procured and maintained, so long as any of the Bonds, Contracts or Repayment Obligations are Outstanding, (A) boiler insurance covering any boilers located in buildings constituting a part of the Student Housing System, in the minimum amount of $50,000, and (B) public liability insurance with amounts of not less than $100,000 for any one person and $300,000 for more than one person involving any one accident to protect the Board and the University from claims for bodily injury or death that may arise from operations of the Student Housing System, including any use or occupancy of the grounds, structures and vehicles of the Board or the University pertaining thereto.

(c) The Board further covenants that the University will carry with a responsible insurance company or companies authorized and qualified under the laws of the State to assume the risks thereof, business interruption insurance on all housing and dining facilities that from time to time constitute part of the Student Housing System or part thereof. Such insurance shall be in an amount determined by the University to be sufficient to provide a normal income therefrom, covering loss of income from the housing and dining buildings and facilities of the Student Housing System by reason of necessary interruption, total or partial, in the use or occupancy thereof resulting from damage to or destruction of any part thereof, however caused, with such exceptions as are ordinarily required by insurers carrying similar insurance; *provided, however*, that such insurance shall cover a period of suspension of at least twelve (12) months and that such insurance may exclude loss during the first seven (7) days of any total or partial interruption of use or occupancy; and provided, further, that if at any time the University shall be unable to obtain such insurance to the extent required in the Resolution, either as to the amount of such insurance or as to the risks covered thereby, it will not constitute an event of default under the provisions of the Resolution if the University shall carry such insurance to the extent reasonably obtainable. All policies providing business interruption insurance of the housing facilities and dining facilities shall be made payable to the University. Any proceeds of business interruption insurance shall be deposited by the University in the Revenue Fund and applied as described above under the heading "Flow of Funds."

(d) The University will secure and maintain adequate fidelity insurance or bonds on all officers and employees of the University handling or responsible for funds of or related to the Student Housing System.

(e) The insurance required as described under this heading "Insurance" may be effected by a combination of self-insurance of the State and overall blanket umbrella policies of the State or the University, with reasonable deductibles, but all such policies evidencing such insurance coverage shall be made payable to the University.

(f) Nothing described under this heading "Insurance" shall be construed in such manner as to result in making the Bonds, Contracts or Repayment Obligations an indebtedness of the Board or the University in violation of any constitutional or statutory limitation, and if it shall ever be held by any court of competent jurisdiction that any or all of the provisions described under this heading "Insurance" are invalid or that the enforcement of such provisions would make any Bonds, Contracts or Repayment Obligations invalid or unenforceable, such provisions shall be considered to be null and void.

Reconstruction of Student Housing System; Application of Insurance Proceeds

If any useful portion of the Student Housing System shall be damaged or destroyed, the University shall, as expeditiously as possible, continuously and diligently prosecute or cause to be prosecuted the reconstruction or replacement thereof, unless there is filed with the Trustee an Accountant's Certificate to the effect that such reconstruction or replacement is not in the interests of the University, the Bondowners and the Contracting Parties. The proceeds of any insurance paid on account of such damage or destruction, other than business interruption insurance or public liability insurance, shall, if the appropriate Project Account in the Construction Fund has not been closed, be paid into the Construction Fund, or if the Construction Fund has been closed, shall be held by the Trustee in a special account and made available for, and to the extent necessary applied to, the cost of such reconstruction or replacement, if any. Pending such application, such proceeds may be invested at the direction of the Chief Financial Officer in Investment Securities that mature not later than such times as shall be necessary to provide moneys when needed to pay such cost of reconstruction or replacement. Any balance of such proceeds of insurance shall be applied in the same manner as described in paragraph (j) under the heading "Construction Fund."

Sale or Other Disposition of Property

(a) So long as any Bonds, Contracts or Repayment Obligations remain Outstanding, the University will not sell or otherwise dispose of any property essential to the proper operation of the Student Housing System or the maintenance of the Revenues, provided that this covenant shall not be construed to prevent the disposal by the University of property that in the University's judgment has become inexpedient to use in connection with the Student Housing System when other property of equal value is substituted therefor; *provided* further that this covenant shall not apply to the sale or other disposition of any property constituting part of the Student Housing System if there shall first be filed with the Trustee a written certificate of the University, supported by an accompanying Accountant's Certificate, that demonstrates that immediately subsequent to such sale or disposition, and after giving effect to the loss of Revenues (including any change in Operation and Maintenance Expenses), if any, resulting from such sale or other disposition for the remainder of the Fiscal Year in which such sale or other disposition is consummated and in the next succeeding Fiscal Year, the Estimated Net Revenues of the Student Housing System will be not less than 1.20 times the Aggregate Debt Service for each of such Fiscal Years. The University will not enter into any lease or agreement that impairs or impedes the operation of the Student Housing System or that impairs or impedes the rights of the Bondowners. Contracting Parties, Security Instrument Issuers and Reserve Instrument Issuers with respect to the Revenues. The Trustee shall have no responsibility with respect to any such leases or agreements entered into by the University.

(b) The Board and the University will not create, and will use their best efforts to prevent the creation of, any mortgage or lien upon the Student Housing System, any part thereof or any property essential to the proper operation of the Student Housing System or to the maintenance of the Revenues.

(c) The Board and the University will not create, or permit the creation of, any pledge, lien, charge or encumbrance upon the Revenues except only as provided in or permitted by the Resolution.

No Reduction in Revenues

The Board covenants on behalf of the University that no additional dormitory, dining hall or other buildings and facilities will be constructed at the University or any other action taken if such construction or action will result in a reduction in the Revenues of the buildings and facilities of the Student Housing System, and that no contracts will be entered into or any action taken by which the rights of the Trustee, the Bondowners, the Contracting Parties, any Security Instrument Issuer or any Reserve Instrument issuer might be impaired or diminished while any Bonds, Contracts or Repayment Obligations are Outstanding under the Resolution.

Eminent Domain

If all or any part of the Student Housing System shall be taken by eminent domain proceedings or conveyance in lieu thereof, the net proceeds realized by the University therefrom shall be deposited with the Trustee in a special fund in trust and shall be applied and disbursed by the Trustee subject to the following conditions:

(a) If such funds are sufficient to provide for the payment of the entire amount of principal due or to become due upon all of the Bonds and Contracts, together with all of the interest due or to become due thereon and any redemption premiums thereon, so as to enable the Board to retire all of the Bonds and Contracts then Outstanding, either by call and redemption at the then current Redemption Prices or by payment at maturity or partly by redemption prior to maturity and partly by payment at maturity, the Trustee shall apply such moneys to such retirement and to the payment of such interest and other obligations. Pending the application of such proceeds for such purpose, such moneys shall be invested by the Trustee in the manner provided in the Resolution for investment of moneys in the Debt Service Reserve Account in the Principal and interest Fund. The balance of such moneys, if any, shall be transferred to the University.

(b) if such proceeds are insufficient to provide the moneys required for the purposes set forth in paragraph (a) above, the University shall file or cause to be filed with the Trustee a written request of the University requesting the Trustee to apply such proceeds for one of the following purposes:

(i) If such written request of the University requests the Trustee to apply such proceeds to the purchase, redemption or retirement of Bonds and Contracts, the Trustee shall apply such proceeds to the purchase, redemption or retirement of Bonds and Contracts then Outstanding. If more than one Series of Bonds and Contracts is then Outstanding, such proceeds shall be applied pro rata to the purchase. redemption or retirement of the Bonds of each Series of Bonds and Contracts in the proportion that the principal amount of Bonds of each such Series and Contracts then Outstanding bears to the aggregate principal amount of all Bonds and Contracts then Outstanding. Pending the application of such proceeds for such purpose, such moneys shall be invested by the Trustee in the manner provided in the Resolution for the investment of moneys in the Debt Service Reserve Account in the Principal and Interest Fund.

(ii) If such written request requests the Trustee to deliver such proceeds to the University to apply to the cost of additions, betterments, extensions or improvements to the Student Housing System, the University shall also file or cause to be filed with the Trustee a written certificate of the University, supported by an Accountant's Certificate and a certificate of the Chief Financial Officer, showing the loss in annual Revenues, if any, suffered, or to be suffered, by the University by reason of such eminent domain proce1ings, together with a general description of the additions, betterments, extensions or improvements to the Student Housing System then proposed to be acquired or constructed by the University from such proceeds. If. in the opinion of the University (evidenced by the written certificate of the University), which shall be final, the additional Revenues to be derived from such additions, betterments, extensions or improvements will sufficiently offset the loss of Revenues resulting from such eminent domain proceedings so that the ability of the University to meet its obligations under the Resolution will not be substantially impaired, the Trustee shall pay such proceeds to the University. The University shall hold such proceeds in a special account in trust and apply them to the acquisition or construction of the additions, betterments, extensions or improvements substantially in accordance with the certificate of the Chief Financial Officer that supported the written certificate of the University. Any balance of such proceeds not required by the University for the purposes aforesaid shall be deposited into the Revenue Fund.

(iii) If such written request requests the Trustee to deposit such proceeds into the Revenue Fund upon the ground that such eminent domain proceedings have had no effect, or at the most a relatively immaterial effect, upon the security of the Bonds or Contracts, the University shall also file or cause to be filed with the Trustee an Accountant's Certificate stating that such eminent domain proceedings have not substantially impaired or affected the operation of the Student Housing System or the ability of the University to meet all of its obligations under the Resolution with respect to the payment of the Bonds. Upon receipt of such written request and such Accountant's Certificate, the Trustee shall deposit such proceeds into the Revenue Fund.

Amendments Permitted

(a) The Resolution or any Supplemental Resolution and the rights and obligations of the Board, the University, the Owners of the Bonds and the Contracting Parties may be modified or amended at any time by a Supplemental Resolution and with the prior written consent, (i) of the Contracting Parties and Owners of at least 60% in principal amount of the Contracts and Bonds then Outstanding, and (ii) in case less than all of the several Series of Bonds then Outstanding or less than all of the Contracting Parties are affected by the modification or amendment, of the Owners of at least 60% in principal amount of the Bonds of each Series or the Contracting Parties so affected and then Outstanding, and (iii) in case the modification or amendment changes the terms of any Sinking Fund Installment, of the Owners of 100% in principal amount of the Bonds of the particular Series and maturity entitled to such Sinking Fund Installment and then Outstanding; *provided, however*, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified Series or any Contracts remain Outstanding, the consent of the Contracting Parties or the Owners of Bonds of such Series shall not be required and the Bonds of such Series and Contracts shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds. No such modification or amendment shall (A) extend the fixed maturity of any Bond or Contract, or reduce the principal amount or Redemption Price thereof, or reduce the rate or extend the time of payment of interest thereon, without the consent of the Owners of each such Bond or Contracting Party so affected, or (B) reduce the aforesaid percentage of Bonds or Contracts required for the affirmative vote or written consent to an amendment or modification of the Resolution, without the consent of the Owners of all of the Bonds and the Contracting Parties under all Contracts then Outstanding, or (C) without its written consent thereto, modify any of the rights or obligations of the Trustee. If a Security Instrument or a Reserve Instrument is in effect with respect to any Series of Bonds Outstanding and if a proposed modification or amendment would affect such Series of Bonds, then, except as described in paragraph (b) below, neither the Resolution nor any Supplemental Resolution with respect to such Series of Bonds shall be modified or amended at any time without the prior written consent of the related Security Instrument Issuer or the related Reserve Instrument Issuer, as the case may be. Notwithstanding any provisions of the Resolution to the contrary, a Supplemental Resolution providing for the issuance by a Security Instrument Issuer of a Security Instrument in connection with a Series of Bonds issued under the Resolution may provide, among other provisions, that the Security Instrument Issuer shall at all times, so long as the Series of Bonds remain Outstanding and the Security Instrument Issuer is not in default under the Security Instrument Agreement, be deemed to be the exclusive owner of all of the Bonds of such Series for the purpose of consenting to the execution and delivery of a Supplemental Resolution described in this paragraph (a).

(b) The Resolution or any Supplemental Resolution and the rights and obligations of the Board, the University, the Owners of the Bonds, the Contracting Parties, the Security Instrument Issuers and the Reserve Instrument Issuers may also be modified or amended at any time by a Supplemental Resolution, without the consent of any Bondowner, Contracting Party, Security Instrument Issuer or Reserve Instrument Issuer, but only to the extent permitted by law and only for any one or more of the following purposes:

(i) to add to the covenants and agreements of the Board and the University in the Resolution contained, other covenants and agreements thereafter to be observed, or to surrender any right or power reserved to or conferred upon the Board or the University in the Resolution;

(ii) to make such provisions for the purpose of curing any ambiguity, or of curing or correcting any defective provision contained in the Resolution or in regard to questions arising under the Resolution, as the University may deem necessary or desirable, and that shall not adversely affect the interests of the Owners of the Bonds, the Contracting Parties, the Security Instrument Issuers or the Reserve Instrument Issuers;

(iii) to provide for the issuance of a Series of Bonds or the execution of a Contract, and to provide the terms and conditions under which such Series of Bonds may be issued or Contract executed;

(iv) to provide for the issuance of the Bonds pursuant to a book–entry system or as uncertificated registered public obligations pursuant to the provisions of the Registered Public Obligations Act, Chapter 7 of Title 15 of the Utah Code;

(v) to make any change that shall not materially adversely affect the rights or interests of the Owners of the Bonds, any Contracting Party, any Security Instrument Issuers or any Reserve Instrument Issuers, requested by a rating agency in order to obtain or maintain any rating on the Bonds; and

(vi) to make any change necessary (A) to establish or maintain the excludability from gross income for federal income tax purposes of interest on any Series of Bonds as a result of any modifications or amendments to Section 148 of the Code or interpretations by the Internal Revenue Service of Section 148 of the Code or of regulations proposed or promulgated thereunder, or (B) to comply with the provisions of Section 148(f) of the Code, including provisions for the payment of all or a portion of the investment earnings of any of the Funds established under the Resolution to the United States of America.

Such Supplemental Resolution shall become effective as of the date of its adoption or such later date as shall be specified in such Supplemental Resolution.

Amendment by Written Consent

To the extent an amendment is permitted by the Resolution, the Board may at any time adopt a valid Supplemental Resolution amending the provisions of the Bonds, a Contract, the Resolution or any Supplemental Resolution to become effective when and as approved by written consent of the Bondowners and the Contracting Parties as described in this paragraph. Such Supplemental Resolution shall not be effective unless there shall have been filed with the University and the Trustee the written consents of the necessary number of Owners of the Bonds and Contracting Parties under the Contracts then Outstanding and a notice shall have been mailed as described in this paragraph. It shall not be necessary for the consent of the Bondowners and the Contracting Parties to approve the particular form of any proposed Supplemental Resolution, but it shall be sufficient if such consent shall approve the substance thereof. Each such consent of a Bondowner shall be effective only if accompanied by proof of ownership of the Bonds for which such consent is given. Any such consent shall be binding upon the Owner of the Bonds giving such consent and on any subsequent Owner thereof (whether or not such subsequent Owner has notice thereof) unless such consent is revoked in writing by the Owner of the Bonds giving such consent or, in the case of a Bondowners consent, a subsequent Owner thereof by filing such revocation with the University prior to the date when the notice described in the next sentence has been mailed. Notice of the fact of the adoption of such Supplemental Resolution shall be mailed by the Trustee to Bondowners and Contracting Parties (but failure to mail copies of such notice shall not affect the validity of the Supplemental Resolution when assented to by the requisite percentage of the Owners of the Bonds and Contracting Parties as aforesaid).

Disqualified Bonds

Bonds owned or held by or for the account of the Board or the University shall not be deemed Outstanding for the purpose of any consent or other action or any calculation of Outstanding Bonds for purposes of amending the Resolution, and shall not be entitled to consent to, or to take, any other action with respect thereto. Any Pledged Bonds shall be deemed Outstanding and, for the purposes of any consent, shall be considered to be owned by the appropriate Security Instrument Issuer.

Effect of Modification or Amendment

When any Supplemental Resolution modifying or amending the provisions of the Resolution or any Supplemental Resolution shall become effective, the Resolution or such Supplemental Resolution shall be and be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under the Resolution or such Supplemental Resolution of the Board, the University, the Trustee, the Contracting Parties, any Security Instrument Issuer, any Reserve Instrument Issuer and all Owners of Bonds Outstanding under the Resolution shall thereafter be determined, exercised and enforced under the Resolution, subject in all respects to such modification and amendment. All the terms and conditions of any such Supplemental Resolution shall be and be deemed to be part of the terms and conditions of the Resolution or such Supplemental Resolution for any and all purposes.

Events of Default

If one or more of the following events occur, it is declared by the Resolution to constitute an "event of default:"

(a) failure to make the due and punctual payment of the principal or Redemption Price of any Bond or Contract when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption, by declaration or otherwise;

(b) failure to make the due and punctual payment of any installment of interest on any Bond or Contract or any Sinking Fund Installment when and as such interest installment or Sinking Fund Installment shall become due and payable;

(c) failure by the Board or the University to observe any of the covenants, agreements or conditions on its part in the Resolution or in the Bonds or Contracts contained, and failure to remedy the same for a period of sixty (60) days after written notice thereof, specifying such failure and requiring the same to be remedied, shall have been given to the Board and the University by the Trustee, or to the Board, the University and the Trustee by Contracting Parties and Owners of not less than twenty–five percent (25%) in aggregate principal amount of the Bonds and Contracts at the time Outstanding;

(d) bankruptcy, reorganization. arrangement, insolvency or liquidation proceedings, including without limitation proceedings under Chapter 9 of 11 U.S.C. (as the same may from time to time be hereafter amended), or other proceedings for relief under any Federal or state bankruptcy law or similar law for the relief of debtors are instituted by the University;

(e) any event of default specified in a Supplemental Resolution;

(f) failure to make the due and punctual payment of the purchase price of any put bond when and as such purchase price shall become due and payable;

(g) failure to make the due and punctual payment of any Security Instrument Repayment Obligations or Security Instrument Costs when and as the same shall become due and payable under the provisions of any Security Instrument Agreement; or

(h) receipt by the Trustee of a written notice from a Security Instrument Issuer that an event of default, however defined in the Security Instrument Agreement to which such Security Instrument Issuer is a party, has occurred and is continuing under such Security Instrument Agreement.

Acceleration

(a) Upon the occurrence of an event of default, unless the principal of all the Bonds and Contracts shall have already become due and payable, (i) the Trustee may, or (ii) the Trustee shall, if an event of default shall have occurred under the provisions of a Supplemental Resolution specifying such event of default and requiring acceleration upon occurrence of such event of default as described under this heading "Acceleration," or (iii) the Owners and Contracting Parties of not less than twenty–five percent (25%) in aggregate principal amount of the Bonds and Contracts at the time Outstanding shall be entitled, upon notice in writing to the University and the Trustee, or (iv) the Trustee shall, upon notice by a Security Instrument Issuer that an event of default described in paragraph (g) under the heading "Events of Default" above has occurred and is continuing, or (v) the Trustee shall, if an event of default shall have occurred as described in paragraph (h) under the heading "Events of Default" and the Security Instrument Agreement under which such event of default arises requires acceleration upon the occurrence of such event of default under this heading "Acceleration," or (vi) the Trustee shall, if an event of default shall have occurred as described in paragraph (e) under the heading "Events of Default" and the Supplemental Resolution specifying such event of default requires acceleration upon occurrence of such event of default as described under this heading "Acceleration," declare the principal of all of the Bonds and Contracts then Outstanding, and the interest accrued thereon, to be due and payable immediately. Upon such declaration the same shall become and shall be immediately due and payable, anything in the Resolution or in the Bonds or Contracts contained to the contrary notwithstanding.

(b) The right of the Trustee or of the Owners and Contracting Parties of not less than twenty–five percent (25%) in aggregate principal amount of the Bonds and Contracts at the time Outstanding to make any such declaration as aforesaid, however, is subject to the condition that:

(i) if, at any time after such declaration, all overdue installments of interest upon the Bonds and Contracts, together with the reasonable and proper charges, expenses and liabilities of the Trustee, and all other sums then payable by the University under the Resolution (except the principal of and interest accrued since the next preceding interest payment date on the Bonds and Contracts due and payable solely by virtue of such declaration) shall either be paid by or for the account of the University or provision satisfactory to the Trustee shall be made for such payment, and all defaults under the Bonds and Contracts or under the Resolution (other than the payment of principal and interest due and payable solely by reason of such declaration) shall be made good or be secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall be made therefor;

(ii) if. at any time after such declaration, no event of default, however defined in any Security Instrument Agreement, has occurred and is continuing under such Security Instrument Agreement;

(iii) if the amount available to be drawn by the Trustee under each Reserve Instrument is then equal to the Reserve Instrument Limit;

(iv) if any other requirement specified in a Supplemental Resolution shall have been satisfied and if any Security Instrument then in effect with respect to the Bonds has been reinstated to the fullest amount possible with respect to such Bonds pursuant to the terms and provisions of the related Security Instrument Agreement; and

(v) if any other requirement specified in a Supplemental Resolution shall have been satisfied; then and in every such case the Owners and Contracting Parties of not less than fifty percent (50%) in aggregate principal amount of the Bonds and Contracts at the time Outstanding, by written notice to the University and to the Trustee, may rescind such declaration and annul such default in its entirety, or, if the Trustee shall have acted without a direction from the Owners and Contracting Parties of not less than twenty–five percent (25%) in aggregate principal amount of the Bonds and Contracts at the time Outstanding at the time of such request, and if there shall not have been theretofore delivered to the Trustee written direction to the contrary by the Owners and Contracting Parties of not less than fifty percent (50%) in aggregate principal amount of the Bonds and Contracts then Outstanding, then any such declaration shall ipso facto be deemed to be rescinded, and any such default and its consequences shall ipso facto be deemed to be annulled, but no such rescission and annulment shall extend to or affect any subsequent default or impair or exhaust any right or power consequent thereon.

Accounting and Examination of Records After Default

The Board covenants that if an event of default shall have happened and shall not have been remedied, the books of record and accounts of the Board and the University and all other records of the Board and the University relating to the Student Housing System shall at all times be subject to the inspection and use of the Trustee and of its agents and attorneys. The Board covenants that if an event of default shall happen and shall not have been remedied, the University, upon demand of the Trustee, will account as if it were the trustee of an express trust for all Revenues and other moneys, securities and funds pledged or held by the University under the Resolution for such period as shall be stated in such demand.

Application of Revenue and Other Moneys After Default

(a) During the continuance of an event of default, the Trustee shall apply such Revenues and such moneys, securities and funds and the income therefrom as follows and in the following order:

(i) to the payment of the reasonable and proper charges and expenses of the Trustee and the reasonable fees and disbursements of its counsel;

(ii) to the payment of the Operation and Maintenance Expenses;

(iii) to the payment of the interest and principal or Redemption Price then due on the Bonds, the Contracts and Security Instrument Repayment Obligations, as follows:

(A) unless the principal of all of the Bonds shall have become or have been declared due and payable,

FIRST: To the payment to the persons entitled thereto of all installments of interest then due on the Bonds, the Contracts and the Security Instrument Repayment Obligations in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto. without any discrimination or preference; and

SECOND: To the payment to the persons entitled thereto of the unpaid principal or Redemption Price of any Bonds, Contracts and Security Instrument Repayment Obligations that shall have become due, whether at maturity or by call for redemption, in the order of their due dates, and, if the amount available shall not be sufficient to pay in full all the Bonds, Contracts and Security Instrument Repayment Obligations due on any date, then to the payment thereof ratably, according to the amounts of principal or Redemption Price due on such date, to the persons entitled thereto, without any discrimination or preference.

(B) if the principal of all of the Bonds and Contracts shall have become or have been declared due and payable, to the payment of the principal and interest then due and unpaid upon the Bonds, Contracts and Security Instrument Repayment Obligations without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond, Contract or Security Instrument Repayment Obligation over any other Bond, Contract or Security Instrument Repayment Obligation, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference; and

(iv) to the payment of all obligations owed to any Reserve Instrument Issuer, ratably, according to the amounts due to each such Issuer without discrimination or preference;

provided, however, that: (A) moneys received under any Security Instrument or held in any Subaccount in the Debt Service Account in the Principal and Interest Fund shall not be used for purposes other than payment of the interest and principal or Redemption Price then due on the Series of Bonds secured by such Security Instrument or the Series of Bonds or Contract for which such Subaccount in the Debt Service Account was established, in accordance with clause (iii) above; and (B) moneys received under any Reserve Instrument or held in any Subaccount in the Debt Service Reserve Account in the Principal and Interest Fund shall not be used for purposes other than payment of the interest and principal or Redemption Price then due on the Series of Bonds secured by such Reserve Instrument or the Series of Bonds or Contract for which such Subaccount in the Debt Service Reserve Account was established, in accordance with clause (iii) above,

(b) If and whenever all overdue installments of interest on all Bonds, Contracts and Repayment Obligations, together with the reasonable and proper charges and expenses of the Trustee, and all other sums payable by the University under the Resolution, including the principal and Redemption Price of and accrued unpaid interest on all Bonds, Contracts and Repayment Obligations that shall then be payable by declaration or otherwise, shall either be paid by or for the account of the University, or provision satisfactory to the Trustee shall be made for such payment, and all defaults under the Resolution or the Bonds and Contracts shall be made good or secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall be made therefor, and the Security Instrument Repayment Obligations shall be made good or secured to the satisfaction of the Security Instrument Issuers or provision deemed by the Security Instrument Issuers to be adequate shall be made therefor, and the Reserve Instrument Repayment Obligations shall be made good or secured to the satisfaction of the Reserve Instrument Issuers or provision deemed by the Reserve Instrument Issuers to be adequate shall be made therefor, the Trustee shall pay over to the University all such Revenues then remaining unexpended in the hands of the Trustee (except Revenues deposited or pledged, or required by the terms of the Resolution to be deposited or pledged, with the Trustee). Thereupon the Board, the University and the Trustee shall be restored, respectively, to their former positions and rights under the Resolution, and all Revenues shall thereafter be applied as provided in the Resolution. No such payment over to the University by the Trustee or resumption of the application of Revenues as provided in the Resolution shall extend to or affect any subsequent default under the Resolution or impair any right consequent thereon.

Rights and Remedies of Bondowners and Contracting Parities

(a) Except as otherwise provided in a Supplemental Resolution, no Owner of any Bond or Contracting Party shall have any right to institute any proceeding, judicial or otherwise, with respect to the Resolution, or for the appointment of a receiver or trustee, or for any other remedy under the Resolution, unless:

(i) such Owner or Contracting Party has previously given written notice to the Trustee of a continuing event of default;

(ii) the Contracting Parties and Owners of not less than 25% in principal amount of the Contracts and Bonds at the time Outstanding shall have made written request to the Trustee to institute proceedings in respect of such event of default in its own name as Trustee under the Resolution;

(iii) such Owner or Owners or Contracting Party or Contracting Parties have offered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request;

(iv) the Trustee for sixty (60) days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceedings; and

(v) no direction inconsistent with such written request has been given to the Trustee during such sixty (60) day period by the Owners and Contracting Parties of a majority in principal amount of the Bonds and Contracts at the time Outstanding;

it being understood and intended that no one or more Owners of Bonds or Contracting Party shall have any right in any manner whatever by virtue of, or by availing of, any provision of the Resolution to affect, disturb or prejudice the rights of any other Owner of Bonds or Contracting Party or to obtain or to seek to obtain priority or preference over any other Owner or Contracting Party or to enforce any right under the Resolution, except in the manner provided in the Resolution and for the equal and ratable benefit of all the Owners of Bonds and Contracting Parties; and it being further understood and intended that no one or more Owners of Bonds shall have any right whatever to draw directly upon any Security Instrument or Reserve Instrument and that any draws upon any Security Instrument and Reserve Instrument must be strictly in accordance with the provisions of the Resolution.

(b) Notwithstanding any other provision in the Resolution, each Contracting Party and the Owner of any Bond shall have the right that is absolute and unconditional to receive payment of the principal and Redemption Price of, and interest on, such Bond on the stated maturity expressed in such Bond (or, in the case of redemption, on the redemption date of such Bond) and to institute suit for the enforcement of any such payment, and such right shall not be impaired without the consent of such Owner or Contracting Party.

(c) The Contracting Parties and the Owners of a majority in principal amount of the Contracts and Bonds at the time Outstanding shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee, provided that:

(i) such direction shall not be in conflict with any rule of law or the Resolution;

(ii) the Trustee shall not determine that the action so directed would be unjustly prejudicial to the Owners not taking part in such direction; and

(iii) the Trustee may take any other action consistent with such direction.

Appointment of Receiver

Upon the occurrence of an event of default, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee, the Bondowners and the Contracting Parties, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the trust estate created under the Resolution, including, without limitation, the proceeds of the sale of the Bonds, the Revenues and the Funds, including the investments, if any, thereof, pending such proceedings, with such powers as a court making such appointments shall confer.

Non–Waiver

Nothing in the Resolution or in the Bonds or in the Contracts shall (a) affect or impair the obligation of the University, which is absolute and unconditional, to pay the principal and Redemption Price of and interest on the Bonds, Contracts and Repayment Obligations to the respective Owners of the Bonds, Contracting Parties, Security Instrument Issuers and Reserve Instrument Issuers at the respective dates of maturity, or upon call for redemption, as provided in the Resolution from the Revenues and other moneys, securities and Funds pledged in the Resolution for such payment, or (b) affect or impair the right of action, which is also absolute and unconditional, of such Owners, Contracting Parties, Security Instrument Issuers and Reserve Instrument Issuers, as appropriate, to institute suit to enforce such payment by virtue of the contract embodied in the Bonds, Contracts, Security Instrument Agreements and Reserve Instrument Agreements. No delay or omission of the Trustee or of any Contracting Party or Owner of the Bonds or, with respect to Repayment Obligations, of any Security Instrument Issuer or any Reserve Instrument Issuer, as appropriate, to exercise any right or power arising upon the happening of any event of default shall impair any such right or power or shall be construed to be a waiver of any such event of default or an acquiescence therein. The powers and remedies given to the Trustee the Owners of Bonds or the Contracting Parties with respect to events of default and the remedies of Bondowners, may be exercised from time to time and as often as shall be deemed expedient by the Trustee, the Owners of the Bonds, the Contracting Parties or, with respect to Repayment Obligations, of any Security Instrument Issuer or any Reserve Instrument Issuer, as appropriate, may be exercised from time to time and as often as shall be deemed expedient by the Trustee, the Contracting Parties, the Owners of the Bonds and the Security Instrument Issuers and Reserve Instrument Issuers.

Remedies Not Exclusive

No remedy conferred in the Resolution upon or reserved to the Trustee, the Contracting Parties and the Owners of Bonds or, with respect to Repayment Obligations, of any Security Instrument Issuer or any Reserve Instrument Issuer, as appropriate, is intended to be exclusive of any other remedy, and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Resolution or now or hereafter existing, at law or in equity or by statute or otherwise, and may be exercised at any time or from time to time, and as often as may be necessarily, by the Contracting Parties and the Owner of any one or more of the Bonds or, with respect to Repayment Obligations, by any Security Instrument Issuer or Reserve Instrument Issuer, as appropriate. Nothing contained in the Resolution shall permit the levy of any attachment or execution upon any of the properties of the Board or the University, nor shall any properties of the Board or the University be subject to forfeiture by reason of any default under the Resolution; it being expressly understood and agreed by each and every Owner of Bonds and Contracting Party by the acceptance of any Bond and Contract and by each and every Security Instrument Issuer and Reserve Instrument Issuer by entering into Security Instrument Agreements and Reserve Instrument Agreements, that the rights of all such Owners of Bonds, Contracting Parties, Security Instrument Issuers and Reserve Instrument Issuers are limited and restricted to the use and application of Revenues and other moneys, securities and Funds pledged under the Resolution in accordance with the terms of the Resolution,

Investment of Funds

(a) Moneys held in any Fund or Account shall be invested and reinvested by the University or the Trustee to the fullest extent practicable in Investment Securities that mature not later than such times as shall be necessary to provide moneys when needed for payments to be made from such Fund or Account; *provided, however*, that the Trustee shall make such investments only in accordance with instructions received from an Authorized Officer; and provided further, however, that any investment of funds in any Series Subaccount in the Debt Service Reserve Account shall mature no later than five (5) years after the date such investment is made.

(b) All moneys earned as an investment of moneys in the Construction Fund, the Revenue Fund and the Debt Service Account in the Principal and Interest Fund shall be retained therein. Net income earned on any moneys or investments in the Renewal and Replacement Reserve Fund shall be transferred to the Revenue Fund as described in paragraph (c) under the heading “Renewal and Replacement Reserve Fund” above. Whenever the Debt Service Reserve Account is in its full required amount, net income earned on any moneys or investments in the Debt Service Reserve Account shall be transferred to the Debt Service Account; otherwise, it is to be retained in the Debt Service Reserve Account.

Discharge of Indebtedness

(a) If the University shall pay or cause to be paid, or there shall otherwise be paid, to the Owners of all Bonds and to all Contracting Parties the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in the Resolution, and if all Repayment Obligations owed to Security Instrument Issuers and Reserve Instrument Issuers shall have been paid in full, then the pledge of any Revenues and other moneys, securities and Funds pledged under the Resolution and all covenants, agreements and other obligations of the Board and the University to the Bondowners, Contracting Parties, Security Instrument Issuers and Reserve Instrument Issuers shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall cause an accounting for such period or periods as shall be requested by the University in a written request of the University to be prepared and filed with the University and, upon the request of the University in a written request of the University, shall execute and deliver to the University all such instruments as may be desirable to evidence such discharge and satisfaction, and the Fiduciaries shall pay over or deliver to the University all moneys or securities held by it pursuant to the Resolution that are not required for the payment of principal or Redemption Price, if applicable, on Bonds and Contracts. If the University shall pay or cause to be paid, or there shall otherwise be paid, to the Owners of any Outstanding Bonds and the Contracting Parties the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in the Resolution, such Bonds and Contracts shall cease to be entitled to any lien, benefit or security under the Resolution, and all covenants, agreements and obligations of the Board and the University to the Contracting Parties and the Owners of such Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

(b) Bonds and Contracts or interest installments for the payment or redemption of which moneys shall have been set aside and shall be held in trust by the Fiduciaries (through deposit by the University of funds for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect described in paragraph (a) above, Outstanding Bonds of any Series shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect described in paragraph (a) above if (i) in case any of such Bonds are to be redeemed on any date prior to their maturity, the University shall have given to the Trustee in form satisfactory to it irrevocable instructions to mail as notice of redemption of such Bonds on said date, (ii) there shall have been deposited with the Trustee or an Escrow Agent selected by the University for such purpose either moneys in an amount that shall be sufficient, or Government Obligations as hereinafter defined (including any Government Obligations issued or held in book–entry form on the books of the Department of the Treasury of the United States of America) constituting government obligations as defined in the Utah Refunding Bond Act the principal of and the interest on which when due will provide moneys that, together with the moneys, if any, deposited with the Trustee or such Escrow Agent at the same time, shall be sufficient, to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be, without adversely affecting the excludability of interest on the Bonds from gross income of the owners thereof for federal income tax purposes if the interest on such Bonds has theretofore been so excludable, and (iii) in the event said Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the University shall have given the Trustee in form satisfactory to it irrevocable instructions to mail, first class postage prepaid, a notice to the Owners of such Bonds (the "Notice of Defeasance") that the deposit required by clause (ii) above has been made with the Trustee or such Escrow Agent and that said Bonds are deemed to have been paid and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal or Redemption Price, if applicable, of said Bonds. Neither Government Obligations nor moneys deposited with the Trustee or such Escrow Agent as described in the Resolution nor principal or interest payments on any such Government Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or Redemption Price, if applicable, and interest on said Bonds; provided that any cash received from such principal or interest payments on such Government Obligations deposited with the Trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in Government Obligations maturing at times and in amounts sufficient to pay when due the principal or Redemption Price, if applicable, and interest to become due on said Bonds on and prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the University, as received by the Trustee, free and clear of any trust, lien or pledge. For the purposes described in paragraph (a) above and this paragraph (b), the term "Government Obligations" shall mean direct general obligations of, or obligations the timely payment of the principal of and interest on which are unconditionally guaranteed by, the United States of America, the guarantee of which constitutes the full faith and credit obligation of the United States of America.

Unclaimed Moneys

Anything in the Resolution to the contrary notwithstanding, any moneys held by a Fiduciary in trust for the payment and discharge of any of the Bonds that remain unclaimed for six years after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Fiduciary at such date, or for six years after the date of deposit of such moneys if deposited with the Fiduciary after the said date when such Bonds become due and payable, shall, at the written request of the University, be repaid by the Fiduciary to the University and subject to the provisions of applicable law, as its absolute property and free from trust, and the Fiduciary shall thereupon be released and discharged with respect thereto, and the Bondowners shall look only to the University for the payment of such Bonds; *provided, however*, that before being required to make any such payment to the University, the Fiduciary shall, at the expense of the University, cause to be given once by first–class mail to the owner of such Bond entitled to the unclaimed money at the address shown on the registration books maintained by the Trustee, or cause to be published at least once in a Financial Newspaper or Journal, or both, a notice that said moneys remain unclaimed and that, after a date named in said notice, which date shall be not less than thirty (30) days after the date of the notice, the balance of such moneys then unclaimed will be returned to the University.

Limited Liability of the Board and the University

Notwithstanding anything in the Resolution contained, the Board and the University shall not be required to advance any moneys derived from any source of income other than the Revenues and other moneys, securities and Funds pledged under the Resolution for the payment of the principal or Redemption Price of or interest on the Bonds or Contracts or for the operation and maintenance of the Student Housing System. Nevertheless, the Board and the University may, but shall not be required to, advance for any of the purposes of the Resolution any funds of the Board and the University that may be available to them for such purposes.

APPENDIX B

FINANCIAL REPORT OF UTAH STATE UNIVERSITY FOR FISCAL YEAR 2015

The financial statements of the University for Fiscal Year 2015 are contained herein. Copies of current and prior financial statements are available upon request from the contact person as indicated under "INTRODUCTION—Contact Persons" above.

The University's financial statements for Fiscal Year 2016 must be completed under State law by December 31, 2016.

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Utah State University | 2015

Annual Financial Report

A Component Unit *of the* State *of* Utah

UtahStateUniversity®

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Contents

2015 was designated as the "Year of Water" at USU because its water specialists are among the nation's and even the world's leading experts on many water-related issues, particularly in the area of ecosystems, management, climate, water education, and society's understanding of this precious resource.

From the President...

With the 2015-16 academic year well under way, I would like to share with you some of the ways in which Utah State University has made significant strides despite recent financial challenges. While we have seen improvement on some fronts, the national and global economic news and investment climate remains challenging. We are pleased Utah State University has been able to keep to its promise of providing quality research, teaching, and service to the great state of Utah.

While there is increasing evidence that the recession that has impacted our economy for the last few years is coming to an end, we have been faced with dealing with two additional challenges that impacted our budget. First, we needed to offset revenue losses associated with the change in LDS missionary policy. We have largely been able to do that, and now a wave of returning missionaries is contributing to robust enrollment growth across the USU system. Second, the federal sequestration and budget cuts to federal agencies have had significant negative impacts on research funding. However, we have had success in addressing those challenges. In fact, end-of-the-year numbers indicate another record year in contract and grant funding, a great compliment to our faculty and our colleagues at the USU Research Foundation. While both of these issues created new budget-related challenges for our university, we are confident that we have been able to navigate these challenges, just as we have dealt with the budget cuts of the past few years caused by the recession.

Utah State University has the energy and vision necessary to be one of the leading institutions for higher education in the nation. In times like these, the University relies on all the members of our community, and by working together we will emerge as an even stronger university in the days ahead.

As the economic situation evolves, we will continue to keep you informed about how the University plans to respond. I am very grateful to you for the work you do on behalf of Utah State University and for the people of Utah. Thank you.

The financial statements that follow are prepared according to generally accepted accounting principles established by the Governmental Accounting Standards Board. These principles are recommended by the American Institute of Certified Public Accountants and the National Association of College and University Business Officers.

The State of Utah Auditor's office has audited the financial statements for the year ending June 30, 2015. Their definitive opinion is included with this report. The annual financial report is intended to establish the University's financial position as of June 30, 2015. It is also intended to reflect the flow of financial resources to the University during the fiscal year 2014-2015, while disclosing how these resources are applied in accomplishing our mission. We are pleased to share this report with you.

Stan L. Albrecht

Stan L. Albrecht
President
Utah State University

OFFICE OF THE
UTAH STATE AUDITOR

INDEPENDENT STATE AUDITOR'S REPORT

To the Board of Trustees, Audit Committee
and
Stan L. Albrecht, President
Utah State University

Report on the Financial Statements

We have audited the accompanying financial statements of Utah State University (University), a component unit of the State of Utah, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the Utah State University Research Foundation, a blended component unit foundation, which represents 3 percent, 2 percent, and 11 percent, respectively, of the assets, net position and revenues of the University. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Utah State University Research Foundation, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the University as of June 30, 2015, and the

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changes in its financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

For fiscal year 2015, the University implemented Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions,* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. As a result of this required change in accounting principle, the University recorded a $38 million reduction in beginning net position. The amounts reported for ending net position reflect the newly required net pension assets, deferred outflows of resources, net pension liabilities, and deferred inflows of resources related to the University's participation in defined benefit retirement systems. See Notes K and P for further information. Our opinion for the University is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the schedules of proportionate share of net pension liabilities and pension contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

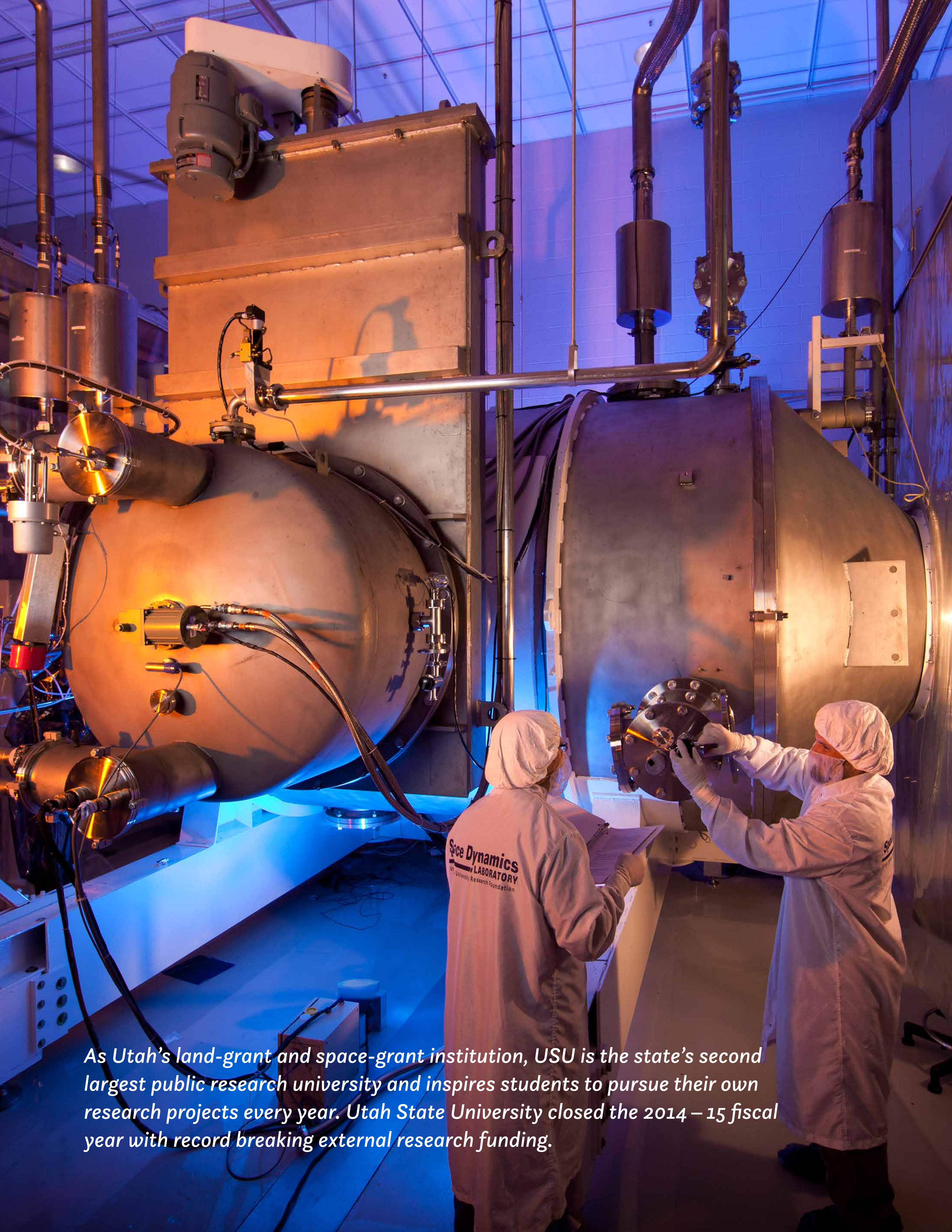
Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the University's basic financial statements. The Letter from the President and the listing of the executive officers and board of trustees have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on this other information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 4, 2015 on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

Office of the Utah State Auditor

Office of the Utah State Auditor
November 4, 2015



As Utah's land-grant and space-grant institution, USU is the state's second largest public research university and inspires students to pursue their own research projects every year. Utah State University closed the 2014 – 15 fiscal year with record breaking external research funding.

Management's Discussion and Analysis

This section provides an overview of the University's financial activities in the current year compared to the prior year. Total assets and liabilities are presented as well as the change in net position from the prior year. Revenues, expenses, appropriations from the state, contributions, etc., are analyzed and discussed. The cash activity is also summarized to show the change in cash from the prior year to the current year.

Introduction

The following unaudited Management's Discussion and Analysis (MD&A) includes an analysis of the financial condition and results of activities of Utah State University (University) for the fiscal year (FY) ended June 30, 2015. The analysis includes the University's condensed and comparative Statement of Net Position; Statement of Revenues, Expenses, and Changes in Net Position; and Statement of Cash Flows along with related graphs and comparative data. Also included is management's perspective of the University's economic outlook.

The University is a component unit of the State of Utah. The financial statements include the accounts of Utah State University Agricultural Experiment Station, Utah State University Water Research Laboratory, Utah State University Cooperative Extension Service, Utah State University Uintah Basin Regional Campus, Utah State University Southeast Region, Utah State University Tooele Regional Campus, Utah State University Brigham City Regional Campus, and Utah State University Eastern (USU Eastern), which are entities separately funded by state appropriations.

The Utah State University Research Foundation (USURF), the Utah State University Foundation (Foundation), the Utah State University Advanced Weather Systems Foundation (AWSF), and the College of Eastern Utah Foundation, component units of the University, have also been consolidated in these financial statements. The Utah State University Research Foundation is governed by a Board of Trustees appointed by the president of Utah State University, under the direction of the University's Board of Trustees. USURF is a dependent foundation of Utah State University. It is reported as a part of the University because its primary purpose is to support the mission of Utah State University in regards to research. The Utah State University Foundation is also governed by a Board of Trustees appointed by the president of the University. The Utah State University Foundation is a dependent foundation of Utah State University and serves as the main fund-raising arm of the University. AWSF is governed by a Board of Directors appointed by the University. It is a supporting organization of the University that performs scientific research and offers educational opportunities for students. The College of Eastern Utah Foundation is included because it serves as a fund-raising organization whose sole purpose is for the benefit of USU Eastern.

The Utah State University Research Foundation annually publishes audited financial statements. A copy of the audited financial statements can be obtained from the Utah State University Research Foundation, 1695 North Research Parkway, North Logan, Utah 84341. The College of Eastern Utah Foundation unaudited financial statements, compiled by an independent accounting firm, are available from the USU Eastern Development Office, 451 East 400 North, Price, Utah 84501.

Overview of Financial Statements and Financial Analysis

The Management's Discussion and Analysis is designed to provide an easily readable analysis of the University's financial activities based on facts, decisions, and conditions known at the date of the auditor's report. The University's financial statements for fiscal year 2015 are presented beginning on page 21. The financial statements, note disclosures, and this discussion are the responsibility of management. This annual report consists of a series of financial statements, prepared in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis — for Public Colleges and Universities*. These financial statements focus on the operation, cash flows, and the main condition of the University as a whole. There are three financial statements presented: Statement of Net Position; Statement of Revenues, Expenses, and Changes in Net Position; and Statement of Cash Flows.

Statement of Net Position

The Statement of Net Position outlines the University's financial condition at fiscal year end. This statement reflects the various assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the University as of the fiscal year ended June 30, 2015.

From the data presented, readers of the Statement of Net Position have the information to determine the assets available to continue the operations of the University. They can also determine how much the University owes vendors, investors, and lending institutions. Finally, the Statement of Net Position outlines the net position (assets plus deferred outflows of resources minus liabilities minus deferred inflows of resources) available to the University and defines that availability.

CONDENSED STATEMENT OF NET POSITION
AS OF JUNE 30

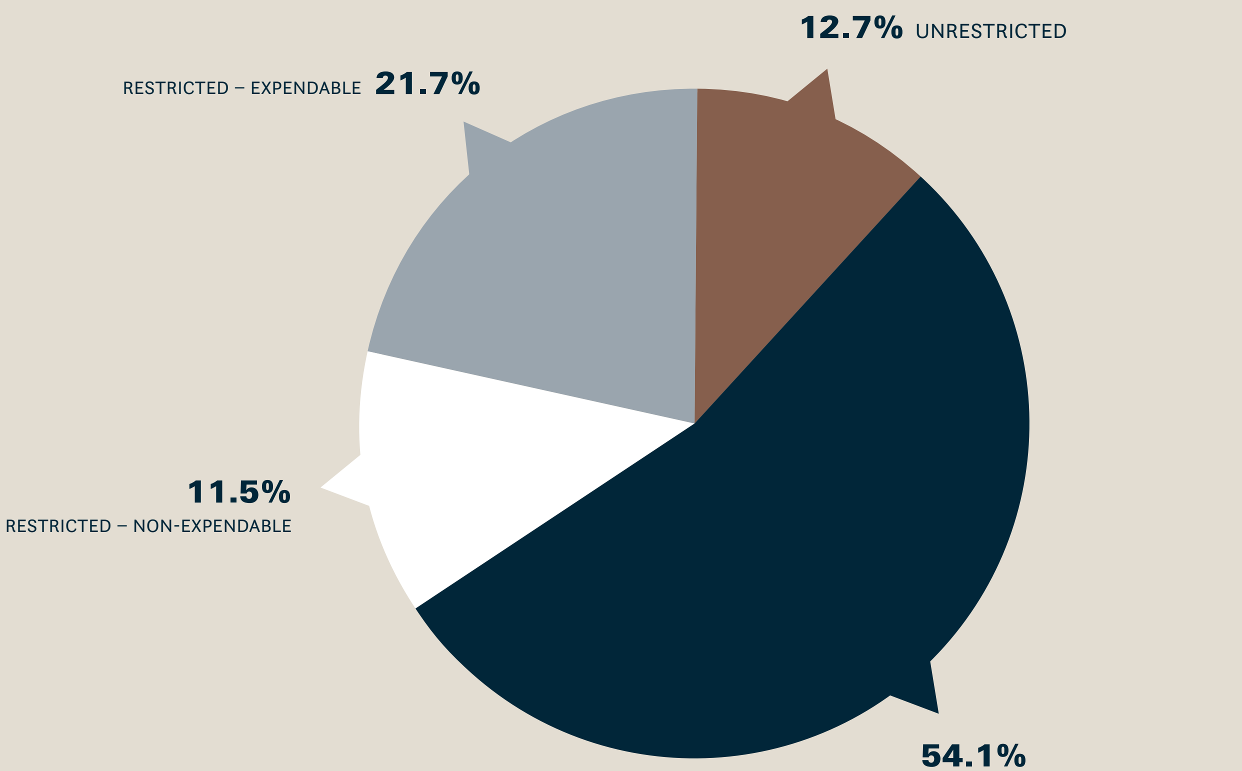
	2015	2014	Change	% Change
Assets				
Current assets	$192,198,512	$144,025,448	$48,173,064	33.45%
Non-current assets				
Net capital assets	709,458,580	681,471,707	27,986,873	4.11%
Other non-current assets	471,476,517	486,734,116	(15,257,599)	-3.13%
Total assets	1,373,133,609	1,312,231,271	60,902,338	4.64%
Deferred Outflows of Resources				
Unamortized losses on bonds	2,036,600	2,286,574	(249,974)	-10.93%
Resources related to pensions	5,826,112	4,565,609	1,260,503	27.61%
Total deferred outflows of resources	7,862,712	6,852,183	1,010,529	14.75%
Liabilities				
Current liabilities	113,859,832	94,846,520	19,013,312	20.05%
Non-current liabilities	182,724,182	198,395,398	(15,671,216)	-7.90%
Total liabilities	296,584,014	293,241,918	3,342,096	1.14%
Deferred Inflows of Resources				
Resources related to pensions	3,548,725	-	3,548,725	-
Total deferred inflows of resources	3,548,725	0	3,548,725	-
Net Position				
Net investment in capital assets	585,148,796	562,997,550	22,151,246	3.93%
Restricted – non-expendable				
Primarily scholarships and fellowships	110,991,067	105,102,003	5,889,064	5.60%
Loans	13,163,145	13,119,699	43,446	0.33%
Restricted – expendable	234,722,569	234,347,589	374,980	0.16%
Unrestricted	136,838,005	110,274,695	26,563,310	24.09%
Total Net Position	$1,080,863,582	$1,025,841,536	$55,022,046	5.36%

Net position is divided into three major categories. The first category, Net Investment in Capital Assets, reflects the University's equity in property, plant, and equipment owned by the University. The second category, Restricted, is further divided into two subcategories: Non-Expendable and Expendable. The corpus of restricted non-expendable resources as it pertains to endowments is only available for investment purposes. Donors have primarily restricted income derived from these investments to fund scholarships and fellowships. The corpus of restricted non-expendable resources as it pertains to loan funds is only available for the purpose of issuing loans to students under the terms of the various donor and federal government agreements. Restricted expendable resources are available for expenditure by the University but must be expended for purposes as determined by donors and/or external entities that have placed time or purpose restrictions on the use of the assets. The last category, Unrestricted, discloses the resources available to the University to be used for any lawful purpose of the University.

Certain June 30, 2014 balances have been adjusted for comparative purposes as described in Note P – Prior Period Adjustments of Net Position. In fiscal year 2015, the Universi-

COMPOSITION OF THE UNIVERSITY'S NET POSITION

BALANCE AT JUNE 30, 2015
$1,080,863,582



ty's total net position increased $55 million (5.4%) to $1.08 billion. The increase reflects those revenues that were received during 2015 but were not used for operations or payment of interest on capital-asset related debt.

Total assets increased $61 million (4.6%) while total liabilities increased $3.3 million (1.1%). Current assets increased $48.2 million largely due to $18.5 million more in short-term investments, and $24.8 million in cash and cash equivalents. The increases in short-term investments, and cash and cash equivalents is mainly due to the decision to have funds available for current construction projects and other current obligations. Non-current assets increased $12.7 million mostly due to the net increase of $28 million more in capital assets and $11.2 million less in investments. The net increase in capital assets is largely due to several large construction projects in progress, including the Aggie Recreation Center, the Huntsman Hall, the Tooele Science and Technology Building, and the Brigham City Academic Building. The University capitalized $17.9 million, $12.6 million, $8 million, and $5.3 million, respectively, for these projects during 2015. The majority of the increase of $19 million in current liabilities is due to a $10.8 million increase in the amount payable to the State of Utah Division of Facilities and Construction Management for construction project expenses. The non-current liabilities decrease of $15.7 million is due to debt service payments for bonds and notes payable, and a reduction in the actuarially calculated net pension liability.

Statement of Revenues, Expenses, and Changes in Net Position

Changes in total net position as presented in the Statement of Net Position are based on the activity presented in the Statement of Revenues, Expenses, and Changes in Net Position. The purpose of this statement is to present the revenues received by the University, both operating and non-operating, and the expenses paid by the University, operating and non-operating, and any other revenues, expenses, gains, and losses received or expended by the University.

Operating revenues are received for providing goods and services to the various customers and constituencies of the University. Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for the operating revenues, and to carry out the mission of the University. Non-operating revenues are revenues received for which goods and services are not provided; for example, state appropriations are non-operating revenues because they are provided by the Legislature to the University without the Legislature directly receiving commensurate goods and services in return for those revenues. Without the non-operating revenues, in particular the state appropriations, private gifts, and financial aid grants, the University would not be able to cover its costs of operations. These sources are critical to the University's financial stability and directly impact the quality of its programs. In fiscal year 2015, funding from these sources was adequate to cover all of the University's costs of operations.

The Statement of Revenues, Expenses, and Changes in Net Position shows the activity that resulted in a $55 million increase in net position for the fiscal year ended June 30, 2015.

The University experienced a net operating loss in fiscal year 2015 of $231 million. This operating loss highlights the University's dependency on non-operating revenues such as state appropriations and private gifts to meet its costs of operations and provide funds for the acquisition of capital assets.

Total 2015 operating revenues increased by $20.6 million (5.7%) over 2014. Tuition and fee revenues increased $10.8 million (9.9%) which reflects increases in tuition rates, and increases in enrollment. Contracts and grants have continued to increase, providing $7.8 million of the increase in operating revenues, reflecting the University's continuing research efforts. The auxiliary enterprises provided $2 million of the increase due to increases in rates charged for various auxiliary enterprises services.

CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

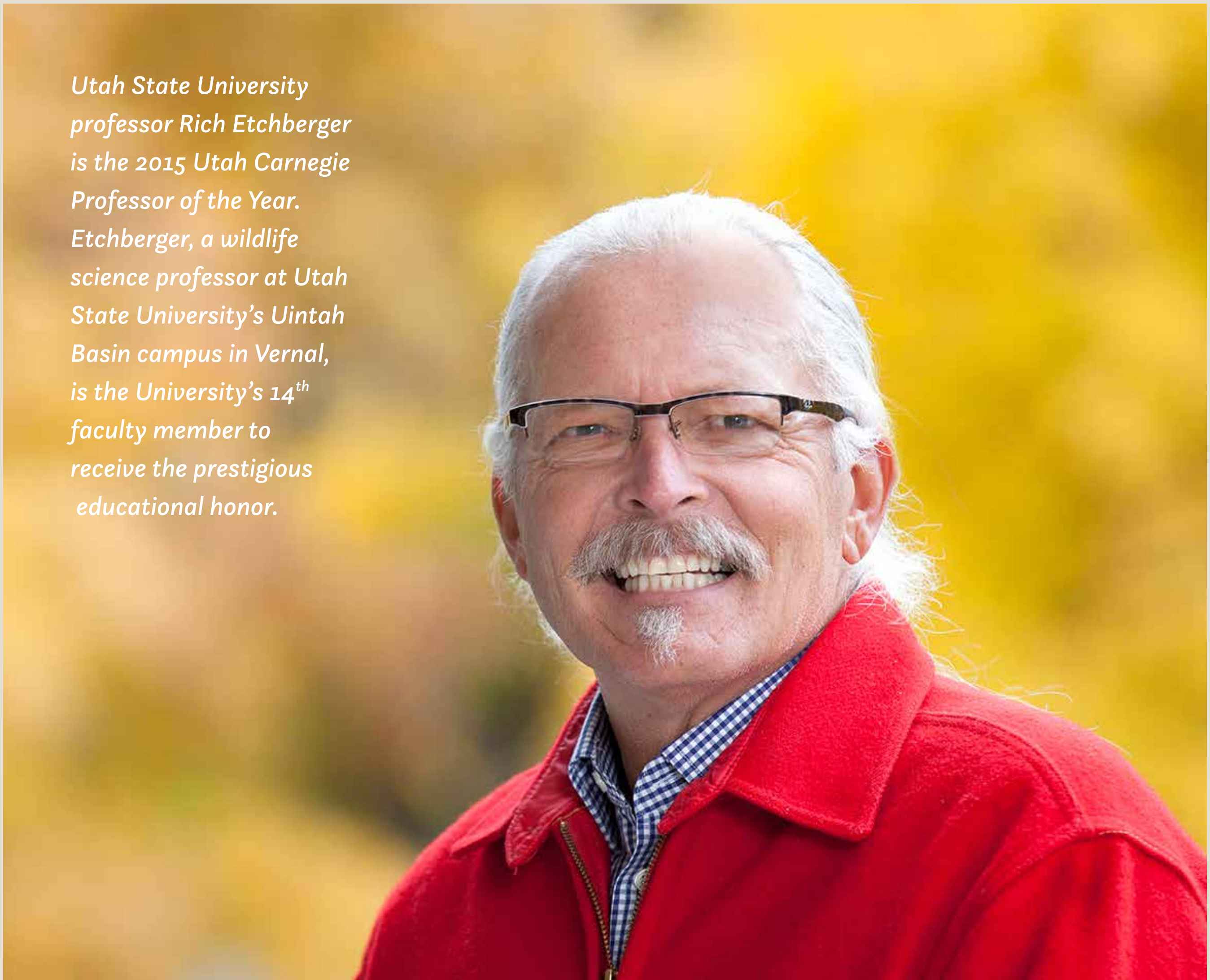
FOR THE YEARS ENDED JUNE 30

	2015	2014	CHANGE	% CHANGE
Operating Revenues				
Tuition and fees (net of scholarship allowances of: FY 2015 – $70,385,518; FY 2014 – $64,753,038)	$120,604,507	$109,763,378	$10,841,129	9.88%
Contracts, grants, and federal appropriations	177,736,560	169,952,835	7,783,725	4.58%
Auxiliary enterprises	46,676,670	44,683,682	1,992,988	4.46%
Other operating revenues	37,684,541	37,733,080	(48,539)	-0.13%
Total operating revenues	382,702,278	362,132,975	20,569,303	5.68%
Operating Expenses				
Salaries and wages	278,044,304	269,666,808	8,377,496	3.11%
Employee benefits	102,755,192	100,054,411	2,700,781	2.70%
Other operating expenses	158,263,562	151,205,039	7,058,523	4.67%
Scholarships and fellowships	32,920,131	30,027,362	2,892,769	9.63%
Depreciation	41,709,640	41,527,931	181,709	0.44%
Total operating expenses	613,692,829	592,481,551	21,211,278	3.58%
Operating loss	(230,990,551)	(230,348,576)	(641,975)	0.28%
Non-Operating Revenues				
State appropriations	182,193,753	172,237,348	9,956,405	5.78%
Private gifts	14,398,439	19,941,174	(5,542,735)	-27.80%
Financial aid grants	40,726,907	39,474,953	1,251,954	3.17%
Other	23,342,846	40,779,805	(17,436,959)	-42.76%
Net non-operating revenues	260,661,945	272,433,280	(11,771,335)	-4.32%
Income before other revenues/(expenses)	29,671,394	42,084,704	(12,413,310)	-29.50%
Other Revenues/(Expenses)				
State appropriations for capital purposes	7,985,988	7,272,764	713,224	9.81%
Private grants and gifts for capital purposes	19,285,840	18,571,938	713,902	3.84%
Additions to permanent endowments	5,119,710	4,252,115	867,595	20.40%
Other – net	(7,040,886)	(3,244,453)	(3,796,433)	-117.01%
Net other revenues	25,350,652	26,852,364	(1,501,712)	-5.59%
Increase in net position	55,022,046	68,937,068	(13,915,022)	-20.19%
Net Position – Beginning of Year as Previously Reported	1,063,052,211	994,115,143	68,937,068	6.93%
Prior period adjustments (Note P)	(37,210,675)	(37,210,675)	0	0.00%
Net Position – Beginning of Year as Adjusted	1,025,841,536	956,904,468	68,937,068	7.20%
Net Position – End of Year	$1,080,863,582	$1,025,841,536	$55,022,046	5.36%

Non-operating revenues decreased $11.8 million (4.3%). An increase of $10 million in State appropriations was offset by a $5.5 million decrease in private gift revenue and a $15.7 million decrease in investment income. Although private gift revenue is down, the University has continued to receive generous gifts, including $8 million to be utilized in the Jon M. Huntsman School of Business educational programs. Investment income decreased largely due to lower rates of return in the investment market and the decision of the University to convert investments to cash.

State appropriations and private grants and gifts for capital purposes are helping to fund various capital projects which are discussed in the Capital Asset and Debt Administration section on page 16. State appropriations for capital purposes, through the Division of Facilities and Construction Management, were $8 million. Private grants and gifts for capital purposes were $19.3 million, of which $7.5 million was received for the Huntsman Hall project, $6 million was received for the Fine Arts Building addition and renovation project, and $3 million was received for debt service of the Series 2009 Research Revenue Bonds, of which a portion of the proceeds funded the construction of the Emma Eccles Jones Early Childhood Education and Research Building.

Total operating expenses increased $21.2 million (3.6%) in 2015. Salaries and benefits went up $11.1 million (3%) mainly due to the newly required GASB Statement 68 actuarial calculated pension expenses of $7.1 million and modest salary increases. Other operating expenses increased $7.1 million (4.7%) largely due to an increase of $3.4 million in auxiliary enterprises expenses for repairs and maintenance of buildings and equipment and an increase of $1.6 million in research contracts and grants corresponding to the increase in related revenue. Scholarships and fellowships increased $2.9 million (9.6%) due to increased tuition and fee rates and increased enrollment. The increase in other expenses of $3.8 million included a one-time loss on the sale of land relating to the College of Eastern Utah Foundation totaling $2 million.

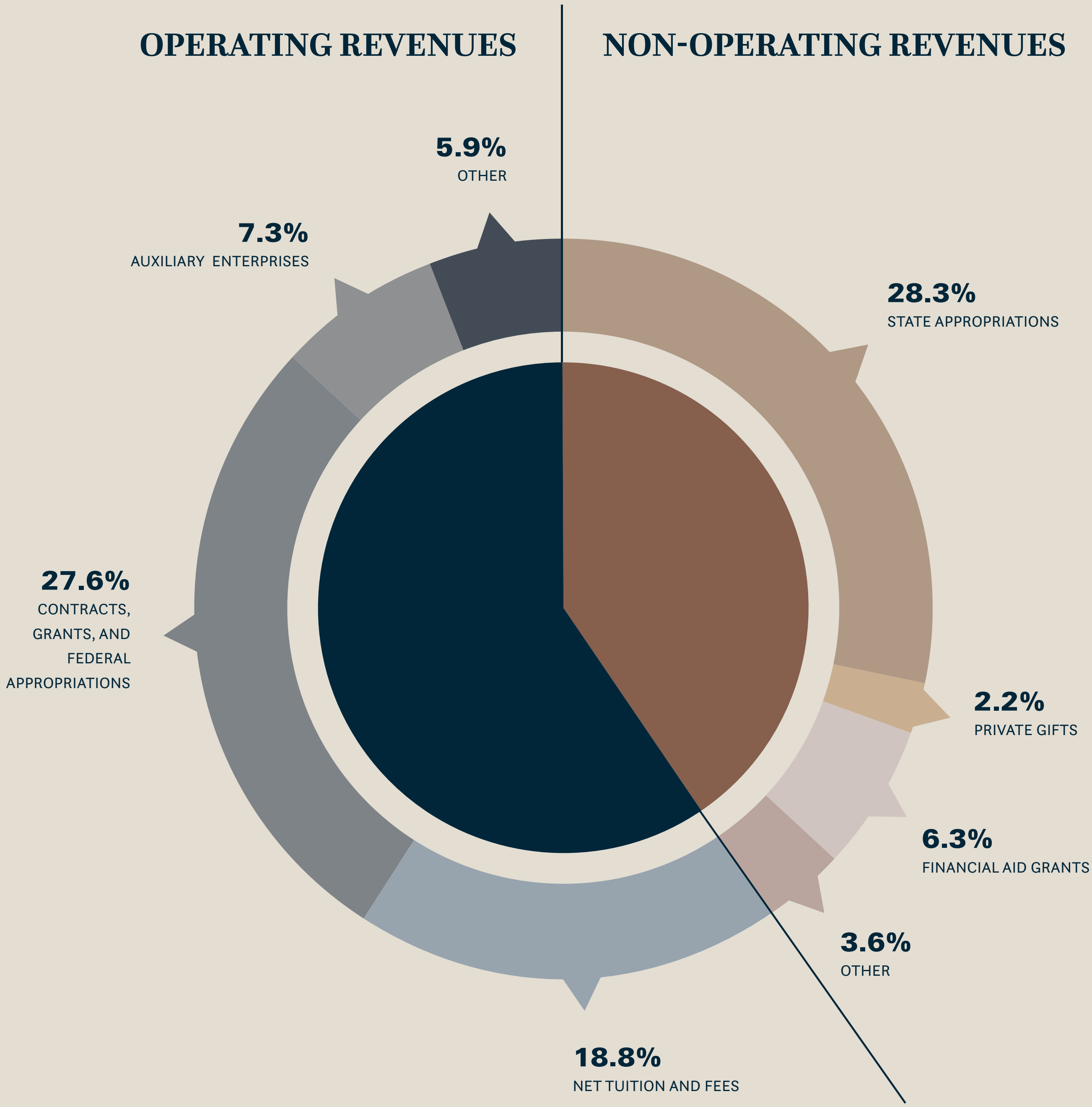


Utah State University professor Rich Etchberger is the 2015 Utah Carnegie Professor of the Year. Etchberger, a wildlife science professor at Utah State University's Uintah Basin campus in Vernal, is the University's 14th faculty member to receive the prestigious educational honor.

REVENUES USED FOR OPERATING EXPENSES FOR FISCAL YEAR 2015

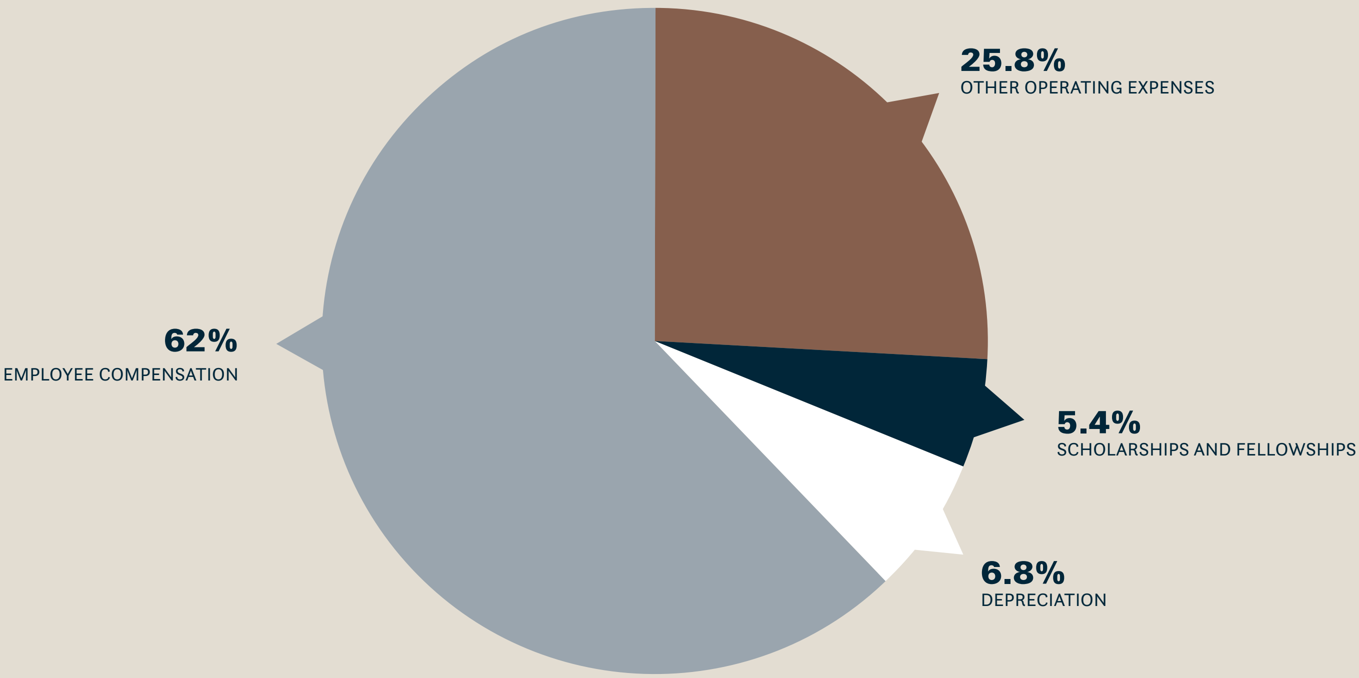
OPERATING REVENUES – **$382,702,278**
NON-OPERATING REVENUES – **$260,661,945**

TOTAL – **$643,364,223**



OPERATING EXPENSES

FISCAL YEAR 2015 – **$613,692,829**



Statement of Cash Flows

The final statement presented by Utah State University is the Statement of Cash Flows. The Statement of Cash Flows presents detailed information about the cash activity of the University during the fiscal year. The statement is divided into five sections. The first section deals with operating cash flows and shows the net cash used by operating activities. The second section includes cash flows from non-capital financing activities. This section includes the cash received and spent for non-operating, non-investing, and non-capital financing purposes. The third section includes cash flows from capital and related financing activities. This section includes the cash used for the acquisition and construction of capital and related items. The fourth section includes the cash flows from investing activities and shows the purchases, proceeds, and interest received from investing activities. A condensed version of these first four sections is provided on the following page. The fifth section of the Statement of Cash Flows is not included in the Condensed Statement of Cash Flows, which reconciles the net cash used for operations to the operating loss reflected on the Statement of Revenues, Expenses, and Changes in Net Position. This reconciliation is available for review in the Statement of Cash Flows on page 25.

CONDENSED STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30

	2015	2014	CHANGE	% CHANGE
Cash Provided/(Used) By:				
(1) Operating activities	($175,571,312)	($187,359,975)	$11,788,663	6.29%
(2) Non-capital financing activities	253,288,263	237,880,499	15,407,764	6.48%
(3) Capital and related financing activities	(58,087,107)	2,693,555	(60,780,662)	-2256.52%
(4) Investing activities	6,597,722	(33,828,898)	40,426,620	119.50%
Net Increase in Cash and Cash Equivalents	26,227,566	19,385,181	6,842,385	35.30%
Cash and Cash Equivalents – Beginning of Year	58,902,286	39,517,105	19,385,181	49.06%
Cash and Cash Equivalents – End of Year	$85,129,852	$58,902,286	$26,227,566	44.53%

The University's cash and cash equivalents increased by $26,227,566 for a total of $85,129,852. This increase resulted from the decision to have more cash on hand, rather than invested, to pay for current obligations.

Capital Asset and Debt Administration

Construction of the new Aggie Recreation Center is nearly complete. The $30 million facility is located adjacent to the Health Physical Education and Recreation (HPER) building. The project includes the construction of a 100,000 square-foot facility which will include: a fitness center with new locker rooms, indoor running/jogging/walking track, climbing center, cardio/weight rooms, three full-size basketball/volleyball courts, and a multi-activity court that can also serve as a venue for lectures, convocations, entertainment, or theatrical events. The University's Outdoor Recreation Program and the Campus Recreation offices will be relocated within the Aggie Recreation Center. Completion is scheduled for late Fall 2015. Construction of this facility is funded from the proceeds of revenue bonds issued in August 2013. Debt service for the bonds will be funded from a $75 per semester student fee which began in fall semester of 2015. This student building fee was approved by a student body vote in spring semester of 2012.

Construction of the Huntsman Hall continues. The project is a $46 million, 120,000 square-foot building that will be a state-of-the-art facility wrapping around the south and west sides of the George S. Eccles Business Building. It will feature new case-study classrooms and new student meeting rooms, as well as administrative and other academic program spaces. It will help meet the need for technology-infused collaborative spaces where group learning in physical and virtual teams can take place. The building was funded by private donations and state appropriations. Huntsman Hall is scheduled for completion in Spring 2016.

Construction of the Central Instruction Building continues. The $20 million facility is located on the USU Eastern, Price campus, and it will replace the aging Music and Student Activity Center (SAC) buildings. Located adjacent to the Geary Theatre, the project includes 70,600 square-feet of multi-purpose instructional space that will bring together criminal justice, communication, theatre, music, and visual arts into one facility.

The building was funded by state appropriations and is scheduled for completion in Fall 2015.

Utah State University held the groundbreaking ceremony on October 9, 2014 for the new Brigham City Academic Building. The $15 million, 54,400 square-foot facility will anchor the 44 acre campus that once housed the former Intermountain Indian School. The Legislature appropriated $7.5 million for the building with Brigham City bonding for the remaining $7.5 million. The new facility will contain broadcast-enabled classrooms, a lecture hall, multi-purpose room, and offices for faculty, advisors, and staff. The building will serve the educational needs of Brigham City and the surrounding region as they continue to grow. The facility is scheduled for completion in Fall 2015.

The Tooele Science and Technology Building is currently under construction, and will provide 27,300 square-feet of space for distance education classrooms and teaching laboratories for biology, chemistry, and physics. The building will be the first on the newly acquired campus property south of the existing campus facilities.

The Romney Stadium west side renovation is currently under construction. Beginning with the 2016 football season, the stadium will be known as Maverik Stadium. The project consists of removing the old press box structure to make way for a new 86,000 square-foot facility on the west side of the existing stadium. It will include a new club level lounge, restrooms, concessions, lobby space, and press box. The project will add approximately 1,100 new premium seats including skyboxes, patio seating, and club seats located above the existing stadium chair-back seats. Completion of the project is anticipated in Summer 2016. The project is funded, in part, with the proceeds of the University's $23,900,000 Student Building Fee Revenue Bonds, Series 2015, that were issued on July 9, 2015.

The Valley View Residence Hall replacement is currently in design and will include the demolition and replacement of the aging high rise residence hall on central campus. The new residence hall will provide up to 390 beds and 110,000 square-feet for students living on campus and will be sited on the central campus for maximum convenience. Construction will begin in Spring 2016 and is expected to be completed for fall semester 2017. The project is funded with the proceeds of the University's $24,455,000 Student Fee and Housing System Revenue Bonds, Series 2015, that were issued on September 23, 2015.

The C4ISR building is phase I of a IV phase project for the Space Dynamics Lab (SDL) at the USU Innovation Campus. The building will provide up to 46,000 square-feet for offices, electronics, computer testing labs, computer server rooms, conference rooms, and a marketing demo room. The building will provide a high level of security and technology needed for the research program. The project is currently under design and construction will begin in Spring 2016. The project is funded with the proceeds of the University's $19,500,000 Federally Taxable Research Revenue Bonds, Series 2015, that were issued on October 8, 2015.

A new building for Clinical Services offered within the Emma Eccles Jones College of Education and Human Services is currently in design. The project will house up to 100,000 square-feet of clinical, research, and office space. It will accommodate patients within the community receiving a variety of treatments and consultations. The Clinical Services Building will support an integrated, interdisciplinary program to train graduate students in a professional setting in closely related clinical fields, engage faculty members across disciplines, provide state-of-the-art equipment, and facilitate research with an interdisciplinary focus. Construction will begin in Spring 2016.

The Fine Arts Complex addition and renovation is a phased project that will include an addition to the west side of the building and major renovations to portions of the Fine Arts Center. Phase I includes renovations for the Kent Concert Hall, Tippetts Gallery, and a 6,700 square-foot addition to the scene shop. Construction commenced in Summer 2015. Phase II will include a new addition to the west for expansion of the Nora Eccles

*USU is the third highest ranked public university in the West and #5 in the nation for lowest tuition in "America's Top Colleges" (*Forbes*, August 2015)*

Harrison Museum of Art. It will feature a prominent new entrance and lobby on the northwest corner to the Fine Arts Center.

The University completed the construction of its state-of-the-art Electric Vehicle and Roadway (EVR) Research Facility and Test Track, the first facility of its kind in the United States. The $1.8 million complex includes a 4,800 square-foot research building and electrified quarter mile oval-shaped test track designed to demonstrate in-motion wireless power charging for electric vehicles. Modular charging pads embedded under the track can seamlessly charge electric vehicles while they are in motion. The EVR is located near the existing USU Power Electronics Lab at USU's Innovation Campus to leverage the combined capabilities of the two facilities. Faculty and staff are collaborating with many major industry and educational partners to develop and enhance electric vehicle and roadway technology.

Economic Outlook

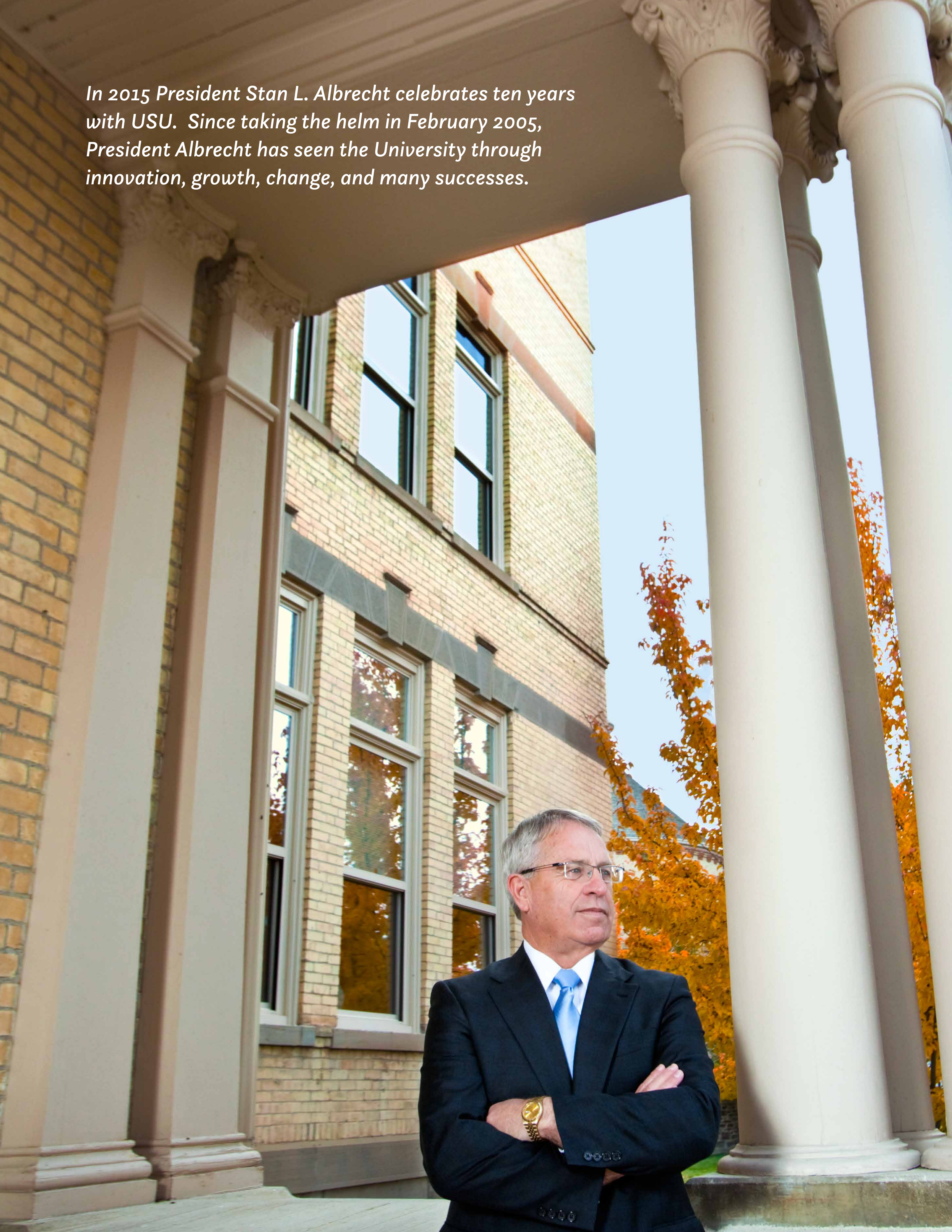
Utah's economy continues to expand at a moderate pace and continues to be among the top states for growth as reported by several independent studies. Once again the State has reported budget surpluses for the recently completed fiscal year ended June 30, 2015. Forecasts continue to be positive for fiscal year 2016 and beyond with construction activity and new job growth as important indicators. As a result of expanding State revenues, the University received new ongoing and one-time appropriations during the previous legislative session and the forecast for sustained economic growth improves the opportunity for increased legislative funding support for the University.

As expected, enrollments are up at nearly all of USU's campuses. Headcount on the main campus increased nearly 7 percent to a record high of just under 18,000 students in the fall of 2015. Regional campuses also experienced impressive enrollment growth and the number of online courses taken by USU students continues to increase dramatically. Although a slight decline is expected next year as missionary service patterns return to normal, USU has prepared well for a leveling of enrollment fluctuations and expects modest but steady growth moving forward.

The University has a diverse source of revenues, including those from the State of Utah, student tuition and fees, sponsored research programs, private support, and self-supporting enterprises. This diversity of revenues continues to provide financial stability and significant protection against potentially difficult future economic times.

Management believes that USU's financial position will continue to enable the University to move forward and accomplish its mission of being one of the nation's premier student-centered, land-grant, and space-grant universities.

David T. Cowley
Vice President for Business and Finance
Utah State University



In 2015 President Stan L. Albrecht celebrates ten years with USU. Since taking the helm in February 2005, President Albrecht has seen the University through innovation, growth, change, and many successes.

Financial Statements

The financial statements consist of the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows. Each statement presents a different financial perspective of the University for the fiscal year ended June 30, 2015.

STATEMENT OF NET POSITION

JUNE 30, 2015

Assets	
Current assets	
Cash and cash equivalents (Notes A, B, and D)	$81,995,711
Short-term investments (Notes B and D)	44,041,040
Accounts receivable from primary government (Note E)	13,178,082
Accounts receivable from others – net of allowances of $699,989 (Note E)	42,726,562
Credits receivable (Note E)	572,406
Notes receivable – net of allowances of $25,053 (Note E)	1,361,874
Inventories (Note A)	4,197,562
Prepaid expenses	4,125,275
Total current assets	192,198,512
Non-current assets	
Restricted	
Cash and cash equivalents (Notes A, B, and D)	3,134,141
Short-term investments (Notes B and D)	2,410,879
Investments (Notes C and D)	158,295,245
Accounts receivable (Note E)	25,913,130
Notes receivable (Note E)	61,533
Real estate held for resale	445,520
Accounts receivable (Note E)	13,824,199
Notes receivable – net of allowances of $140,568 (Note E)	10,337,642
Investments (Notes C and D)	256,876,214
Other non-current assets	131,726
Net pension asset (Note K)	46,288
Property, plant, and equipment – net (Note F)	709,458,580
Total non-current assets	1,180,935,097
Total assets	1,373,133,609
Deferred Outflows of Resources	
Unamortized refunding losses on bonds	2,036,600
Resources related to pensions (Note K)	5,826,112
Total deferred outflows of resources	7,862,712
Liabilities	
Current liabilities	
Accounts payable and accrued liabilities to primary government (Note G)	16,858,029
Accounts payable and accrued liabilities to others (Note G)	48,413,887
Liability for compensated absences (Note H)	11,837,156
Liability for early retirement (Note H)	4,444,441
Unearned revenue and deposits	23,246,052
Other current liabilities (Note H)	183,334
Funds held for others	57,245
Notes payable to primary government (Note H)	146,557
Bonds, notes, and contracts payable (Notes H and I)	8,673,131
Total current liabilities	113,859,832
Non-current liabilities	
Liability for compensated absences (Note H)	5,662,414
Liability for early retirement (Note H)	7,076,988
Notes payable to primary government (Note H)	288,825
Deposit due to primary government (Note H)	465,000
Other non-current liabilities (Note H)	1,156,880
Net pension liability (Note K)	37,273,380
Bonds, notes, and contracts payable (Notes H and I)	130,800,695
Total non-current liabilities	182,724,182
Total liabilities	296,584,014
Deferred Inflows of Resources	
Resources related to pensions (Note K)	3,548,725
Total deferred inflows of resources	3,548,725
Net Position	
Net investment in capital assets	585,148,796
Restricted	
Non-expendable	
Primarily scholarships and fellowships	110,991,067
Loans	13,163,145
Expendable	
Research, instruction, and public service	177,173,317
Capital projects	57,549,252
Unrestricted	136,838,005
Total Net Position	$1,080,863,582

See notes to financial statements

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

FOR THE YEAR ENDED JUNE 30, 2015

Operating Revenues	
Tuition and fees – net of scholarship allowance of $70,385,518	$120,604,507
Federal appropriations	5,132,187
Federal contracts and grants	145,282,788
State contracts and grants	10,045,701
Local contracts and grants	2,805,012
Private contracts and grants	14,470,872
Sales and services of educational departments	12,516,265
Conferences and institutes (non-credit)	7,332,858
Service departments	2,215,933
Auxiliary enterprises	46,676,670
Other operating revenues	15,619,485
Total operating revenues	382,702,278
Operating Expenses	
Salaries and wages	278,044,304
Employee benefits	95,656,845
Actuarial calculated pension expenses	7,098,347
Other operating expenses	158,263,562
Scholarships and fellowships	32,920,131
Depreciation	41,709,640
Total operating expenses	613,692,829
Operating loss	(230,990,551)
Non-Operating Revenues/(Expenses)	
State appropriations	182,193,753
State grants	8,250,501
State land-grant revenues	420,650
Financial aid grants	40,726,907
Private gifts	14,398,439
Investment income	14,848,005
Other – net	(176,310)
Net non-operating revenues	260,661,945
Income before other revenues/(expenses)	29,671,394
Other Revenues/(Expenses)	
State appropriations for capital purposes	7,985,988
Private grants and gifts for capital purposes	19,285,840
Interest on capital asset related debt	(4,076,093)
Additions to permanent endowments	5,119,710
Other	(2,964,793)
Net other revenues	25,350,652
Increase in net position	55,022,046
Net Position – Beginning of Year as Previously Reported	1,063,052,211
Prior period adjustments (Note P)	(37,210,675)
Net Position – Beginning of Year as Adjusted	1,025,841,536
Net Position – End of Year	$1,080,863,582

See notes to financial statements

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2015

Cash Flows from Operating Activities	
Tuition and fees	$123,570,659
Federal appropriations	5,132,187
Contracts and grants	173,084,135
Sales and services of educational departments	12,516,265
Conferences and institutes (non-credit)	7,332,858
Service departments	2,234,707
Auxiliary enterprises	47,444,436
Other operating receipts	15,874,037
Payments to employees for salaries and benefits	(385,167,588)
Payments to suppliers	(145,264,188)
Payments for scholarships and fellowships	(32,920,131)
Loans issued to students	(1,520,519)
Loan payments received from students	2,111,830
Net cash used by operating activities	(175,571,312)
Cash Flows From Non-Capital Financing Activities	
State appropriations	182,648,597
State grants	6,132,242
State land-grant revenues	526,450
Financial aid grants	40,889,570
Private gifts	23,500,595
Federal direct loan receipts	61,668,548
Federal direct loan payments	(61,714,458)
Other deductions	(363,281)
Net cash provided by non-capital financing activities	253,288,263
Cash Flows from Capital and Related Financing Activities	
State appropriations for capital purposes	4,262,269
Private grants and gifts for capital purposes	20,282,184
Proceeds from capital debt	554,693
Other additions	1,931,518
Cash paid for capital assets	(71,830,653)
Payment of capital debt and leases	(9,033,899)
Interest paid on capital asset related debt	(4,253,219)
Net cash used by capital and related financing activities	(58,087,107)

Table continued on next page

STATEMENT OF CASH FLOWS *(continued)*
FOR THE YEAR ENDED JUNE 30, 2015

Cash Flows from Investing Activities	
Purchases of investments	(238,750,183)
Proceeds from sale of investments	233,950,244
Interest and dividends received from investments	11,397,661
Net cash provided by investing activities	6,597,722
Net increase in cash and cash equivalents	26,227,566
Cash and cash equivalents – beginning of year	58,902,286
Cash and Cash Equivalents – End of Year	$85,129,852
Reconciliation of Operating Loss to Net Cash Used by Operating Activities	
Operating loss	($230,990,551)
Adjustments to reconcile operating loss to net cash used by operating activities	
Depreciation expense	41,709,640
Gifts-in-kind and transfers reducing payments to suppliers	594,442
Changes in assets and liabilities	
Accounts receivable	(977,526)
Inventories	674,110
Prepaid expenses	(1,932,578)
Accounts payable and accrued expenses	14,218,937
Unearned revenues and deposits	5,319,469
Compensated absences and early retirement	(1,712,580)
Net pension liability	(3,211,049)
Net student loan activity	736,374
Net Cash Used by Operating Activities	($175,571,312)
Non-Cash Investing, Capital, and Financing Activities	
Fixed assets acquired by incurring capital lease obligations	$1,481,364
Completed construction projects transferred from State of Utah	1,432,283
Change in fair value of investments recognized as a component of investment income	3,394,001
Amortization of original issue premium, reoffering premium, and net loss on bonds	(177,126)
Additions to pledges receivable for non-capital financing activities	981,543
Additions to pledges receivable for capital and related financing activities	7,612,072
Disposal of capital assets due to write off	(4,546,311)
Gifts of capital assets	1,353,272
Total Non-Cash Investing, Capital, and Financing Activities	$11,531,098

See notes to financial statements

Since its founding in 1888, USU has evolved from a small agricultural college to one that is nationally recognized for its intellectual leadership and research, particularly in the areas of land, water, space, and life enhancement.

Notes to Financial Statements

The notes to the financial statements communicate information essential for fair presentation of the basic financial statements that is not displayed on the face of the financial statements. As such, the notes form an integral part of the basic financial statements as they present more detailed information about the University's investments, bonds outstanding, capital assets, etc.

A. Summary of Significant Accounting Policies

The significant accounting policies followed by Utah State University are described below.

Basis of Presentation

The University is a component unit of the State of Utah. The financial statements include the accounts of Utah State University Agricultural Experiment Station, Utah State University Water Research Laboratory, Utah State University Cooperative Extension Service, Utah State University Uintah Basin Regional Campus, Utah State University Southeast Region, Utah State University Tooele Regional Campus, Utah State University Brigham City Regional Campus, and Utah State University Eastern (USU Eastern), which are entities separately funded by state appropriations.

The Utah State University Research Foundation (USURF), the Utah State University Foundation (Foundation), the College of Eastern Utah Foundation, and Utah State University Advanced Weather Systems Foundation (AWSF) are blended component units of the University and have been consolidated in these financial statements. USURF is governed by a Board of Trustees appointed by the president of Utah State University, under the direction of the University's Board of Trustees. USURF is a dependent foundation of Utah State University and is reported as a part of the University because its primary purpose is to support the mission of Utah State University in regards to research. The Utah State University Foundation is also governed by a Board of Trustees appointed by the president of the University. The Foundation is a dependent foundation of Utah State University and serves as the main fund-raising arm of the University. The College of Eastern Utah Foundation is governed by a Board of Trustees appointed by a nominating committee of current members of the Board of Trustees. Its primary role is to support the mission of USU Eastern. AWSF is governed by a Board of Directors appointed by Utah State University. AWSF is a supporting organization of the University that performs scientific research and offers educational opportunities for students.

USURF annually publishes audited financial statements. A copy of the audited financial statements can be obtained from USURF, 1695 North Research Parkway, North Logan, Utah 84341. The College of Eastern Utah Foundation unaudited financial statements, compiled by an independent accounting firm, are available in the USU Eastern Development Office, 451 East 400 North, Price, Utah 84501.

Basis of Accounting

For financial reporting purposes, the University is considered a special purpose government engaged only in business-type activities. Accordingly, the University's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned and expenses are recorded when an obligation has been incurred. All significant intra-agency transactions have been eliminated. When both restricted and unrestricted resources are available, such resources are spent and tracked at the discretion of the department within the guidelines of donor restrictions.

The accounting policies of the University conform in all material respects with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and deposits with an original maturity of three months or less.

Investments

The University accounts for its investments at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Changes in unrealized gain/(loss) on the carrying value of investments are reported as a component of investment income in the Statement of Revenues, Expenses, and Changes in Net Position.

A portion of the University's endowment portfolio is invested in "alternative investments." These investments, unlike more traditional investments, generally do not have readily obtainable market values and typically take the form of limited partnerships. The University values these investments based on the values provided by the partnerships as well as their audited financial statements. If June 30 statements are available, those values are used preferentially. However, some partnerships have fiscal years ending at other than June 30. If June 30 valuations are not available, the value is progressed from the most recently available valuation taking into account subsequent capital calls and distributions.

Inventories

The value of the University Campus Store inventory is recorded at average cost, determined using the retail inventory method, while all other inventory values are essentially lower of cost (first-in, first-out) or market, including the cost of project houses waiting to be sold or under construction. Obsolete or unusable items are reduced to net realizable values.

Non-Current Assets

Assets that are externally restricted for capital purposes, to make debt service payments, maintain sinking or reserve funds, or that represent assets of the University's endowments (including real estate held for resale) are classified as non-current restricted assets.

The remaining non-current assets include those receivables that will not be realized within the next year, investments, the cost of land purchased for future project houses, and the University's property, plant, and equipment, net of depreciation.

Property, Plant, and Equipment

The University componentizes certain research facilities to accommodate the different useful lives of components for depreciation purposes.

All buildings are carried on an estimated historical cost basis, at cost at date of acquisition, or at fair value at date of donation in the case of gifts. All other physical plant and equipment are stated at cost when purchased or constructed or fair value at date of donation in the case of gifts.

The University capitalizes all equipment with a unit cost of $5,000 or more and an estimated useful life greater than one year. Purchased software is capitalized when acquisition costs are $100,000 or more. Buildings costing $250,000 or more are capitalized, as are improvements to buildings costing $250,000 or more that extend the useful life of the building. Improvements other than buildings costing $250,000 or more are also capitalized. All library physical collections inventoried in the University's recognized libraries are capitalized regardless of cost. Art and special collections held by the University are capitalized but not depreciated. The University computes depreciation using the straight-line composite method over the estimated useful life of the assets. The estimated useful lives are as follows: (Figure A.1)

FIGURE A.1	
Buildings	10 – 40 years
Improvements other than buildings	5 – 20 years
Equipment	3 – 15 years
Purchased software	5 – 10 years
Library physical collections	20 years

The University provides repair and replacement reserves for certain properties as required by the related bond indentures. Routine repairs and maintenance are charged to operating expense in the period in which the expense was incurred.

Pension Related Assets, Liabilities, Deferred Outflows, and Deferred Inflows

The University records its share of any unfunded liability associated with participation in the defined benefit plans of the Utah Retirement Systems (Systems). For purposes of measuring the net pension liability, deferred outflows of resources related to pensions, deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Systems' Pension Plan and additions to or deductions from the Systems' fiduciary net position are determined on the same basis as they are reported by the Systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefits terms. Investments are reported at fair value.

Unearned Revenues

Unearned revenues consist primarily of amounts received during the fiscal year that have not yet been earned and are related to the subsequent accounting period. These sources consist of contract and grant sponsors, amounts received for tuition and fees, and certain auxiliary activities.

Compensated Absences

Sick leave is not accrued but is reported in the period of actual expenditure. Sick leave does not vest to the employee but is allowed on an earned time basis. At the end of each calendar year, employees who have earned 48 days of sick leave may convert up to four days of sick leave to annual leave, subject to other restrictions of the University.

Annual leave, including converted sick leave, is accrued and reported as earned. Employees are allowed to carry a maximum of 34 days annual leave. The 34 days is variable depending on the number of sick leave days the employee is allowed to convert at calendar year end.

Gifts

The University received $594,442 of gifts-in-kind, that were recorded as revenue and expense during the fiscal year ended June 30, 2015.

Non-Current Liabilities

Non-current liabilities include principal amounts of revenue bonds payable, notes payable, and contracts payable that are due beyond the next fiscal year, estimated amounts for accrued compensated absences, early retirement, and long-term deposits.

Net Position

The University's net position is classified as follows:

NET INVESTMENT IN CAPITAL ASSETS: This represents the University's total investment in capital assets net of obligations related to those capital assets. To the extent debt has been incurred, but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.

RESTRICTED — NON-EXPENDABLE: Restricted – non-expendable net position consists of endowment and similar-type funds which, as a condition of the gift instruments, the donors or other outside sources have stipulated that the principal is to be maintained inviolate and in perpetuity and invested for the purpose of producing present and future income. The income may either be expended or added to principal. Also included in this category are funds received from donors for the purpose of providing short and long-term loans to students.

RESTRICTED — EXPENDABLE: Restricted – expendable net position includes resources in which the University is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.

UNRESTRICTED: Unrestricted net position represents resources derived from student tuition and fees, state appropriations, and sales and services of educational departments. These resources are used for transactions relating to the educational and general operations of the University and may be used at the discretion of the governing board to meet current expenses for any purpose. These resources also include auxiliary enterprises, which are substantially self-supporting activities that provide services primarily for students.

Classification of Revenues and Expenses

OPERATING REVENUES: Operating revenues include activities that have the characteristics of exchange transactions such as: (1) student tuition and fees, net of scholarship allowances; (2) sales and services of auxiliary enterprises and other departments; (3) most federal, state, and local contracts and grants and federal appropriations; and (4) interest on institutional student loans.

NON-OPERATING REVENUES: Non-operating revenues include activities that have the characteristics of non-exchange transactions, such as gifts, contributions, and other revenue sources that are defined as non-operating revenues based on GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Non-Expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting* and GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. Examples of non-operating revenues would include state appropriations and investment income.

OPERATING/NON-OPERATING EXPENSES: With the exception of interest expense and losses on the disposal of capital assets, all expense transactions are classified as operating expenses.

Scholarship Allowances

Student tuition and fee revenues are reported net of scholarship allowances in the Statement of Revenues, Expenses, and Changes in Net Position. Scholarship allowances are the difference between the stated charge for goods and services provided by the University and the amount that is paid by students and/or third parties making payments on the students' behalf. To the extent that revenues from other sources are used to satisfy tuition and fees and other student charges, the University has recorded a scholarship allowance to eliminate overstating total revenues to the University and properly record the revenues at the original source.

Segment Reporting

The University, through the Utah State Board of Regents, issues revenue bonds to finance certain activities. The University has deemed it not necessary to report segments on these bond issues, based upon the criteria provided in GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* and GASB Statement No. 38, *Certain Financial Statement Note Disclosures*.

B. Cash and Cash Equivalents, and Short-Term Investments

Cash and cash equivalents consist of cash and investments with an original maturity of three months or less. Short-term investments consist of investments with an original maturity greater than three months that will mature within one year or less. Cash, depending on source of receipts, is pooled except when legal requirements dictate the use of separate accounts. The cash balances and cash float from outstanding checks are invested principally in short-term investments that conform to the provisions of the Utah Code. It is the practice of the University that the investments ordinarily be held to maturity at which time the par value of the investments will be realized.

The Utah State Treasurer's Office operates the Utah Public Treasurers' Investment Fund (PTIF) which is invested in accordance with the State Money Management Act. The State Money Management Council provides regulatory oversight for the PTIF. The PTIF is available for investment of funds administered by any Utah Public Treasurer.

At June 30, 2015, cash and cash equivalents and short-term investments consisted of: (Figure B.1)

FIGURE B.1

CASH AND CASH EQUIVALENTS

Cash	$9,886,590
Money market accounts	11,100,000
Money market mutual funds	393,167
Repurchase agreements	4,022,698
Utah Public Treasurers' Investment Fund	59,727,397
Total	$85,129,852

SHORT-TERM INVESTMENTS

Commercial paper and corporate notes	$45,407,389
Municipal bonds	985,000
Time certificates of deposit	59,530
Total	$46,451,919

C. Investments

Funds available for investment are pooled to maximize return and minimize administrative cost, except for funds that are authorized by the University administration to be separately invested or which are separately invested to meet legal or donor requirements. Investments received as gifts are recorded at market or appraised value. If no market or appraised value is available, investments received as gifts are recorded at a nominal value. Other investments are also recorded at fair value.

University personnel manage certain portfolios, while other portfolios are managed by banks, investment advisors, or through trust agreements.

According to the University's Investment Policy, the governing board may appropriate for expenditure as much of the net appreciation, realized and unrealized, of an endowment's corpus as is prudent under the facts and circumstances prevailing at the time of the action or decision. The appropriation must be for the purposes for which the endowment is established and also includes a management fee.

The endowment income spending policy at June 30, 2015, is 4 percent of the 12 quarter moving average of the market value of the endowment pool. The spending policy is reviewed periodically and any necessary changes are made.

The amount of net appreciation on investments of donor-restricted endowments that was available for authorization for expenditure at June 30, 2015, was $25,847,580. The net appreciation is a component of restricted expendable net position.

At June 30, 2015, the investment portfolio composition was as follows: (Figure C.1)

FIGURE C.1	
Alternatives	$28,408,122
Commercial paper and corporate notes	41,487,962
Common and preferred stocks	23,123,652
Municipal bonds	24,559,949
Mutual funds	112,360,670
Obligations of the U.S. Government and its agencies	181,878,013
Time certificates of deposit	3,353,091
Total Investments (Fair Value)	$415,171,459

D. Deposits and Investments

The Utah State Money Management Act defines the types of securities authorized as appropriate investments for the University's non-endowment funds and the conditions for making investment transactions. Investment transactions may be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities.

Statutes authorize the University to invest in negotiable or non-negotiable deposits of qualified depositories and permitted negotiable depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as "first tier" by two nationally recognized statistical rating organizations; bankers' acceptances; obligations of the United States Treasury including bills, notes, and bonds; obligations, other than mortgage derivative products, issued by U.S. Government sponsored enterprises (U.S. Agencies) such as the Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation (Freddie Mac), Federal National Mortgage Association (Fannie Mae), and Student Loan Marketing Association (Sallie Mae); bonds, notes, and other evidence of indebtedness of political subdivisions of the State; fixed rate corporate obligations and variable rate securities rated "A" or higher, or the equivalent of "A" or higher, by two nationally recognized statistical rating organizations; shares of certificates in a money market mutual fund as defined in the Act; and the Utah State Public Treasurers' Investment Fund.

The PTIF is not registered with the Securities and Exchange Commission as an investment company. The PTIF is authorized and regulated by the State Money Management Act, Section 51-7, Utah Code Annotated, 1953, as amended. The Act established the State Money Management Council, which oversees the activities of the State Treasurer and the PTIF and details the types of authorized investments. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments.

The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses - net of administration fees, of the PTIF are allocated based upon the participant's average daily balance. The fair value of the PTIF investment pool is approximately equal to the value of the pool shares.

State law allows endowment funds of higher education institutions to be invested in accordance with the Utah State Board of Regents (Board of Regents) default investment guidelines or in accordance with policies adopted by the institution's Board of Trustees and approved by the Board of Regents. The University invests endowment funds in accordance with policies adopted by the Board of Trustees and approved by the Board of Regents.

The University's Investment Policy allows the University to invest endowment funds in investments authorized by the Utah State Money Management Act or any of the following investments: readily marketable equities, which are diversified across a spectrum of market capitalizations, multiple regions, by issue, industry, and sector; readily marketable fixed income investments diversified by country, issue, sector, coupon, and quality; bonds having a minimum quality of "A" or better; non-investment grade securities, limited to 20 percent of a manager's portfolio; foreign securities, limited to 15 percent of a manager's portfolio and alternative investments that derive returns primarily from high-yield and distressed debt (hedged or non-hedged), natural resources, private capital (including venture capital, private equity, both domestic and international), commodities, private real estate assets or absolute return, and long/short hedge funds. In addition endowment funds may be invested as specifically directed by donor agreement.

Deposits

At June 30, 2015, the carrying amounts of the University's deposits and bank balances were $20,837,944 and $23,258,629 respectively. The bank balances of the University were insured for $1,816,533 by the Federal Deposit Insurance Corporation. The bank balances in excess of $1,816,533 were uninsured and uncollateralized, leaving $21,442,096 exposed to custodial credit risk. All deposits were held by a qualified depository as defined by the Utah State Money Management Act. The State of Utah does not require collateral on deposits.

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the University's deposits may not be returned to the University. The University does not have a formal deposit policy for custodial credit risk.

Investments

As of June 30, 2015, the University had the following investments and maturities: (Figure D.1)

INTEREST RATE RISK: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The University's policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the State's Money

FIGURE D.1		INVESTMENT MATURITIES (IN YEARS)			
INVESTMENT TYPE	FAIR VALUE	LESS THAN 1	1 – 5	6 – 10	GREATER THAN 10
Money market mutual funds	$393,167	$393,167	-	-	-
Utah Public Treasurers' Investment Fund	59,727,397	59,727,397	-	-	-
Commercial paper and corporate notes	86,895,351	45,407,389	$20,807,431	$2,206,404	$18,474,127
Municipal bonds	25,544,949	985,000	10,670,334	1,415,000	12,474,615
Mutual funds – bonds	32,553,454	-	19,936,074	12,617,380	-
Repurchase agreements	4,022,698	4,022,698	-	-	-
Negotiable certificates of deposit	3,353,091	-	-	-	3,353,091
U.S. agencies	181,158,560	-	87,992,189	15,924,574	77,241,797
U.S. treasury securities	719,453	-	582,953	136,500	-
Totals	394,368,120	$110,535,651	$139,988,981	$32,299,858	$111,543,630
Common and preferred stock	23,123,652				
Mutual funds – equities	79,807,216				
Alternatives	28,408,122				
Total	$525,707,110				

Management Act or the University's Investment Policy, as applicable. For non-endowment funds, Section 51-7-11 of the Money Management Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity on all investments in commercial paper, bankers' acceptances, fixed-rate negotiable deposits, and fixed-rate corporate obligations to 270 days – 15 months or fewer. In addition variable-rate negotiable deposits and variable-rate securities may not have a remaining term to final maturity exceeding three years. For endowment funds, the University's Investment Policy requires only that investments be made as a prudent investor would, by considering the purposes, terms, distribution requirements, and other circumstances of the endowments and by exercising reasonable care, skill, and caution.

CREDIT RISK: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The University's policy for reducing its exposure to credit risk is to comply with the State's Money Management Act and the University's Investment Policy, as previously discussed.

As of June 30, 2015, the University had the following investments with quality ratings: (Figure D.2)

FIGURE D.2

		QUALITY RATING			
INVESTMENT TYPE	**FAIR VALUE**	**AAA**	**AA**	**A**	**BBB**
Money market mutual funds	$393,167	-	-	-	-
Utah Public Treasurers' Investment Fund	59,727,397	-	-	-	-
Commercial paper and corporate notes	86,895,351	$2,701,659	$899,341	$64,700,265	$11,243,643
Municipal bonds	25,544,949	1,068,410	15,142,513	6,884,089	2,449,937
Mutual funds – bonds	32,553,454	-	-	-	-
Repurchase agreements	4,022,698	-	-	-	-
Negotiable certificates of deposit	3,353,091	-	-	-	-
U.S. agencies	181,158,560	-	175,617,307	-	-
U.S. treasury securities	719,453	-	-	-	-
Totals	$394,368,120	$3,770,069	$191,659,161	$71,584,354	$13,693,580

	QUALITY RATING *(continued)*		
INVESTMENT TYPE	**BB**	**UNRATED**	**NO RISK**
Money market mutual funds	-	$393,167	-
Utah Public Treasurers' Investment Fund	-	59,727,397	-
Commercial paper and corporate notes	$5,286,461	2,063,982	-
Municipal bonds	-	-	-
Mutual funds – bonds	-	32,553,454	-
Repurchase agreements	-	4,022,698	-
Negotiable certificates of deposit	-	3,353,091	-
U.S. agencies	-	5,153,001	$388,252
U.S. treasury securities	-	-	719,453
Totals	$5,286,461	$107,266,790	$1,107,705

CUSTODIAL CREDIT RISK: Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty, the University will not be able to recover the value of the investments that are in the possession of an outside party. The University does not have a formal investment policy for custodial credit risk. At June 30, 2015, the University had $4,022,698 in repurchase agreements where the underlying securities were uninsured and held by the counterparty, but not in the University's name. At June 30, 2015, the University also had $23,123,652 in common and preferred stock, $181,158,560 in U.S. agencies, $86,895,351 in commercial paper and corporate notes, $3,353,091 in negotiable certificates of deposit, and $25,544,949 in municipal bonds which were uninsured and held by the counterparty, but not in the University's name.

CONCENTRATION OF CREDIT RISK: Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. For endowment funds, the University policy requires diversification of investments across a broad spectrum and specific limits to concentration of securities within categories of equities, fixed income, and alternatives. Rule 17 of the State Money Management Council limits non-endowment fund investments in a single issuer of commercial paper and corporate obligations to 5 percent. The Money Management Council limitations do not apply to securities issued by the U.S. Government and its agencies.

At June 30, 2015, the University held more than 5 percent of total investments in securities of the Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and the Federal Home Loan Bank. These investments represent 17.40, 6.76, and 6.05 percent respectively of the total investments.

Under the terms of various limited partnership agreements approved by the Board of Trustees or by University officers, the University is obligated to make periodic payments for advance commitments to venture capital, natural resource, and private equity investments. As of June 30, 2015, the University had committed, but not paid, a total of $7,890,477 in funding for these alternative investments.

E. Accounts, Credits, and Student Loans Receivable

Accounts receivable consisted of the following at June 30, 2015: (Figure E.1)

FIGURE E.1	CURRENT	NON-CURRENT	TOTAL
Due from primary government			
State contracts and grants	$2,117,781	-	$2,117,781
State appropriations	1,215,553	-	1,215,553
State grant – USTAR	6,287,945	-	6,287,945
Land-grant revenue	180,502	-	180,502
Due from State Treasurer	3,376,301	-	3,376,301
Due from others			
Contracts and grants	35,371,763	-	35,371,763
Pledges receivable	1,653,800	$39,283,670	40,937,470
Auxiliary and service enterprises	1,585,860	-	1,585,860
Other activities	4,815,128	453,659	5,268,787
Total accounts receivable	56,604,633	39,737,329	96,341,962
Less allowance for doubtful accounts	(699,989)	-	(699,989)
Net Accounts Receivable	$55,904,644	$39,737,329	$95,641,973

Credits receivable, $572,406, reflect amounts due from vendors doing business primarily with the University's Campus Store.

Student loans receivable are comprised primarily of loans issued through the Federal Perkins Loan Program (FPLP) and short-term loans issued from funds set aside by the University for that purpose.

The FPLP loans provide for cancellation of a loan at rates of 10 percent to 30 percent per year up to a maximum of 100 percent if the participant complies with certain provisions. The FPLP loans become payable by the student after completion of academic degrees or termination as a student, with a term of ten years and an interest rate of 5 percent. In the event the University should withdraw from the FPLP or the government were to cancel the program, the amount for which the University would be liable to the federal government as of June 30, 2015, is $10,893,131.

As the University determines that loans are uncollectible and not eligible for reimbursement by the federal government, the loans are written off and assigned to the U.S. Department of Education.

Other University short-term loans have a term of two to four months and carry an interest rate of 7 percent to 12 percent. The 12 percent rate applies if the loan becomes delinquent. Notes receivable are as follows: (Figure E.2)

FIGURE E.2	CURRENT	NON-CURRENT	TOTAL RECEIVABLE
Federal Perkins Loan Program	$849,881	$10,478,210	$11,328,091
Other notes receivable	537,046	61,533	598,579
Total notes receivable	1,386,927	10,539,743	11,926,670
Less allowance for doubtful accounts	(25,053)	(140,568)	(165,621)
Net Notes Receivable	$1,361,874	$10,399,175	$11,761,049

USU is the state's only land-grant institution, providing extension units in 28 of Utah's 29 counties and at the Ogden Botanical Gardens, Thanksgiving Point, and the USU Botanical Center to help improve the quality of life for individuals, families, and communities in Utah.

F. Property, Plant, and Equipment

The University's investment in property, plant, and equipment consists of the following: (Figure F.1)

FIGURE F.1	BALANCE JUNE 30, 2014	ADDITIONS	TRANSFERS	DISPOSALS	BALANCE JUNE 30, 2015
Property, plant, and equipment not depreciated					
Land	$37,757,475	$1,591,910	-	($3,290,010)	$36,059,375
Construction in progress					
Buildings	21,459,148	57,694,398	($11,122,616)	-	68,030,930
Improvements other than buildings	474,732	1,502,551	(1,671,071)	-	306,212
Equipment	185,708	236,243	(92,014)	-	329,937
Art and special collections	23,168,258	2,550,780	-	-	25,719,038
Total Property, Plant, and Equipment Not Depreciated	$83,045,321	$63,575,882	($12,885,701)	($3,290,010)	$130,445,492
Other property, plant, and equipment					
Buildings	$789,884,920	$1,342,730	$11,146,791	($1,407,809)	$800,966,632
Improvements other than buildings	74,109,005	-	1,671,071	-	75,780,076
Equipment	168,987,927	8,877,831	67,839	(5,099,274)	172,834,323
Library collections	75,055,324	796,381	-	(40,005)	75,811,700
Total other property, plant, and equipment	1,108,037,176	11,016,942	12,885,701	(6,547,088)	1,125,392,731
Less accumulated depreciation					
Buildings	(295,312,767)	(22,995,563)	-	150,167	(318,158,163)
Improvements other than buildings	(44,169,144)	(2,961,188)	-	-	(47,130,332)
Equipment	(116,608,738)	(13,310,849)	-	4,750,615	(125,168,972)
Library collections	(53,520,141)	(2,442,040)	-	40,005	(55,922,176)
Total accumulated depreciation	(509,610,790)	(41,709,640)	0	4,940,787	(546,379,643)
Net Other Capital Assets	$598,426,386	($30,692,698)	$12,885,701	($1,606,301)	$579,013,088
Capital assets – summary					
Capital assets not depreciated	$83,045,321	$63,575,882	($12,885,701)	($3,290,010)	$130,445,492
Other capital assets at cost	1,108,037,176	11,016,942	12,885,701	(6,547,088)	1,125,392,731
Total cost of capital assets	1,191,082,497	74,592,824	0	(9,837,098)	1,255,838,223
Less accumulated depreciation	(509,610,790)	(41,709,640)	-	4,940,787	(546,379,643)
Net Capital Assets	$681,471,707	$32,883,184	$0	($4,896,311)	$709,458,580

Interest capitalized as part of building construction was $1,470,768 and is included as part of construction in progress.

G. Accounts Payable and Accrued Liabilities

Accounts payable consisted of the following at June 30, 2015: (Figure G.1)

FIGURE G.1	
Salaries and benefits payable ($2,899,478 due to primary government)	$32,871,776
Due to primary government	13,958,551
Suppliers payable	17,264,966
Interest payable	823,732
Other	352,891
Total Accounts Payable and Accrued Liabilities	$65,271,916

H. Bonds, Notes, Contracts, and Other Non-Current Liabilities

Assets pledged for payment of bonds and contracts include the net revenue of auxiliary enterprises, land-grant funds, specific student fees, and reimbursed facilities and administrative costs. The gross amount of capital assets purchased under capital lease as of June 30, 2015, was $35,687,922. Bonds, notes, and contracts outstanding at June 30, 2015 were as follows: (Figure H.1)

FIGURE H.1	JUNE 30, 2015
Bonds payable	
Stadium/Spectrum and Student Recreation Bonds	
Series 2013 2.00%-4.00%, 2013-2026, $8,405,000	$7,750,000
Series 2013B 3.00%-5.00%, 2014-2045, $43,310,000	43,310,000
Total Stadium/Spectrum and Student Recreation Bonds	51,060,000
Student Housing System Revenue Bonds	
Series 2007 4.00%-5.00%, 2005-2035, $39,155,000	39,155,000
Total Student Housing System Revenue Bonds	39,155,000
Research Revenue Bonds	
Series 2003 1.90%-4.40%, 2003-2016, $705,000	68,000
Series 2009 2.00%-5.00%, 2009-2031, $22,000,000	18,550,000
Series 2010 2.00%-5.00%, 2010-2017, $11,070,000	6,700,000
Total Research Revenue Bonds	25,318,000
Total bonds payable	115,533,000
Notes and capital leases payable	
State of Utah – Building Ownership Authority, 7.16%, 1998-2018	419,076
Bank of America, 4.18%, 2007-2022	1,023,689
Bank of America, 4.35%, 2010-2022	1,416,422
Bank of America, 1.49%, 2013-2018	509,609
Bank of America, 2.54%, 2014-2024	7,975,356
Capital One Public Finance, 3.89%, 2014-2029	1,108,741
State of Utah – DFCM, 0%, 2011-2016	16,307

Table continued on next page

FIGURE H.1 *(continued)*	JUNE 30, 2015
Notes and capital leases payable	
SunTrust Leasing Corp., 3.97%, 2008-2018	171,406
SunTrust Leasing Corp., 2.6956%, 2011-2016	68,674
SunTrust Leasing Corp., 2.34%, 2013-2022	650,078
SunTrust Leasing Corp., 2.078%, 2013-2020	246,636
SunTrust Leasing Corp., 3.75%, 2008-2018	52,481
SunTrust Leasing Corp., 4.5%, 2008-2018	43,668
SunTrust Leasing Corp., 3.34%, 2011-2018	336,649
SunTrust Leasing Corp., 2.84%, 2012-2019	133,339
SunTrust Leasing Corp., 2.81%, 2013-2019	378,685
SunTrust Leasing Corp., 2.72%, 2013-2023	2,410,513
SunTrust Leasing Corp., 2.334%, 2013-2018	170,376
SunTrust Leasing Corp., 2.69%, 2013-2020	153,358
SunTrust Leasing Corp., 3.11%, 2014-2021	223,477
SunTrust Leasing Corp., 2.71%, 2015-2020	149,255
SunTrust Leasing Corp., 3.04%, 2015-2022	169,766
Total notes and capital leases payable	17,827,561
Equipment contracts payable, 2011-2019	1,307,013
Total bonds, notes, and equipment contracts payable	134,667,574
Unamortized premiums and reoffering premiums (RP) on bonds	
2007 Bonds – RP	2,778,702
2009 Bonds – RP	417,684
2010 Bonds – RP	330,421
2013 Bonds – RP	491,823
2013B Bonds – premium	1,223,004
Total unamortized premiums and reoffering premiums on bonds	5,241,634
Total Bonds, Notes, and Equipment Contracts Payable Net of Unamortized Premiums and Reoffering Premiums on Bonds	$139,909,208

In March 2015 the State Board of Regents authorized the issuance of Research Revenue Refunding Bonds in the aggregate principal amount not to exceed $17,500,000. At June 30, 2015, the bonds had not been issued. The proceeds will be used to advance refund a portion of the 2009 Research Revenue Bonds. Below is a summary of the changes in bonds, notes, and equipment contracts payable for the fiscal year ended June 30, 2015: (Figure H.2)

FIGURE H.2	BONDS	NOTES AND CAPITAL LEASES	EQUIPMENT CONTRACTS	TOTAL PAYABLE	UNAMORTIZED PREMIUM AND REOFFERING PREMIUMS	TOTAL NET OF PREMIUM AND REOFFERING PREMIUMS
Balance at June 30, 2014	$120,768,000	$20,255,818	$2,122,962	$143,146,780	$5,668,734	$148,815,514
Additions	-	367,504	187,189	554,693	-	554,693
Deletions	(5,235,000)	(2,795,761)	(1,003,138)	(9,033,899)	(427,100)	(9,460,999)
Balance at June 30, 2015	$115,533,000	$17,827,561	$1,307,013	$134,667,574	$5,241,634	$139,909,208

The University has complied with the restrictive covenants of its bond agreements. Amounts due on bonds and contracts payable in future years are as follows: (Figure H.3)

FIGURE H.3	BONDS	BOND INTEREST	NOTES AND CAPITAL LEASES	NOTES AND CAPITAL LEASES INTEREST	EQUIPMENT CONTRACTS	EQUIPMENT CONTRACTS INTEREST	TOTAL AMOUNT REQUIRED
FY 2016	$5,583,000	$5,119,105	$2,489,053	$498,157	$747,635	$24,804	$14,461,754
FY 2017	5,680,000	4,948,858	2,487,487	422,121	431,791	8,563	13,978,820
FY 2018	5,895,000	4,735,646	2,587,008	343,756	97,877	1,927	13,661,214
FY 2019	3,765,000	4,546,242	2,029,953	272,805	29,710	323	10,644,033
FY 2020	3,940,000	4,373,167	1,879,511	214,513	-	-	10,407,191
FY's 2021-2025	22,595,000	18,961,719	6,009,668	370,544	-	-	47,936,931
FY's 2026-2030	24,250,000	13,634,827	344,881	23,510	-	-	38,253,218
FY's 2031-2035	22,415,000	7,989,743	-	-	-	-	30,404,743
FY's 2036-2040	9,430,000	4,072,003	-	-	-	-	13,502,003
FY's 2041-2045	11,980,000	1,505,078	-	-	-	-	13,485,078
Totals	$115,533,000	$69,886,388	$17,827,561	$2,145,406	$1,307,013	$35,617	$206,734,985

Summary of changes in liabilities for the year ended June 30, 2015 is as follows: (Figure H.4)

FIGURE H.4	BEGINNING BALANCE JUNE 30, 2014	ADDITIONS	REDUCTIONS	ENDING BALANCE JUNE 30, 2015	AMOUNTS DUE WITHIN ONE YEAR
Bonds, notes, and contracts payable					
Bonds payable	$126,436,734	-	($5,662,100)	$120,774,634	$5,583,000
Notes and capital leases payable	19,415,129	$367,504	(2,390,455)	17,392,178	2,342,496
Notes payable to primary government	840,689	-	(405,306)	435,383	146,557
Equipment contracts payable	2,122,962	187,189	(1,003,138)	1,307,013	747,635
Total bonds, notes, and contracts payable	148,815,514	554,693	(9,460,999)	139,909,208	8,819,688
Other non-current liabilities					
Liability for compensated absences	16,945,963	12,203,773	(11,650,166)	17,499,570	11,837,156
Liability for early retirement	13,787,616	3,006,403	(5,272,590)	11,521,429	4,444,441
Deposit due to primary government	465,000	-	-	465,000	-
Other liabilities	1,520,891	-	(180,677)	1,340,214	183,334
Net pension liability*	42,731,199	-	(5,457,819)	37,273,380	-
Total other non-current liabilities	75,450,669	15,210,176	(22,561,252)	68,099,593	16,464,931
Total Non-Current Liabilities	$224,266,183	$15,764,869	($32,022,251)	$208,008,801	$25,284,619

**See Note P for prior period adjustment to net position.*

I. Pledged Bond Revenue

The University issues revenue bonds to provide funds for the construction and renovation of major capital facilities. Investors in these bonds rely solely on the net revenue pledged by the following activities for the retirement of outstanding bonds payable.

STUDENT FEE AND HOUSING SYSTEM is comprised of the net revenue from specific auxiliary enterprises and student building fee assessments. The Student Fee and Housing System includes all University housing except the Student Living Center, Parking Services, all of University Dining Services, the net revenues of the Taggart Student Center, Student Building Fees specifically identified in the bond resolution, and land-grant revenues. The University has pledged future net revenues of the Student Fee and Housing System to repay $39,155,000 in bonds issued in May 2007. Proceeds from the 1994 and 2004 bonds provided financing for the construction and renovation of the Student Fee and Housing System facilities. Proceeds from the 2007 bonds were used to refund bonds issued in 2004. Student Fee and Housing System annual net revenues are projected to produce at least 110 percent of the annual debt service requirements over the life of the bonds. The total principal and interest remaining to be paid on the bonds is $62,398,409. The bonds are payable solely from the Student Fee and Housing System and are payable through 2035.

STUDENT FEE STADIUM/SPECTRUM RECREATION FACILITIES SYSTEM is comprised of those student fees specifically identified in the bond resolution and paid by students for the use and availability of the facilities. The University has pledged future revenues of the specifically identified student fees to repay $8,405,000 and $43,310,000 in bonds issued in March 2013 and August 2013 respectively. Proceeds from the 2004 bonds provided financing for the renovating and remodeling of the University's football stadium and a student recreation center. Proceeds from the 2013 bonds were used to refund a portion of the bonds issued in 2004. Proceeds from the 2013B bonds are providing financing for a portion of the cost of constructing, equipping, and furnishing a student recreation center and a facility for basketball practice and volleyball competition. Proceeds from the 2013B bonds are also providing financing for the debt service payments during the period of construction of the two facilities. Student fee revenues are projected to produce at least 110 percent of the annual debt service requirements over the life of the bonds. The total principal and interest remaining to be paid on the bonds is $90,067,632. The bonds are payable solely from the Student Fee Stadium/Spectrum Recreation Facilities System and are payable through 2045.

RESEARCH REVENUE SYSTEM is comprised of the revenue generated from the recovery of allocated facilities and administration costs to contracts and grants based on federally approved negotiated rate agreements. The University has pledged future revenues of the Research Revenue System to repay $705,000; $22,000,000; and $11,070,000 in bonds issued in March 2003, May 2009, and July 2010 respectively. Proceeds from the 2002 bonds provided financing for the cost of acquiring, constructing, furnishing, and equipping three buildings as office and research facilities on the Utah State University Innovation Campus. Proceeds from the 2003 bonds provided for the acquisition of 550 acres of farmland, approximately 12 miles northwest of Logan, to replace University farmland now assigned to the University's Innovation Campus. Proceeds from the 2009 bonds provided financing for the cost of acquiring, constructing, and equipping two research facilities located at the University's main campus and the Vernal, Utah campus. Proceeds from the 2010 bonds were used to refund a portion of the bonds issued in 2002. Annual principal and interest payments on the bonds are expected to require less than 20 percent of revenues. The total principal and interest remaining to be paid on the bonds is $32,953,346. The bonds are payable solely from the Research Revenue System and are payable through 2031.

The following schedule presents the net revenue pledged to the applicable bond system and the principal and interest paid for the year ended June 30, 2015.
(Figure I.1)

FIGURE I.1	STUDENT FEE AND HOUSING SYSTEM	STUDENT FEE STADIUM/ SPECTRUM RECREATION FACILITIES SYSTEM	RESEARCH REVENUE SYSTEM
Revenue			
Operating revenue/gross profit	$23,832,909	$2,182,563	$31,035,127
Non-operating revenue	432,950	-	-
Total revenue	24,265,859	2,182,563	31,035,127
Expenses			
Operating expenses	16,135,438	-	-
Total expenses	16,135,438	0	0
Net Pledged Revenue	$8,130,421	$2,182,563	$31,035,127
Principal Paid and Interest Expense	$3,673,263	$813,200	$4,039,848
Debt Service Ratio	2.21X	2.68X	7.68X

J. Operating Leases

The Utah State University Research Foundation leases various office, warehouse, and other facilities under noncancelable operating lease agreements which expire in fiscal year 2016 through fiscal year 2022. Rental expense on the operating leases for the fiscal year ended June 30, 2015 was $1,339,370. Future minimum rental payments for these noncancelable operating leases are as follows: (Figure J.1)

FIGURE J.1 FISCAL YEARS ENDING JUNE 30	FUTURE MINIMUM RENTAL PAYMENTS
2016	$1,253,967
2017	877,338
2018	697,642
2019	512,555
2020	310,858
Later years	113,447
Total Payments	$3,765,807

K. Pension Plans and Retirement Benefits

As required by state law, eligible non-exempt employees of the University (as defined by the U.S. Fair Labor Standards Act) are covered by the Utah Retirement Systems (Systems). Eligible exempt employees (as defined by the U.S. Fair Labor Standards Act) are covered by the Teachers Insurance and Annuity Association – College Retirement Equities Fund (TIAA-CREF) and/or Fidelity Investments (Fidelity). Employees may also participate in defined contribution plans consisting of 401(k) and 457 plans managed by the Systems, TIAA-CREF, Fidelity, or Educators Mutual Insurance Association (EMIA).

Defined Benefit Pension Plans

The Utah Retirement Systems are established and governed by the respective sections of Title 49 of the Utah Code. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Board, whose members are appointed by the governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. The Systems are a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms. The Utah Retirement Systems issues a publicly available financial report that may be obtained by writing to the Utah Retirement Systems, 560 East 200 South, Salt Lake City, Utah 84102 or visiting the website: www.urs.org.

The Systems are comprised of the following pension trust funds:

- The Public Employees Noncontributory Retirement System (Noncontributory System), the Public Employees Contributory Retirement System (Contributory System), and the Public Safety Retirement System (Public Safety System) are defined-benefit multiple employer, cost sharing, public employees retirement systems.

- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System) is a multiple employer, cost sharing, public employees retirement system.

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees beginning on or after July 1, 2011, who have no previous service credit with any of the Utah Retirement Systems, are members of the Tier 2 Retirement System.

The Systems provide retirement, disability, and death benefits. Retirement benefits are as follows: (Figure K.1)

FIGURE K.1

SYSTEM	FINAL AVERAGE SALARY	YEARS OF SERVICE REQUIRED AND/ OR AGE ELIGIBLE FOR BENEFIT	BENEFIT PERCENT PER YEAR OF SERVICE	COLA**
Contributory System	Highest 5 years	30 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.25% per year to June 1975; 2.0% per year July 1975 to present	Up to 4.0%
Noncontributory System	Highest 3 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.0% per year all years	Up to 4.0%
Public Safety System	Highest 3 years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 2.5% – 4.0% depending on the employer
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%

**With actuarial reductions*

***All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit. The cost-of-living adjustments are also limited to the actual Consumer Price Index (CPI) increase for the year, although unused CPI increases not met may be carried forward to subsequent years.*

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the Systems' board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable), is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates are as follows: (Figure K.2)

FIGURE K.2	EMPLOYEE PAID	PAID BY EMPLOYER FOR EMPLOYEES	EMPLOYER CONTRIBUTION RATES
Contributory System			
12 – State and School Division Tier 1	N/A	6.00%	17.70%
112 – State and School Division Tier 2	N/A	N/A	18.27%
Noncontributory System			
16 – State and School Division Tier 1	N/A	N/A	22.19%
Public Safety Retirement System			
42 – Other Division A Noncontributory Tier 1	N/A	N/A	41.35%

At December 31, 2014, the University reported a net pension asset of $46,288 and a net pension liability of $37,273,380. (Figure K.3)

FIGURE K.3	PROPORTIONATE SHARE	NET PENSION ASSET	NET PENSION LIABILITY
Contributory System	1.2745733%	-	$139,755
Noncontributory System	1.4526055%	-	36,497,130
Public Safety System	0.3425260%	-	636,495
Tier 2 Public Employees System	1.5274314%	$46,288	-
Total Net Pension Asset/Liability		$46,288	$37,273,380

The net pension asset and liability were measured as of December 31, 2014. The total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2014 and rolled forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability were based upon actual historical employer contributions to the plans from the census data submitted to the plan for pay periods ending in 2014.

For the year ended December 31, 2014, the University recognized a pension expense of $7,098,347. At December 31, 2014, the University's portion of the reported deferred outflows of resources and deferred inflows of resources related to pensions were from the following sources: (Figure K.4)

FIGURE K.4	DEFERRED OUTFLOWS OF RESOURCES	DEFERRED INFLOWS OF RESOURCES
Differences between expected and actual experience	-	$2,272,146
Changes in assumptions	-	1,276,579
Net difference between projected and actual earnings on pension plan investments	$674,528	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	5,151,584	-
Total	$5,826,112	$3,548,725

FIGURE K.5 YEARS ENDED DECEMBER 31	DEFERRED OUTFLOWS/ (INFLOWS) OF RESOURCES
2015	($742,277)
2016	(742,277)
2017	(742,277)
2018	(596,757)
2019	(8,097)
Thereafter	(42,509)

Of the amount reported as deferred outflows of resources related to pensions, $5,151,584 resulted from contributions made by the University prior to the fiscal year end, but subsequent to the measurement date of December 31, 2014. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows: (Figure K.5)

The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement: (Figure K.6)

FIGURE K.6		
Inflation	2.75%	
Salary increases	3.5% - 10.5%	Average, including inflation
Investment rate of return	7.5%	Net of pension plan investment expense, including inflation

FIGURE K.7

RETIRED MEMBER MORTALITY

CLASS OF MEMBER	
Educators	
Men	EDUM (90%)
Women	EDUF (100%)
Public safety and firefighters	
Men	RP 2000mWC (100%)
Women	EDUF (120%)
Local government, public employees	
Men	RP 2000mWC (100%)
Women	EDUF (120%)

Active member mortality rates are a function of the member's gender, occupation, and age and are developed based upon plan experience. Retiree mortality assumptions are highlighted in the table: (Figure K.7)

EDUM = Constructed mortality table based on actual experience of male educators multiplied by given percentage

EDUF = Constructed mortality table based on actual experience of female educators multiplied by given percentage

RP 2000mWC = RP 2000 combined mortality tables for males with white collar adjustments multiplied by given percentage

The actuarial assumptions used in the January 1, 2014 valuation were based on the results of an actuarial experience study for the five-year period ending December 31, 2013.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table: (Figure K.8)

FIGURE K.8

EXPECTED RETURN ARITHMETIC BASIS

ASSET CLASS	TARGET ASSET ALLOCATION	REAL RETURN ARITHMETIC BASIS	LONG-TERM EXPECTED PORTFOLIO REAL RATE OF RETURN
Equity securities	40.00%	7.06%	2.82%
Debt securities	20.00%	0.80%	0.16%
Real assets	13.00%	5.10%	0.66%
Private equity	9.00%	11.30%	1.02%
Absolute return	18.00%	3.15%	0.57%
Cash and cash equivalents	0.00%	0.00%	0.00%
Total	100.00%		5.23%
Inflation			2.75%
Expected Arithmetic Nominal Return			7.98%

The 7.5 percent assumed investment rate of return is comprised of an inflation rate of 2.75 percent, a real return of 4.75 percent that is net of investment expense.

The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the Systems' Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees; therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the proportionate share of the net pension (asset)/liability calculated using the discount rate of 7.5 percent, as well as what the proportionate share of the net pension (asset)/liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.5%) or 1 percentage point higher (8.5%) than the current rate: (Figure K.9)

FIGURE K.9 PROPORTIONATE SHARE OF NET PENSION LIABILITY/(ASSET)	1% DECREASE 6.50%	DISCOUNT RATE 7.50%	1% INCREASE 8.50%
Contributory System	$1,172,512	$139,755	($733,786)
Noncontributory System	72,714,511	36,497,130	6,165,011
Public Safety System	1,177,978	636,495	190,349
Tier 2 Public Employees System	340,419	(46,288)	(337,880)
Total Net Pension Liability	$75,405,420	$37,227,092	$5,283,694

Detailed information about the pension plan's fiduciary net position is available in the Systems', separately issued, financial report.

Defined Contribution Plans

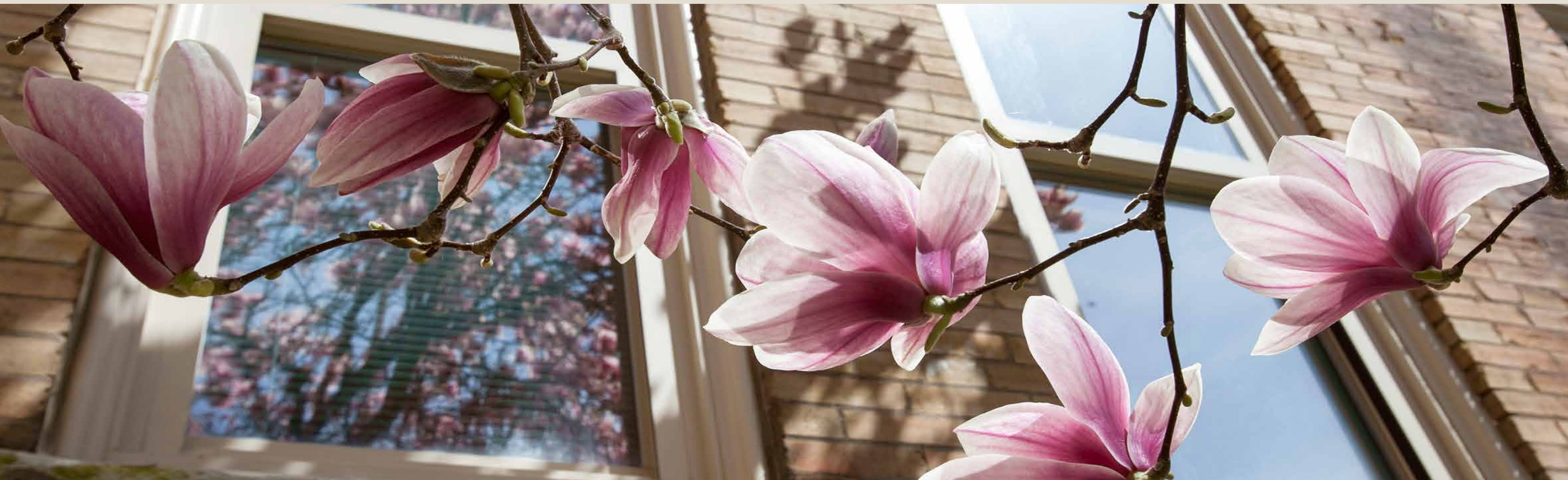
Retirement plan employees are also eligible to participate in deferred compensation 401(k) and 457 defined contribution plans. These plans are available as supplemental plans to the basic retirement benefits of the Systems and as a primary retirement plan for some Tier 2 Public Employee System participants. Under certain IRS and plan restrictions, employees can make additional contributions. Employer contributions may be made into the plans at rates determined by the employers and according to Utah Code Title 49. The defined contribution plans' account balances are fully vested to the participants at the time of deposit except for Tier 2 required employer contributions and associated earnings during the first four years of employment.

For employees participating in defined benefit plans, the University is also required to contribute 1.5-1.78 percent of the employee's salary into a 401(k)/457 plan. For employees who choose to participate in the Tier 2 Public Employee defined contribution plan (Tier 2 DC), the University is required to contribute 20.05 percent of the employees' salary of which 10 percent is paid into a 401(k)/457 plan while the remainder is contributed to the Tier 1 Contributory Public Employee System, as required by law. Employer and employee contributions to the 401(k)/457 plans for fiscal years ending June 30 were as follows: (Figure K.10)

FIGURE K.10

401(K), TIER 2 DC, AND 457 PLANS

	2015	2014	2013
University's contributions	$975,473	$769,297	$671,526
Employees' contributions	$1,107,326	$957,746	$911,530



EMIA provides a 401(k) defined contribution plan that can be utilized by employees on the Utah Retirement State and School System – Noncontributory plan. This contribution is in lieu of the 1.5 percent that would have been contributed to the Utah Retirement System's 401(k) plan. The contribution made by the University is at 1.5 percent of gross earnings. Contributions by the University become vested at the time the contribution is made. Contributions for fiscal years ending June 30 were as follows: (Figure K.11)

FIGURE K.11

EDUCATORS MUTUAL INSURANCE ASSOCIATION 401(K)

	2015	2014	2013
University's contributions	$18,904	$19,896	$21,200
Employees' contributions	$60,077	$65,549	$66,396

TIAA-CREF and/or Fidelity provide individual defined contribution retirement fund contracts with each participating employee. Employees may allocate contributions by the University to any or all of the providers and the contracts become vested at the time the contribution is made. Employees are eligible to participate from the date of employment and are not required to contribute to the fund. Benefits provided to retired employees are based on the value of individual contracts and the estimated life expectancy of the employee at retirement. The University's contribution to this multiple employer defined contribution plan was 14.2 percent (12.25% for post retirees) of the employees' annual salary. The University has no further liability once annual contributions are made. Contributions for fiscal years ending June 30 were as follows: (Figure K.12)

FIGURE K.12

TIAA-CREF AND/OR FIDELITY

	2015	2014	2013
University's contributions	$25,156,952	$24,490,208	$23,682,706
Employees' contributions	$7,341,882	$6,704,498	$6,184,720

L. Termination Benefits

The University provides an early retirement option to employees who qualify and are approved by administration in accordance with University policy. This option is available to all employees whose accumulated age and years of service are equal to or greater than 75, that have met the minimum age requirements, and where early retirement is in the mutual best interest of the employee and the University.

The policy provides two mutually exclusive early retirement options for eligible employees; either six years (16.67 percent of base salary per year) or five years (20 percent of base salary per year). The six-year option requires a minimum age of 56 and the five-year option requires a minimum age of 57. Benefits include a monthly stipend equal to the agreed upon percent of the retiree's salary at the time of active employment along with medical and dental insurance.

The projected future cost of these stipends and the medical and dental insurance benefits have been calculated based on the known amount to be paid out in the next fiscal year plus projected increases of 0.65 percent (University), 3 percent (USURF) for stipends and 6.45 to 10.20 percent (University), 9 percent (USURF) for medical and dental premiums. These increases are based on historical data. The premiums for medical and dental benefits have also been increased by an age-adjusted factor of 2.89. The net present value of the total projected costs is calculated using the estimated yield (2.945%) for University investments in the Cash Management Investment Pool and (4.17%) for USURF. The net present value is the amount recognized on the financial statements as the liability for early retirement.

At June 30, 2015, there were 110 participants in the early retirement program. The program is funded on a pay-as-you-go basis from current funds. Payments for the program for fiscal years ending June 30 were as follows: (Figure L.1)

FIGURE L.1

EARLY RETIREMENT PAYMENTS

	2015	2014	2013
Stipends	$1,321,632	$1,748,648	$1,737,496
Insurance benefits	$929,738	$1,292,698	$1,264,885

M. Risk Management

General Liability Insurance

The University maintains insurance coverage for general, automobile, personal injury, errors and omissions, employee dishonesty, and malpractice liability up to $10 million per occurrence through policies administered by the Utah State Risk Management Fund. The University also insures its buildings, including those under construction, and contents against all insurable risks of direct physical loss or damage with the Utah State Risk Management Fund. This all-risk insurance coverage provides for repair or replacement of damaged property at a replacement cost basis subject to a deductible of $1,000 per occurrence. All revenues from University operations, rental income for its residence halls, and tuition are insured against loss due to business interruption caused by fire or other insurable perils with the Utah State Risk Management Fund. All University employees are covered by worker's compensation insurance, including employer's liability coverage by the Worker's Compensation Fund of Utah.

Self-Insurance for Employee Health and Dental Care

The University has a self-insurance fund for employee health and dental care. In addition, the University has purchased a stop-loss insurance policy to cover specific participant claims exceeding $400,000 per term and aggregate claims exceeding 125 percent of expected claims up to $10 million. GASB Statement No. 10 requires a liability for claims be reported if information prior to the issuance of the financial statements indicates it is probable that a liability has been incurred at the date of the financial statements. The estimated claims liability is based upon past experience adjusted for current trends. The estimate reflects the ultimate cost of settling the claims. The University's estimated self-insurance claims liability at June 30, 2015, and June 30, 2014, were as follows: (Figure M.1)

FIGURE M.1	2015	2014
Estimated claims liability at beginning of year	$5,477,587	$4,858,401
Current year claims and changes in estimates	43,222,134	41,835,094
Claim payments, including related legal and administrative expenses	(43,609,485)	(41,215,908)
Estimated Claims Liability at End of Year	$5,090,236	$5,477,587

The University has recorded the investment of the health and dental care funds at June 30, 2015, and the estimated liability for self-insurance claims at that date in the Statement of Net Position. The income on fund investments, the expenses related to the administration of the self insurance, and the estimated provision for the claims liabilities for the year then ended are recorded in the Statement of Revenues, Expenses, and Changes in Net Position and the Statement of Net Position.

Contingencies

The University has been named in several lawsuits where litigation is pending. It is unlikely that any judgments against the University will be established or would otherwise be material in nature. Most lawsuits are such that any financial settlement would be covered primarily by insurance held by the University through the State's Division of Risk Management.

Utah State University Research Foundation has a bank revolving line of credit with a limit of $3 million. At June 30, 2015, the outstanding balance was zero. The line of credit is unsecured, due on demand, and expires January 10, 2016.

At June 30, 2015, the University had outstanding commitments for the construction and remodeling of University buildings of approximately $30 million.

N. Natural and Functional Classifications

The University's operating expenses by natural and functional classifications for the fiscal year ended June 30, 2015 were as follows: (Figure N.1)

FIGURE N.1

	NATURAL CLASSIFICATION					
FUNCTIONAL CLASSIFICATION	Salaries and wages	Employee pension and benefits	Other operating expenses	Scholarships and fellowships	Depreciation	Total operating expenses
Instruction	$99,036,937	$35,848,557	$22,185,268	-	-	$157,070,762
Research	59,513,006	23,389,861	46,754,084	-	-	129,656,951
Public service	26,712,282	9,279,832	22,912,636	-	-	58,904,750
Academic support	18,674,684	7,088,182	10,842,054	-	-	36,604,920
Student services	11,163,763	3,777,973	9,057,354	-	-	23,999,090
Institutional support	26,732,857	11,315,053	11,332,350	-	-	49,380,260
Operation and maintenance	11,745,856	4,584,929	24,892,419	-	-	41,223,204
Scholarships and fellowships	-	-	-	$32,920,131	-	32,920,131
Service departments	7,547,810	2,435,833	(10,227,832)	-	-	(244,189)
Auxiliary enterprises	16,917,109	5,034,972	20,515,229	-	-	42,467,310
Depreciation	-	-	-	-	$41,709,640	41,709,640
Total Operating Expenses	$278,044,304	$102,755,192	$158,263,562	$32,920,131	$41,709,640	$613,692,829

O. Blended Presentation of Component Units

The following is a condensed version of Utah State University Research Foundation's and Utah State University Foundation's financial statements for the fiscal year ended June 30, 2015: (Figure O.1, O.2, O.3)

FIGURE O.1

COMPONENT UNITS
CONDENSED STATEMENT OF NET POSITION
JUNE 30, 2015

	USURF	FOUNDATION
Assets		
Current assets	$22,985,932	-
Current assets due from the University	51,119	$42,183,195
Non-current assets	228,592	1,349,871
Non-current assets due from the University	-	131
Net capital assets	18,388,833	-
Total assets	41,654,476	43,533,197
Deferred outflows of resources		
Resources related to pensions	295,686	-
Total deferred outflows of resources	295,686	0
Liabilities		
Current liabilities	9,675,218	-
Current liabilities due to the University	2,031,826	-
Non-current liabilities	9,261,734	-
Non-current liabilities due to the University	2,881,624	-
Total liabilities	23,850,402	0
Deferred inflows of resources		
Resources related to pensions	175,355	-
Total deferred inflows of resources	175,355	0
Net position		
Net investment in capital assets	8,562,549	-
Restricted	-	-
Non-expendable		
Primarily scholarships and fellowships	-	37,276,048
Expendable		
Research, instruction, and public service	-	5,785,795
Unrestricted	9,361,856	471,354
Total Net Position	$17,924,405	$43,533,197

FIGURE O.2

COMPONENT UNITS

CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

FOR THE YEAR ENDED JUNE 30, 2015

	USURF	FOUNDATION
Operating revenues		
Project revenues	$49,681,586	-
Project unit indirect costs, general and administrative costs, and cost of money	18,149,541	-
Project fees	4,406,262	-
Administrative reimbursement, USU	1,091,587	-
Royalty income	34,178	-
Other operating revenues	867,682	-
Total operating revenues	74,230,836	$0
Operating expenses		
Salaries and wages	28,782,595	-
Employee benefits	16,961,732	-
Subcontracts	6,164,141	-
Depreciation and amortization	2,444,857	-
Research support to USU	524,776	-
Other operating expenses	15,872,935	-
Total operating expenses	70,751,036	0
Operating income	3,479,800	0
Non-operating revenues/(expenses)		
Private gifts	-	151,986
Other – net	(317,304)	(1,205,511)
Net non-operating revenues/(expenses)	(317,304)	(1,053,525)
Income/(loss) before other revenues	3,162,496	(1,053,525)
Other revenues		
Additions to permanent endowments	-	3,605,345
Net other revenues	-	3,605,345
Increase in net position	3,162,496	2,551,820
Net position – beginning of year as previously reported	16,689,149	40,981,377
Prior period adjustments	(1,927,240)	-
Net position – beginning of year as adjusted	14,761,909	40,981,377
Net Position – End of Year	$17,924,405	$43,533,197

FIGURE O.3

COMPONENT UNITS

CONDENSED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2015

	USURF	FOUNDATION
Net cash provided/(used) by:		
(1) Operating activities	$4,369,680	-
(2) Non-capital financing activities	-	$3,343,858
(3) Capital and related financing activities	(4,149,453)	-
(4) Investing activities	9,429	(3,747,114)
Net increase/(decrease) in cash and cash equivalents	229,656	(403,256)
Cash and cash equivalents – beginning of year	6,056,862	1,374,741
Cash and Cash Equivalents – End of Year	$6,286,518	$971,485

The University has not included the Advanced Weather Systems Foundation's and the College of Eastern Utah Foundation's financial statements because they are not considered to be material.

P. Prior Period Adjustments of Net Position

The University implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, that requires governmental entities to record their share of any unfunded liability associated with participation in a defined benefit plan. As a result the University's fiscal year 2015 beginning net position was reduced $38,160,754. This reduction reflects the University's $41,963,736 share of the beginning net pension liability in the Noncontributory Systems, the University's $4,836 share of the beginning net pension asset in the Contributory Systems, the University's $758,279 share of the beginning net pension liability in the Public Safety Systems, the University's $9,184 share of the beginning net pension liability in the Tier 2 Public Employee Systems, and the University's $4,565,609 of contributions made to the Systems between January 1 and June 30, 2014. See Note K for further information on pension reporting.

It was determined that some Agency Funds are University Funds. The University changed the classification of those Agency Funds. This change increased the University's fiscal year 2015 beginning net position by $950,079.

The cumulative effect of the two adjustments was a reduction of the University's fiscal year 2015 beginning net position of $37,210,675.

Q. Subsequent Events

On July 9, 2015, the University's $23,900,000 Student Building Fee Revenue Bonds, Series 2015, were issued for the purpose of paying a portion of the costs of renovation and construction at the University's football athletic facility. The bonds are payable through June 1, 2046.

On September 23, 2015, the University's $24,455,000 Student Fee and Housing System Revenue Bonds, Series 2015, were issued for the purpose of financing the costs of construction of a new, modern student housing facility within the main campus of the University. The new facility will replace an old, existing student housing facility. The bonds are payable through April 1, 2038.

On October 8, 2015, the University's $19,500,000 Federally Taxable Research Revenue Bonds, Series 2015, were issued for the purpose of financing the costs of construction of a new Space Dynamics Laboratory facility at the Innovation Campus. The bonds are payable through December 1, 2046.

Construction of the first building located on the new site of the USU Brigham City campus began in the fall of 2014 and is nearing completion. The facility was designed to serve up to 5,000 students and will be ready for classes as early as spring semester 2016.

Required Supplementary Information

Required supplementary information is required to accompany the basic financial statements and is considered an essential part of financial reporting.

PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AS OF DECEMBER 31, 2014				
	NON-CONTRIBUTORY SYSTEM	CONTRIBUTORY SYSTEM	PUBLIC SAFETY SYSTEM	TIER 2 PUBLIC EMPLOYEES SYSTEM
Proportion of net pension liability/(asset)	1.4526055%	1.2745733%	0.3425260%	(1.5274314%)
Proportionate share of net pension liability/(asset)	$36,497,130	$139,755	$636,495	($46,288)
Covered employee payroll	$37,798,518	$460,897	$566,992	$7,493,666
Proportionate share of net pension liability/(asset) as a percentage of covered employee payroll	96.6%	30.3%	112.3%	(0.6%)
Plan fiduciary net position as a percentage of total pension liability	87.2%	98.7%	84.3%	103.5%

Note: The University implemented GASB Statement No. 68, Accounting and Financial Reporting for Pensions, in fiscal year 2015. Information on the University's portion of the plan's net pension liability/(asset) is not available for periods prior to fiscal year 2015.

The open house and ribbon cutting for the new Science and Technology Classroom building at USU Tooele will be in January of 2016. The new building will accommodate current and future growth in enrollments and programs.

SCHEDULE OF CONTRIBUTIONS TO THE UTAH RETIREMENT SYSTEMS
FOR FISCAL YEARS ENDING JUNE 30

	2015	2014	2013	2012
Noncontributory System				
Contractually required contribution	$9,328,000	$7,664,202	$6,949,647	$6,709,673
Contributions in relation to the contractually required contribution	9,328,000	7,664,202	6,949,647	6,709,673
Contribution deficiency/(excess)	$0	$0	$0	$0
Covered employee payroll	$37,836,787	$35,009,064	$36,016,837	$40,154,027
Contributions as a percentage of covered employee payroll	24.65%	21.89%	19.30%	16.71 %
Contributory System*				
Contractually required contribution	$102,041	$604,902	$416,961	$214,370
Contributions in relation to the contractually required contribution	102,041	604,902	416,961	214,370
Contribution deficiency/(excess)	$0	$0	$0	$0
Covered employee payroll	$430,553	$6,387,208	$4,212,028	$1,952,662
Contributions as a percentage of covered employee payroll	23.70%	9.47%	9.90%	10.98%
Public Safety System				
Contractually required contribution	$162,713	$137,607	$138,459	$135,408
Contributions in relation to the contractually required contribution	162,713	137,607	138,459	135,408
Contribution deficiency/(excess)	$0	$0	$0	$0
Covered employee payroll	$582,052	$506,773	$528,817	$562,846
Contributions as a percentage of covered employee payroll	27.96%	27.15%	26.18%	24.06%
Tier 2 Public Employees System*				
Contractually required contribution	$694,490	N/A	N/A	N/A
Contributions in relation to the contractually required contribution	694,490	N/A	N/A	N/A
Contribution deficiency/(excess)	$0	N/A	N/A	N/A
Covered employee payroll	$8,337,218	N/A	N/A	N/A
Contributions as a percentage of covered employee payroll	8.33%	N/A	N/A	N/A

2011	2010	2009	2008	2007	2006
$6,124,421	$5,535,903	$5,931,890	$5,090,311	$4,898,118	$4,457,948
6,124,421	5,535,903	5,931,890	5,090,311	4,898,118	4,457,948
$0	$0	$0	$0	$0	$0
$37,363,709	$38,965,526	$41,717,161	$35,780,342	$34,467,648	$33,303,804
16.39%	14.21%	14.22%	14.23%	14.21%	13.39%
$110,196	$111,532	$130,346	$127,327	$134,425	$142,674
110,196	111,532	130,346	127,327	134,425	142,674
$0	$0	$0	$0	$0	$0
$616,240	$708,916	$828,648	$807,547	$854,576	$955,147
17.88%	15.73%	15.73%	15.77%	15.73%	14.94%
$104,135	$119,548	$104,897	$109,570	$95,465	$85,315
104,135	119,548	104,897	109,570	95,465	85,315
$0	$0	$0	$0	$0	$0
$315,243	$396,118	$373,445	$409,608	$356,879	$363,660
33.03%	30.18%	28.09%	26.75%	26.75%	23.46%
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A

**The Tier 2 Public Employees System (Tier 2) was created in fiscal year 2012. However, the contractually required contributions and covered payroll for Tier 2 were included in the Contributory System for fiscal years 2012 through 2014, since prior to the implementation of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, in fiscal year 2015, Tier 2 information was not separately available.*

Executive Officers

Stan L. Albrecht, President

Noelle E. Cockett, Executive Vice President and Provost

John H. Hartwell, Vice President and Director of Athletics

Robert T. Behunin, Vice President for University Advancement and Commercialization

Kenneth L. White, Vice President for Extension and Agriculture and Dean of the College of Agriculture and Applied Sciences

David T. Cowley, Vice President for Business and Finance

Mark R. McLellan, Vice President for Research and Dean of the School of Graduate Studies

James D. Morales, Vice President for Student Services

Board of Trustees

APPENDIX C

PROPOSED FORM OF OPINION OF BOND COUNSEL

Upon the delivery of the 2016 Bonds, Ballard Spahr LLP, Bond Counsel to the Board of Regents, proposes to issue its final approving opinion in substantially the following form:

We have acted as bond counsel to the State Board of Regents of the State of Utah (the "Board") in connection with the issuance by the Board of its $19,540,000 Utah State University Student Fee and Housing System Revenue Bonds, Series 2016 (the "Series 2016 Bonds"). The Series 2016 Bonds are being issued pursuant to (i) Title 53B, Chapter 21, Utah Code Annotated 1953, as amended, and Section 63B-26-102(2), Utah Code Annotated 1953, as amended and (ii) a Master Resolution adopted by the Board on March 25, 1994, as heretofore amended and supplemented, and as further supplemented by a Supplemental Resolution adopted by the Board on May 20, 2016 (collectively, the "Resolution"). The Series 2016 Bonds are being issued on behalf of Utah State University (the "University") to (i) finance the cost of purchasing a student apartment building complex and surrounding property and (ii) pay the costs associated with the issuance of the Series 2016 Bonds. Capitalized terms not otherwise defined herein shall have the meanings specified in the Resolution.

Our services as Bond Counsel have been limited to the preparation of the legal proceedings and supporting certificates authorizing the issuance of the Series 2016 Bonds under the applicable laws of the State of Utah (the "State") and to a review of the transcript of such proceedings and certificates. 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.

Based upon our examination and subject to the foregoing and in reliance thereon, as of the date hereof and under existing law, we are of the opinion that:

1. The Board is an institution of higher education of the State duly organized and validly existing under the laws of the State with authority to issue the Series 2016 Bonds on behalf of the University.

2. The Resolution has been duly adopted by the Board, and constitutes a valid and binding obligation of the Board enforceable upon the Board.

3. The Resolution creates a valid lien on the amounts pledged thereunder for the security of the Series 2016 Bonds.

4. The Series 2016 Bonds are valid and binding special limited obligations of the Board, payable solely from the Revenues pledged therefor under the Resolution, and the Series 2016 Bonds do not constitute a general obligation indebtedness of the Board or the University within the meaning of any State constitutional provision or statutory limitation, nor a charge against the general credit of the Board or the University.

5. Interest on the Series 2016 Bonds is excludable from gross income for purposes of federal income tax under existing laws as enacted and construed on the date of initial delivery of the Series 2016 Bonds, assuming the accuracy of the certifications of the Board and the University and continuing compliance by the Board and the University with the requirements of the Internal Revenue Code of 1986. Interest on the Series 2016 Bonds is not an item of tax preference for purposes of either

individual or corporate federal alternative minimum tax; however, interest on Series 2016 Bonds held by a corporation (other than an S corporation, regulated investment company, or real estate investment trust) may be indirectly subject to federal alternative minimum tax because of its inclusion in the adjusted current earnings of a corporate holder.

6. Interest on the Series 2016 Bonds is exempt from State individual income taxes.

In rendering our opinion, we wish to advise you that:

(a) The rights of the holders of the Series 2016 Bonds and the enforceability thereof and of the Resolution may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable, and their enforcement may also be subject to the application of equitable principles and the exercise of judicial discretion in appropriate cases;

(b) We express no opinion herein as to the accuracy, adequacy, or completeness of the Official Statement or any other offering material relating to the Series 2016 Bonds; and

(c) Except as set forth above, we express no opinion regarding any other tax consequences relating to ownership or disposition of, or the accrual or receipt of interest on, the Series 2016 Bonds.

Respectfully submitted,

APPENDIX D

PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Disclosure Agreement"), by the State Board of Regents of the State of Utah (the "Issuer") and acting for and on behalf of Utah State University (the "University"), is executed in connection with the issuance by the Issuer of its $19,540,000 Utah State University Student Fee and Housing System Revenue Bonds, Series 2016 (the "Bonds"). The Bonds are being issued pursuant to (i) Title 53B, Chapter 21, Utah Code Annotated 1953, as amended, and Section 63B-26-102(2), Utah Code Annotated 1953, as amended and (ii) a Master Resolution adopted by the Board on March 25, 1994, as heretofore amended and supplemented, and as further supplemented by a Supplemental Resolution adopted by the Board on May 20, 2016 (collectively, the "Resolution"). The Bonds are being issued on behalf of Utah State University (the "University") to (i) finance the cost of purchasing a student apartment building complex and surrounding property and (ii) pay the costs associated with the issuance of the Bonds. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Resolution.

Section 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Issuer and the University for the benefit of the Bondholders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with the Rule (each as defined below).

Section 2. Definitions. In addition to the definitions set forth in the Resolution or parenthetically defined herein, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean the Annual Report provided by the University pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Dissemination Agent" shall mean the University, acting in its capacity as Dissemination Agent hereunder, or any of its successors or assigns.

"Listed Events" shall mean any of the events listed in Section 5 of this Disclosure Agreement.

"MSRB" shall mean the Municipal Securities Rulemaking Board, the address of which is currently 1900 Duke Street, Suite 600, Alexandria, VA 22314; Telephone (703) 797-6600; Fax (703) 797-6700, and current website is www.msrb.org and www.emma.msrb.org (for municipal disclosures and market data).

"Official Statement" shall mean the Official Statement of the Issuer dated June 23, 2016 relating to the Bonds.

"Participating Underwriter" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The University shall prepare an Annual Report and shall, or shall cause the Dissemination Agent to, not later than 270 days after the end of each fiscal year of the University (presently June 30) commencing with the fiscal year ending June 30, 2016, provide to the MSRB and any bond insurer of the Bonds in electronic format its Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. Not later than fifteen (15) Business Days prior to said date, the

University shall provide its respective Annual Report to the Dissemination Agent (if other than the University). In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the University may be submitted separately from the balance of its Annual Reports.

(b) If by fifteen (15) Business Days prior to the date specified in subsection (a) for providing the Annual Report to the MSRB, the Dissemination Agent has not received a copy of the University's Annual Report, the Dissemination Agent shall contact the University to determine if the University is in compliance with subsection (a).

(c) If the Dissemination Agent is unable to verify that the Annual Report has been provided to the MSRB by the date required in subsection (a), the Dissemination Agent shall, in a timely manner, send a notice to the MSRB.

(d) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the website address to which the MSRB directs the annual reports to be submitted; and

(ii) file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided and listing the website address to which it was provided.

Section 4. Content of Annual Reports.

(a) The University's Annual Report shall contain or incorporate by reference the following:

(i) A copy of its annual financial statements prepared in accordance with generally accepted accounting principles and audited by a certified public accountant. If the University's audited annual financial statements are not available by the time specified in Section 3(a) above, unaudited financial statements will be provided as part of the Annual Report and audited financial statements will be provided when and if available.

(ii) An update of the financial and operating information in the Official Statement relating to the University of the type contained in the tables under the following headings: "DESCRIPTION OF REVENUE SOURCES—Management Discussion of Revenues," "HISTORICAL DEBT SERVICE COVERAGE" (as the same becomes historically available), "UTAH STATE UNIVERSITY—Student Enrollment," "UTAH STATE UNIVERSITY—Tuition and Fees," and "DEBT STRUCTURE OF UTAH STATE UNIVERSITY."

(b) Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which have been submitted to the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The University shall clearly identify each such other document so incorporated by the reference.

Section 5. Reporting of Material Events. (a) The University shall give or cause to be given to the MSRB in an electronic format in the manner prescribed by the MSRB, notice of the occurrence of any of the following Listed Events with respect to the Bonds in a timely manner but in no event more than ten (10) business days after the occurrence of the Listed Event:

(1) Principal and interest payment delinquencies;

(2) Unscheduled draws on debt service reserves reflecting financial difficulties;

(3) Unscheduled draws on credit enhancements reflecting financial difficulties;

(4) Substitution of credit or liquidity providers, or their failure to perform;

(5) Adverse tax opinions or 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 Bonds;

(6) Defeasances;

(7) Tender offers;

(8) Bankruptcy, insolvency, receivership or similar proceedings; or

(9) Rating changes.

(b) Pursuant to the provisions of this Section 5(b), the University shall give or cause the Dissemination Agent to give notice of the occurrence of any of the following Listed Events with respect to the Bonds, in a timely manner but in no event more than ten (10) business days after the occurrence of the Listed Event, if material:

(1) Mergers, consolidations, acquisitions, the sale of all or substantially all of the assets of the obligated persons or their termination;

(2) Appointment of a successor or additional trustee or the change of the name of a trustee;

(3) Non-payment related defaults;

(4) Modifications to the rights of the owners of the Bonds;

(5) Bond calls; or

(6) Release, substitution or sale of property securing repayment of the Bonds.

(c) Whenever the Bonds are outstanding and the Issuer or the University obtains knowledge of the occurrence of a Listed Event described in subsection (b) above, the Issuer or the University shall as soon as possible determine if such event would be material under applicable federal securities laws.

(d) If the Issuer or the University determines that the occurrence of an Listed Event described in subsection (b) above would be material under applicable securities laws, the Issuer or the University shall, in a timely manner, but in no event more than ten (10) business days after the occurrence of the Listed Event, file or cause the Dissemination Agent to file with the MSRB in an electronic format in the manner prescribed by the MSRB, a notice of the occurrence of the Listed Event.

(e) At any time the Bonds are outstanding, the Issuer or the University shall provide, or cause the Dissemination Agent to provide, in a timely manner, to the MSRB in an electronic format prescribed by the MSRB, with copies to the Underwriter, notice of any failure of the University to timely provide or to cause to be timely provided the Annual Report as specified in Section 3.

Section 6. Termination of Reporting Obligation. The obligations of the Issuer and the University under this Disclosure Agreement shall be terminated if the Issuer shall no longer have any legal liability for any obligation on or relating to repayment of the Bonds under the Resolution. The University shall give notice in a timely manner if this Section is applicable to the MSRB.

Section 7. Dissemination Agent. The Issuer and University may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out their obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Issuer and the University hereby appoint the University as the initial Dissemination Agent under this Disclosure Agreement.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Issuer and University by resolution authorizing such amendment or waiver, may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, if:

(a) The amendment or waiver 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 Issuer or University, or type of business conducted;

(b) This Disclosure Agreement, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined by parties unaffiliated with the Issuer or University or other obligated person (such as Bond Counsel).

Section 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer and the University from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Issuer or the University chooses to include in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Issuer and the University shall have no obligations under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the Issuer, the University or the Dissemination Agent to comply with any provision of this Disclosure Agreement, any Bondholder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer, the University or Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an "event of default" under the Resolution and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer, the University or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and the Issuer and the University agree to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the Issuer and the University under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 12. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the University, the Dissemination Agent, the Participating Underwriter and the Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 13. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Dated: July 6, 2016.

STATE BOARD OF REGENTS OF THE STATE OF UTAH

By: ______________________________
Vice Chair

[S E A L]

Attest:

____
Secretary

UTAH STATE UNIVERSITY

By: ______________________________
Vice President for Business and Finance

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APPENDIX E

BOOK–ENTRY SYSTEM

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 an S&P 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 http://www.dtcc.com.

Purchases of 2016 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2016 Bonds on DTC's records. The ownership interest of each actual purchaser of each 2016 Bond ("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 2016 Bonds 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 2016 Bonds, except in the event that use of the book–entry system for the 2016 Bonds is discontinued.

To facilitate subsequent transfers, all 2016 Bonds 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 2016 Bonds 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 2016 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2016 Bonds 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.

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 2016 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2016 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of 2016 Bonds may wish to ascertain that the nominee holding the 2016 Bonds 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.

Redemption notices shall be sent to DTC. If less than all of the 2016 Bonds 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.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to 2016 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Board of Regents 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 the 2016 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the 2016 Bonds 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 detailed information from the Board of Regents or the Trustee, 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, the Trustee, or the Board of Regents, 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 the Board of Regents or the Trustee, 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.

DTC may discontinue providing its services as depository with respect to the 2016 Bonds at any time by giving reasonable notice to the Board of Regents or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, 2016 Bond certificates are required to be printed and delivered.

The Board of Regents may decide to discontinue use of the system of book–entry–only transfers through DTC (or a successor securities depository). In that event, 2016 Bond certificates will be printed and delivered to DTC.

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

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APPENDIX F

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

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MUNICIPAL BOND INSURANCE POLICY

ISSUER: Policy No: -N

BONDS: $ in aggregate principal amount of Effective Date:

Premium: $

ASSURED GUARANTY MUNICIPAL CORP. ("AGM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AGM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AGM shall have received Notice of Nonpayment, AGM will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AGM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AGM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AGM is incomplete, it shall be deemed not to have been received by AGM for purposes of the preceding sentence and AGM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AGM shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AGM hereunder. Payment by AGM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AGM under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AGM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AGM which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AGM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AGM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AGM and shall not be deemed received until received by both and (b) all payments required to be made by AGM under this Policy may be made directly by AGM or by the Insurer's Fiscal Agent on behalf of AGM. The Insurer's Fiscal Agent is the agent of AGM only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AGM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AGM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AGM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AGM, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY MUNICIPAL CORP. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY MUNICIPAL CORP.

By ________________________________
Authorized Officer

A subsidiary of Assured Guaranty Municipal Holdings Inc.
31 West 52nd Street, New York, N.Y. 10019
(212) 974-0100

UTAH STATE UNIVERSITY · 1888 ·

RESEARCH TEACHING SERVICE