NEW ISSUE

Rating: S&P "AA"
See "MISCELLANEOUS—Bond Ratings" herein.

Subject to compliance by the University and the Board of Regents with certain covenants, in the opinion of Chapman and Cutler LLP, Bond Counsel, under present law, interest on the 2019 Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals. In the opinion of Bond Counsel, under the existing laws of the State of Utah, as presently enacted and construed, interest on the 2019 Bonds is exempt from taxes imposed by the Utah Individual Income Tax Act. See "TAX MATTERS" herein for a more complete discussion.

State Board of Regents of the State of Utah

Dixie State University

$42,040,000 General Revenue Bonds, Series 2019

The $42,040,000 General Revenue Bonds, Series 2019 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 2019 Bonds.

Principal of and interest on the 2019 Bonds (interest payable June 1 and December 1 of each year, commencing June 1, 2020) are payable by Zions Bancorporation, National Association, Corporate Trust Department, Salt Lake City, Utah, as Paying Agent, to the registered owners thereof, initially DTC. See "THE 2019 BONDS—Book–Entry System" herein.

The 2019 Bonds are subject to optional and mandatory sinking fund redemption prior to maturity as described herein. See "THE 2019 BONDS—Redemption Provision" herein.

The 2019 Bonds are being issued for paying a portion of the costs of construction of a student housing facility on the University's campus, paying capitalized interest, funding a debt service reserve and paying the costs associated with the issuance of the 2019 Bonds, all as further described herein. See "THE 2019 BONDS" herein.

The 2019 Bonds will be issued pursuant to the Indenture, as described herein. The Board of Regents has pledged, pursuant to the Indenture, its rights in and to the General Revenues to the payment of the 2019 Bonds. The 2019 Bonds are equally and ratably secured with the Outstanding Parity Bonds and any Additional Bonds hereafter issued under the Indenture. See "INTRODUCTION—Authority And Purpose Of The 2019 Bonds; Outstanding Parity Bonds" herein.

The 2019 Bonds are not a general obligation 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 General Revenues, and such funds and accounts established by the Indenture. See "SECURITY FOR THE 2019 BONDS" herein. The issuance of the 2019 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 2019 Bonds. Neither the Board of Regents nor the University has any taxing power.

In addition, the 2019 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 the Debt Service Reserve Requirement with respect to the 2019 Bonds (including payment of amounts under a reserve instrument) or (ii) meet any projected shortfalls of payment of principal and/or interest for the 2019 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 2019 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 2019 Bonds.

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

See the inside front cover for the maturity schedule of the 2019 Bonds

The 2019 Bonds were awarded pursuant to competitive bidding received by means of the *PARITY*® electronic bid submission system on December 5, 2019 (as set forth in the OFFICIAL NOTICE OF BOND SALE, dated the date of the PRELIMINARY OFFICIAL STATEMENT) to Janney Montgomery Scott LLC, Philadelphia, Pennsylvania at a "true interest rate" of 2.79%.

Zions Public Finance, Inc., Salt Lake City, Utah, is acting 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 December 5, 2019, and the information contained herein speaks only as of that date.

[1] The anticipated date of delivery is Wednesday, December 18, 2019.

State Board of Regents of the State of Utah
Dixie State University

$42,040,000
General Revenue Bonds, Series 2019

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

$20,265,000 Serial Bonds

Due June 1	CUSIP® 91754R	Principal Amount	Interest Rate	Yield
2022………	J32	$ 740,000	5.00 %	1.17%
2023………	J40	800,000	5.00	1.19
2024………	J57	825,000	5.00	1.24
2025………	J65	875,000	5.00	1.29
2026………	J73	925,000	5.00	1.38
2027………	J81	950,000	5.00	1.44
2028………	J99	1,000,000	5.00	1.52
2029………	K22	1,050,000	5.00	1.60
2030………	K30	1,100,000	5.00	1.71 [c]
2031………	K48	1,175,000	4.00	1.82 [c]
2032………	K55	1,200,000	4.00	1.91 [c]
2033………	K63	1,250,000	3.00	2.30 [c]
2034………	K71	1,300,000	3.00	2.40 [c]
2035………	K89	1,325,000	3.00	2.45 [c]
2036………	K97	1,375,000	3.00	2.50 [c]
2037………	L21	1,425,000	3.00	2.55 [c]
2038………	L39	1,450,000	2.55	2.65
2039………	L47	1,500,000	2.625	2.70

$8,125,000 3.00% Term Bond Due June 1, 2044—Price 101.234% [c] (CUSIP®91754R L96)

$9,450,000 3.00% Term Bond Due June 1, 2049—Price 100.82% [c] (CUSIP®91754R M61)

$4,200,000 3.00% Term Bond Due June 1, 2051—Price 100% (CUSIP®91754R M87)

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[1] The anticipated date of delivery is day of Wednesday, December 18, 2019.

® 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 June 1, 2029.

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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 2019 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"); Dixie State University (the "University"); Zions Bancorporation, National Association, Corporate Trust Department, Salt Lake City, Utah (as Trustee, Bond Registrar and Paying Agent); Zions Public Finance, Inc., Salt Lake City, Utah (as Municipal Advisor); the successful bidder(s); or any other entity. All other information contained herein has been obtained from the Board of Regents, the University, 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 2019 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 2019 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 2019 Bonds in accordance with applicable provisions of the securities laws of the states in which the 2019 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 2019 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 2019 Bonds to dealers and others. In connection with the offering of the 2019 Bonds, the successful bidder(s); may engage in transactions that stabilize, maintain, or otherwise affect the price of the 2019 Bonds. Such transactions may include overallotments in connection with the purchase of 2019 Bonds, the purchase of 2019 Bonds to stabilize their market price and the purchase of 2019 Bonds to cover short positions of the successful bidder(s). Such transactions, if commenced, may be discontinued at any time.

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 expectations, or events, conditions or circumstances on which such statements are based occur. See "HISTORICAL AND PROJECTED GENERAL REVENUES AND DEBT SERVICE COVERAGE" 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 2019 Bonds because of various subsequent actions including, but not limited to, a refunding in whole or in part of the 2019 Bonds.

The information available at websites 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 2019 Bonds and is not a part of this OFFICIAL STATEMENT.

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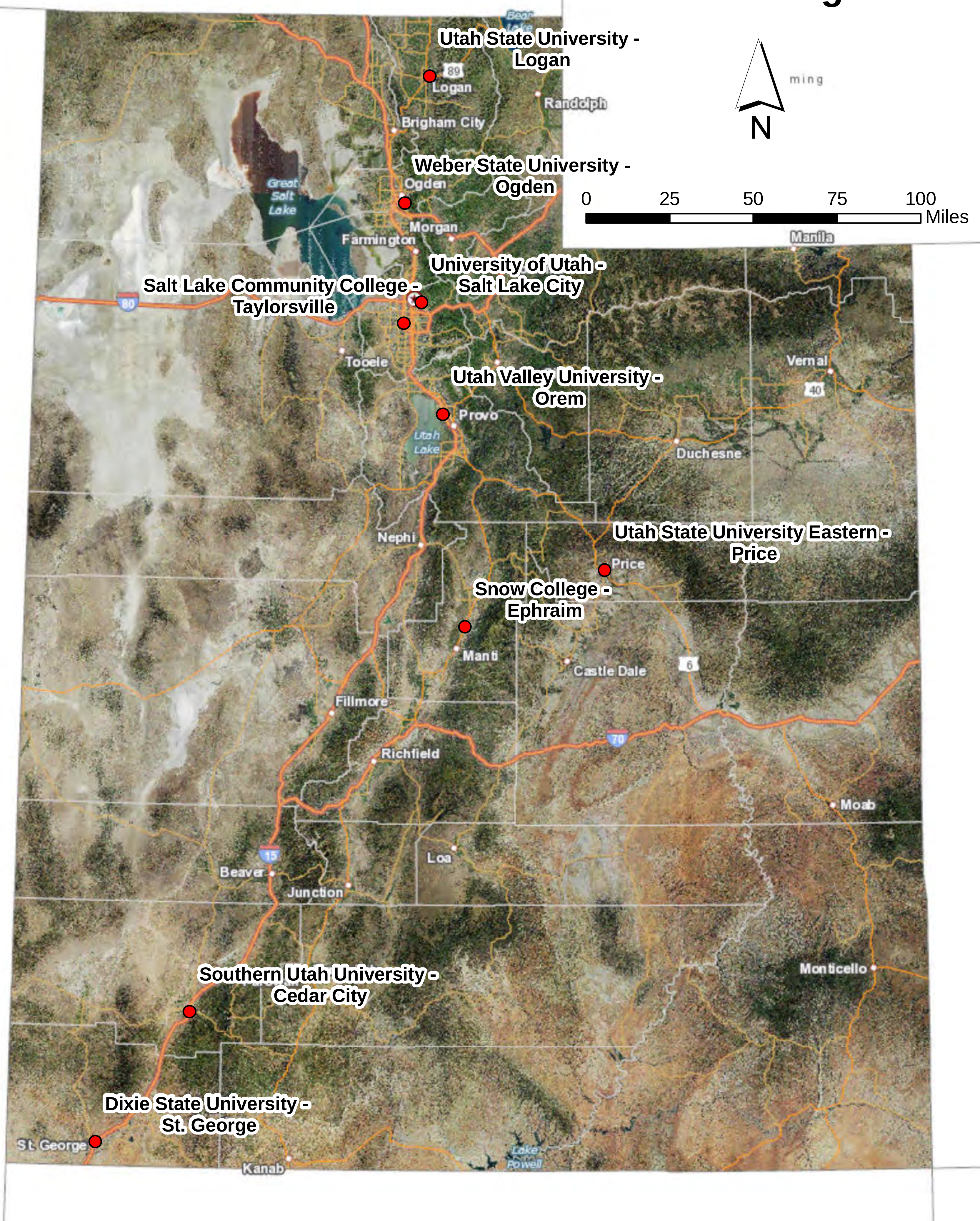
Utah State Board of Regents



OFFICIAL STATEMENT RELATING TO

$42,040,000

State Board of Regents of the State of Utah

Dixie State University

General Revenue Bonds, Series 2019

INTRODUCTION

This introduction contains only a brief description of the 2019 Bonds, as defined herein, the security and sources of payment for the 2019 Bonds and certain information regarding the State Board of Regents of the State of Utah (the "Board of Regents") and Dixie 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—THE GENERAL INDENTURE OF TRUST–Definitions" (page A–1).

See the following appendices that are attached hereto and incorporated herein by reference: "APPENDIX A—THE GENERAL INDENTURE OF TRUST;" "APPENDIX B—FINANCIAL REPORT OF DIXIE STATE UNIVERSITY FOR FISCAL YEAR 2018;" "APPENDIX C—PROPOSED FORM OF OPINION OF BOND COUNSEL;" "APPENDIX D—PROPOSED FORM OF CONTINUING DISCLOSURE UNDERTAKING;" and "APPENDIX E—BOOK–ENTRY SYSTEM."

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).

The University's Audited Fiscal Year 2019 Financial Report

The University has been informed that its Financial Report for Fiscal Year Ended June 30, 2019 (the "2019 Financial Report") may be available for release to the public after the date of this PRELIMINARY OFFICIAL STATEMENT and after the date of the final OFFICIAL STATEMENT (expected to be December 5, 2019); but prior to the closing and delivery of the 2019 Bonds (expected to be December 18, 2019). *In the event the 2019 Financial Report is release prior to or shortly after closing and delivery of the 2019 Bonds, the University does not anticipate providing a supplement to the OFFICIAL STATEMENT.* Instead the University will file its continuing disclosure filings (which will include information on the 2019 Bonds and will contain the 2019 Financial Report) shortly after the 2019 Financial Report becomes available, but no later than December 27, 2019. Subsequent continuing disclosure filings will be made on or before January 31 of each subsequent year (not later than seven months after the end of each fiscal year of the University). See "CONTINUING DISCLOSURE UNDERTAKING" below.

The University has determined that the 2019 Financial Report will not reveal a material adverse change in its financial position from that reflected in the 2018 Financial Report. See "APPENDIX B—FINANCIAL REPORT OF DIXIE STATE UNIVERSITY FOR FISCAL YEAR 2018."

Public Sale/Electronic Bid

The 2019 Bonds were awarded pursuant to competitive bidding received by means of the ***PARITY®*** electronic bid submission system on December 5, 2019 (as set forth in the OFFICIAL NOTICE OF BOND SALE, dated the date of the PRELIMINARY OFFICIAL STATEMENT) to Janney Montgomery Scott LLC, Philadelphia, Pennsylvania at a "true interest rate" of 2.79%.

State Board Of Regents Of The State Of Utah And The 2019 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 institute of higher education and a body corporate and politic of the State created under provisions of Title 53B, Utah Code Annotated 1953, as amended (the "Higher Education Act") located in the City of St. George, Utah. See "STATE BOARD OF REGENTS OF THE STATE OF UTAH" and "DIXIE 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 $42,040,000, General Revenue Bonds, Series 2019 (the "2019 Bonds or "2019 Bond"), initially issued in book–entry form.

Dixie State University

The University is in the City of St. George, Utah (the "City"). The City, incorporated in 1862, is the county seat of Washington County, Utah (the "County"), had 87,178 residents (2018 estimate by the U.S. Census Bureau), and was ranked as the 8th most populous city in the State (out of 246 municipalities). The City is located approximately 422 miles northeast of Los Angeles, California, approximately 125 miles east of Las Vegas, Nevada, and approximately 315 miles south of Salt Lake City, Utah. The County, incorporated in 1896, had 171,700 residents per the 2018 population estimate by the U.S. Census Bureau, ranking the County as the 5th most populated county in the State (out of 29 counties).

The University is one of the institutions of the State system of higher education and had a student enrollment for Academic Year 2018–2019 (2018 Fall semester (third week) headcount) of 9,50 students (educating approximately 5.4% of the students in the Board of Regent's Utah Systems of Higher Education system). See "DIXIE STATE UNIVERSITY" below.

Authority And Purpose Of The 2019 Bonds; Outstanding Parity Bonds

Authority. The 2019 Bonds are being issued pursuant to: (i) a resolution adopted by the Board of Regents on November 15, 2019 (the "Authorizing Resolution") which provides for the authorization, issuance, sale and delivery of the 2019 Bonds; and (ii) a General Indenture of Trust, dated as of June 1, 2015, as heretofore supplemented (the "General Indenture"), and as further supplemented by a Third Supplemental Indenture of Trust, dated as of December 1, 2019 (the "Third Supplemental Indenture"). The General Indenture, as so supplemented, is referred to herein as the "Indenture." Under the terms of the Indenture, Zions Bancorporation, National Association, Corporate Trust Department, Salt Lake City, Utah ("Zions Bank") has been appointed the Trustee for the 2019 Bonds (the "Trustee").

Purpose. The 2019 Bonds are being issued for paying a portion of the costs of construction of a student housing facility on the University's campus, paying capitalized interest, funding a debt service reserve and paying the costs associated with the issuance of the 2019 Bonds, all as further described herein. See "THE 2019 BONDS—Sources And Uses Of Funds" and "THE 2019 PROJECT" below.

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

(i) $21,315,000 (original principal amount) Dixie State University, General Revenue Bonds, Series 2015 (CUSIP®91754R, dated June 24, 2015), currently outstanding in the aggregate principal amount of $20,040,000 (the "2015 Bonds");

(ii) $1,055,000 (original principal amount) Dixie State University, Federally Taxable General Revenue Bonds, Series 2017A (CUSIP®91754R, dated July 18, 2017), currently outstanding in the aggregate principal amount of $1,055,000 (the "2017A Bonds"); and

(iii) $19,715,000 (original principal amount) Dixie State University, General Revenue Bonds, Series 2017B (CUSIP®91754R, dated July 18, 2017), currently outstanding in the aggregate principal amount of $19,715,000 (the "2017B Bonds").

The 2015 Bonds, the 2017A Bonds and the 2017B Bonds are sometimes referred to herein as, the "Outstanding Parity Bonds." The Outstanding Parity Bonds (as of the closing and delivery of the 2019 Bonds) will be outstanding in the aggregate principal amount of $40,810,000.

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 interests, 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 2019 Bonds are payable from, and are secured by a pledge under the Indenture of General Revenues, which General Revenues shall include revenues derived by the University from: (i) the University's student housing facilities, (ii) the student building fees, (iii) the University's auxiliary systems (including the Gardner Student Center, bookstore and food services); (iv) the University's Road Scholar program; (v) parking services; and (vi) Investment Income and the Amount of Unrestricted Gifts (collectively, the "General Revenues"). See "APPENDIX A—THE GENERAL INDENTURE OF TRUST—Definitions" and "DESCRIPTION OF GENERAL REVENUE SOURCES." See also "HISTORICAL AND PROJECTED GENERAL REVENUES AVAILABLE FOR DEBT SERVICE" 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 2019 Bonds.

The 2019 Bonds are not a general obligation 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 General Revenues, and such funds and accounts established by the Indenture as described in this OFFICIAL STATEMENT. The issuance of the 2019 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.

The 2019 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 Indenture ("Additional Bonds"). See "SECURITY FOR THE 2019 BONDS—Additional Bonds" below. The 2019 Bonds, the

Outstanding Parity Bonds and any Additional Bonds which may be issued from time to time under the Indenture are collectively referred to herein as the "Bonds."

Debt Service Reserve Account For The 2019 Bonds

The 2019 Bonds are also secured by an account in the Debt Service Reserve Fund (the "2019 Debt Service Reserve Account"). The 2019 Debt Service Reserve Requirement, as defined herein, will be satisfied by obtaining the 2019 Reserve Instrument from Build America Mutual Assurance Company, New York, New York ("BAM"). See "SECURITY FOR THE 2019 BONDS—Debt Service Reserve Account" below.

Redemption Provisions

The 2019 Bonds are subject to optional and mandatory sinking fund redemption prior to maturity. See "THE 2019 BONDS—Redemption Provisions" below.

Registration, Denominations, Manner Of Payment

The 2019 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 2019 Bonds. Purchases of 2019 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 (as defined herein). Beneficial Owners (as defined herein) of the 2019 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 2019 Bonds. "Direct Participants," "Indirect Participants" and "Beneficial Owners" are defined under "APPENDIX E—BOOK–ENTRY SYSTEM" below.

Principal of and interest on the 2019 Bonds (interest payable June 1 and December 1 of each year, commencing June 1, 2020) are payable by Zions Bank, as paying agent (the "Paying Agent"), to the registered owners of the 2019 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 2019 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 2019 Bonds, neither the Board of Regents, the University, the State, 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, among other things, the payments to or the providing of notice for the Direct Participants, Indirect Participants or the Beneficial Owners of the 2019 Bonds.

Regular Record Date; Transfer Or Exchange

The Regular Record Date for the 2019 Bonds is the 15th day (whether or not a Business Day) next preceding each Interest Payment Date. The Special Record Date for the 2019 Bonds is the date to be fixed by the Trustee for payment of defaulted interest, which date shall be not more than 15 nor less than 10 days prior to the date of the proposed payment, with notice thereof to be given to such Registered Owner not less than 10 days prior to such Special Record Date. The 2019 Bonds may be transferred or exchanged as provided in the Indenture. The Board of Regents, the University and the Trustee shall not be required to transfer or exchange any 2019 Bond (i) during the period from and including any Regular Record Date, to and including the next succeeding Interest Payment Date, (ii) during the period from and including the day 15 days prior to any Special Record Date, to and including the date of the proposed payment pertaining thereto, or (iii) during the period of 15 days prior to the mailing of notice calling any 2019 Bonds for redemption nor at any time following the mailing of notice calling such 2019 Bond for redemption.

Tax Matters Regarding The 2019 Bonds

Subject to compliance by the University and the Board of Regents with certain covenants, in the opinion of Chapman and Cutler LLP, Bond Counsel, under present law, interest on the 2019 Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals.

In the opinion of Bond Counsel, under the existing laws of the State, as presently enacted and construed, interest on the 2019 Bonds is exempt from taxes imposed by the Utah Individual Income Tax Act.

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

Professional Services

In connection with the issuance of the 2019 Bonds, the following have served the Board of Regents in the capacity indicated.

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@agutah.gov

Bond Counsel and Disclosure Counsel to the Board of Regents

Chapman and Cutler LLP
215 S State St Ste 800
Salt Lake City UT 84111–2339
801.533.0066 | f 801.533.9595
bjerke@chapman.com

Trustee, Bond Registrar and Paying Agent

Zions Bancorporation National Association
Corporate Trust Department
One S Main St Ste 12th Fl
Salt Lake City UT 84111–2266
801.844.7546 | f 801.524.4838
carrie.sandoval@zionsbancorp.com

Municipal Advisor

Zions Public Finance Inc
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 2019 Bonds are offered, subject to prior sale, when, as and if issued and received by the successful bidder(s), subject to the approval of their legality by Chapman and Cutler 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 Chapman and Cutler 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 2019 Bonds, in book–entry form only, will be available for delivery to DTC or its agent on or about Wednesday, December 18, 2019.

Continuing Disclosure Undertaking

The University and the Board of Regents will enter a continuing disclosure undertaking for the benefit of the Beneficial Owners of the 2019 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 2019 Bonds are included in this OFFICIAL STATEMENT. Such descriptions do not purport to be comprehensive or definitive. All references herein to the Indenture and the 2019 Bonds are qualified in their entirety by reference to each such document.

Descriptions of the Indenture and the 2019 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 2019 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 conformed copy of the General Indenture is attached hereto as "APPENDIX A—THE GENERAL INDENTURE OF TRUST."

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, Senior Vice President, eric.pehrson@zionsbancorp.com

Zions Public Finance Inc
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 2019 Bonds is:

Paul Morris
Vice President of Administrative Affairs
morris@dixie.edu
Dixie State University
225 S University Ave
St George UT 84770
435.652.7504 | f 435.652.7500

As of the date of this OFFICIAL STATEMENT, the chief contact person for the Board of Regents concerning the 2019 Bonds is:

Richard Amon, PhD
Associate Commissioner for Finance and Facilities
ramon@ushe.edu
Utah System of Higher Education
60 S 400 W
Salt Lake City UT 84101
801.321.7241 | f 801.321.7199

CONTINUING DISCLOSURE UNDERTAKING

Continuing Disclosure Undertaking For 2019 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 2019 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 2019 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 January 31 (not more than seven months from the end of the Fiscal Year). The University will submit the Fiscal Year 2019 Financial Report and other operating and financial information for the 2019 Bonds on or before January 31, 2020, and annually thereafter on or before each January 31 of each year.

As noted below under "University's Failure To Provide Disclosure Annual Financial Information" the University has missed filing deadlines under their continuing disclosure undertakings or failed to include certain financial information in filings made pursuant to such continuing undertakings.

A failure by the University to comply with the Disclosure Undertaking will not constitute a default under the Indenture and the Beneficial Owners of the 2019 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 7the purchase or sale of the 2019 Bonds in the secondary market. Any such failure may adversely affect the marketability of the 2019 Bonds.

University's Failure To Provide Annual Financial Information

University's Failure to Provide Annual Financial Information on a Timely Basis. The University currently provides continuing disclosure on a $4,845,000, State Board of Regents of the State of Utah, Lease Revenue Refunding Bonds, Series 2006 (Dixie College) (CUSIP®91754G, dated June 20, 2006); currently outstanding in the aggregate principal amount of $1,405,000 (the "2006 Lease Revenue Bonds") (*December 27 being the annual submission date for continuing disclosure information on the 2006 Lease Revenue Bonds*).

For the December 27, 2014 filing period, the University filed on EMMA on January 6, 2015 a notice of a late filing, including the intention to file the required information in May 2015. The University filed its operating and financial continuing disclosure information for the 2006 Lease Revenue Bonds to EMMA on April 6, 2015 (100 days late).

Failure to Disclose Operating Information. The University failed to provide a certain table of annual appropriations related to the University's Outstanding Parity Bonds for the filing periods due on December 27, 2015 and 2016. The required information was filed on EMMA on June 20, 2017.

The University has and expects that in future years, the University will meet its continuing disclosure required deadlines of December 27 (for the 2006 Lease Revenue Bonds) and January 31 (for the

2019 Bonds and the Outstanding Parity Bonds). The University has hired an independent third party to help in this process.

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 disclosure compliance policy requires the State's institutions of higher education, including the University, to adopt their own disclosure compliance policy and train applicable employees regarding disclosure compliance.

THE 2019 BONDS

General

The 2019 Bonds will be dated the date of their initial delivery[1] and will mature on June 1 of the years and in the amounts as set forth on the inside cover page of this OFFICIAL STATEMENT.

The 2019 Bonds shall bear interest from their date at the rates set forth on the inside cover page of this OFFICIAL STATEMENT. Interest on the 2019 Bonds is payable semiannually on each June 1 and December 1, commencing June 1, 2020. Interest on the 2019 Bonds shall be computed based on a 360–day year consisting of 12, 30–day months. Zions Bank is the Trustee and Paying Agent with respect to the 2019 Bonds.

The 2019 Bonds will be issued as fully–registered 2019 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 2019 Bonds are estimated to be applied as set forth below:

Sources:	
Par amount of 2019 Bonds	$42,040,000.00
Original issue premium	2,748,373.70
Total	$44,788,373.70
Uses:	
Deposit to Construction Account	$41,835,000.00
Capitalized interest (through September 1, 2021)	2,395,223.83
Underwriter's discount	351,333.41
Costs of issuance (1)	168,797.96
Original issue discount	38,018.50
Total	$44,788,373.70

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

(Source: Municipal Advisor.)

[1] The anticipated date of delivery is Wednesday, December 18, 2019.

Redemption Provisions

Optional Redemption. The 2019 Bonds maturing on and after June 1, 2030 are subject to redemption prior to maturity in whole or in part at the option of the Board of Regents on June 1, 2029, or on any date thereafter, from such maturities as shall be selected by the Board of Regents at the redemption price of 100% of the principal amount to be redeemed plus accrued interest thereon to the redemption date, but without premium. If less than all the 2019 Bonds of any maturity of 2019 Bonds are to be redeemed, the 2019 Bonds or portion of 2019 Bonds of such maturity to be redeemed shall be selected by lot by the Trustee in such manner as the Trustee in its discretion may deem fair and appropriate.

Mandatory Sinking Fund Redemption. The 2019 Bonds maturing on June 1, 2044, June 1, 2049 and June 1, 2051 are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the Principal amount thereof, plus accrued interest thereon to the date of redemption on the dates and in the Principal amounts as follows:

Mandatory Sinking Fund Redemption Date	Sinking Fund Installments
June 1, 2040	$1,525,000
June 1, 2041	1,575,000
June 1, 2042	1,625,000
June 1, 2043	1,675,000
June 1, 2044 (final maturity)	1,725,000
Total	$8,125,000
June 1, 2045	$1,775,000
June 1, 2046	1,825,000
June 1, 2047	1,900,000
June 1, 2048	1,950,000
June 1, 2049 (final maturity)	2,000,000
Total	$9,450,000
June 1, 2050	$2,075,000
June 1, 2051 (final maturity)	2,125,000
Total	$4,200,000

Upon redemption of any 2019 Bonds maturing on June 1, 2044, June 1, 2049 and June 1, 2051 other than by application of such mandatory sinking fund redemption, an amount equal to the principal amount so redeemed will be credited toward a part or all of any one or more of such mandatory sinking fund redemption amounts for such 2019 Bonds maturing on June 1, 2044, June 1, 2049 and June 1, 2051, respectively, in such order of mandatory sinking fund redemption date as shall be directed by the Board of Regents.

Partial Redemption of 2019 Bonds. In case any registered 2019 Bond shall be redeemed in part only, upon the presentation of such 2019 Bond for such partial redemption, the Issuer shall execute and the Trustee shall authenticate and shall deliver or cause to be delivered to or upon the written order of the Registered Owner thereof, at the expense of the Issuer, a 2019 Bond or 2019 Bonds of the same Series, interest rate and maturity, in aggregate principal amount equal to the unredeemed portion of such registered 2019 Bond. A portion of any 2019 Bond of a denomination of more than $5,000 will be in the Principal amount of $5,000 or an integral multiple thereof and in selecting portions of such 2019 Bonds for redemption, the Trustee will treat each such 2019 Bond as representing that number of 2019 Bonds of such minimum denomination which is obtained by dividing the Principal amount of such 2019 Bonds by $5,000. A 2019 Bond shall be in the denomination of $5,000 each or any integral multiple thereof.

Notice of Redemption. Notice of redemption of 2019 Bonds shall be mailed by first class mail, postage prepaid, to all Registered Owners of 2019 Bonds to be redeemed at their addresses as they appear on the registration books of the Trustee as Registrar at least 30 days but not more than 60 days prior to the date fixed for redemption. Such notice shall state the following information: (i) the complete official name of the 2019 Bonds, including Series, to be redeemed, and the CUSIP® numbers, if any, of the 2019 Bonds being redeemed, provided that any such notice may state that no representation is made as to the correctness of CUSIP® numbers either as printed on such 2019 Bonds or as contained in the notice of redemption; (ii) the dated date of, and interest rate on, such 2019 Bonds; (iii) in the case of partial redemption of any 2019 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 2019 Bond, a new 2019 Bond in principal amount equal to the unredeemed portion of such 2019 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 2019 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 2019 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 of redemption may further state, in the case of redemption at the option of the Board of Regents, that such redemption shall be conditioned upon the receipt by the Trustee on or prior to the date fixed for such redemption of moneys sufficient to pay the Principal of and interest on such 2019 Bonds to be redeemed and that if such moneys shall not have been so received said notice shall be of no force and effect and the Board of Regents shall not be required to redeem such 2019 Bonds. If such notice of redemption contains such a condition and such moneys are not so received, the redemption shall not be made and the Trustee shall within a reasonable time thereafter give notice, one time, in the same way 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 2019 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 2019 Bonds. See "THE 2019 BONDS—Book–Entry System" below.

Book–Entry System

DTC will act as securities depository for the 2019 Bonds. The 2019 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 2019 Bond certificate will be issued for each maturity of the 2019 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.

Debt Service On The 2019 Bonds

	The 2019 Bonds			
Payment Date	Principal	Interest	Period Total	Fiscal Total
June 1, 2020	$ 0.00	$ 651,139.72	$ 651,139.72	$ 651,139.72
December 1, 2020	0.00	719,050.00	719,050.00	
June 1, 2021	0.00	719,050.00	719,050.00	1,438,100.00
December 1, 2021	0.00	719,050.00	719,050.00	
June 1, 2022	740,000.00	719,050.00	1,459,050.00	2,178,100.00
December 1, 2022	0.00	700,550.00	700,550.00	
June 1, 2023	800,000.00	700,550.00	1,500,550.00	2,201,100.00
December 1, 2023	0.00	680,550.00	680,550.00	
June 1, 2024	825,000.00	680,550.00	1,505,550.00	2,186,100.00

Debt Service On The 2019 Bonds–continued

Payment Date	The 2019 Bonds Principal	Interest	Period Total	Fiscal Total
December 1, 2024............	$ 0.00	$ 659,925.00	$ 659,925.00	
June 1, 2025......................	875,000.00	659,925.00	1,534,925.00	$2,194,850.00
December 1, 2025............	0.00	638,050.00	638,050.00	
June 1, 2026......................	925,000.00	638,050.00	1,563,050.00	2,201,100.00
December 1, 2026............	0.00	614,925.00	614,925.00	
June 1, 2027......................	950,000.00	614,925.00	1,564,925.00	2,179,850.00
December 1, 2027............	0.00	591,175.00	591,175.00	
June 1, 2028......................	1,000,000.00	591,175.00	1,591,175.00	2,182,350.00
December 1, 2028............	0.00	566,175.00	566,175.00	
June 1, 2029......................	1,050,000.00	566,175.00	1,616,175.00	2,182,350.00
December 1, 2029............	0.00	539,925.00	539,925.00	
June 1, 2030......................	1,100,000.00	539,925.00	1,639,925.00	2,179,850.00
December 1, 2030............	0.00	512,425.00	512,425.00	
June 1, 2031......................	1,175,000.00	512,425.00	1,687,425.00	2,199,850.00
December 1, 2031............	0.00	488,925.00	488,925.00	
June 1, 2032......................	1,200,000.00	488,925.00	1,688,925.00	2,177,850.00
December 1, 2032............	0.00	464,925.00	464,925.00	
June 1, 2033......................	1,250,000.00	464,925.00	1,714,925.00	2,179,850.00
December 1, 2033............	0.00	446,175.00	446,175.00	
June 1, 2034......................	1,300,000.00	446,175.00	1,746,175.00	2,192,350.00
December 1, 2034............	0.00	426,675.00	426,675.00	
June 1, 2035......................	1,325,000.00	426,675.00	1,751,675.00	2,178,350.00
December 1, 2035............	0.00	406,800.00	406,800.00	
June 1, 2036......................	1,375,000.00	406,800.00	1,781,800.00	2,188,600.00
December 1, 2036............	0.00	386,175.00	386,175.00	
June 1, 2037......................	1,425,000.00	386,175.00	1,811,175.00	2,197,350.00
December 1, 2037............	0.00	364,800.00	364,800.00	
June 1, 2038......................	1,450,000.00	364,800.00	1,814,800.00	2,179,600.00
December 1, 2038............	0.00	346,312.50	346,312.50	
June 1, 2039......................	1,500,000.00	346,312.50	1,846,312.50	2,192,625.00
December 1, 2039............	0.00	326,625.00	326,625.00	
June 1, 2040......................	1,525,000.00 (1)	326,625.00	1,851,625.00	2,178,250.00
December 1, 2040............	0.00	303,750.00	303,750.00	
June 1, 2041......................	1,575,000.00 (1)	303,750.00	1,878,750.00	2,182,500.00
December 1, 2041............	0.00	280,125.00	280,125.00	
June 1, 2042......................	1,625,000.00 (1)	280,125.00	1,905,125.00	2,185,250.00
December 1, 2042............	0.00	255,750.00	255,750.00	
June 1, 2043......................	1,675,000.00 (1)	255,750.00	1,930,750.00	2,186,500.00
December 1, 2043............	0.00	230,625.00	230,625.00	
June 1, 2044......................	1,725,000.00 (1)	230,625.00	1,955,625.00	2,186,250.00
December 1, 2044............	0.00	204,750.00	204,750.00	
June 1, 2045......................	1,775,000.00 (2)	204,750.00	1,979,750.00	2,184,500.00
December 1, 2045............	0.00	178,125.00	178,125.00	
June 1, 2046......................	1,825,000.00 (2)	178,125.00	2,003,125.00	2,181,250.00
December 1, 2046............	0.00	150,750.00	150,750.00	
June 1, 2047......................	1,900,000.00 (2)	150,750.00	2,050,750.00	2,201,500.00
December 1, 2047............	0.00	122,250.00	122,250.00	
June 1, 2048......................	1,950,000.00 (2)	122,250.00	2,072,250.00	2,194,500.00
December 1, 2048............	0.00	93,000.00	93,000.00	
June 1, 2049......................	2,000,000.00 (2)	93,000.00	2,093,000.00	2,186,000.00

(1) Mandatory sinking fund principal payments from a $8,125,000 3.00% term bond due June 1, 2044.

(2) Mandatory sinking fund principal payments from a $9,450,000 3.00% term bond due June 1, 2049.

Debt Service On The 2019 Bonds–continued

Payment Date	The 2019 Bonds Principal	Interest	Period Total	Fiscal Total
December 1, 2049............	$ 0.00	$ 63,000.00	$ 63,000.00	
June 1, 2050......................	2,075,000.00 (3)	63,000.00	2,138,000.00	$2,201,000.00
December 1, 2050............	0.00	31,875.00	31,875.00	
June 1, 2051......................	2,125,000.00 (3)	31,875.00	2,156,875.00	2,188,750.00
Totals.........................	$42,040,000.00	$25,677,564.72	$67,717,564.72	

(3) Mandatory sinking fund principal payments from a $4,200,000 3.00% term bond due June 1, 2051.

(Source: Municipal Advisor.)

SECURITY FOR THE 2019 BONDS

Security And Source Of Payment

The 2019 Bonds are payable from, and are secured by a pledge under the Indenture of General Revenues. General Revenues shall include revenues derived by the University from: (i) the University's student housing facilities, (ii) the student building fees, (iii) the University's auxiliary systems (including the Gardner Student Center, bookstore and food services); (iv) the University's Road Scholar program; (v) parking services; and (vi) Investment Income and the Amount of Unrestricted Gifts. General Revenues exclude (a) appropriations by the Legislature to the University; (b) tuition and fees (other than the student building fees identified above); (c) income and revenues from gifts, grants and contracts restricted from being pledged under the Indenture; (d) income from Independent Operations and (e) any previous sources of General Revenues removed from the lien of the Indenture pursuant to the Indenture. The University may from time to time add additional student building or other fees to the General Revenues and, to the extent permitted by law, may add tuition or other sources of revenues to the General Revenues.

See "DESCRIPTION OF GENERAL REVENUE SOURCES" and "HISTORICAL AND PROJECTED GENERAL REVENUES AVAILABLE FOR DEBT SERVICE" below.

The 2019 Bonds are not a general obligation 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 General Revenues. The issuance of the 2019 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.

Pledge Of Indenture; Rates And Charges

Pledge of Indenture. There are no other obligations that enjoy a lien upon the General Revenues. The Bonds and any Security Instrument Repayment Obligations constitute an irrevocable first lien upon the General Revenues. The Board of Regents covenants that the Bonds and any Security Instrument Repayment Obligations are equitably and ratably secured by a pledge of the General Revenues and shall not be entitled to any priority one over the other in the application of the General Revenues regardless of the time or times of the issuance or delivery of the Bonds or Security Instrument, it being the intention of the Board of Regents that there shall be no priority among the Bonds or the Security Instrument Repayment Obligations regardless of the fact that they may be actually issued and/or delivered at different times. Any assignment or pledge from the Board of Regents to a Reserve Instrument Provider of (a) proceeds of the issuance and sale of Bonds, (b) General Revenues or (c) funds established by the Indenture, including investments, if any, thereof, is and shall be subordinate to the assignment and pledge effected hereby to the Registered Owners of the Bonds and to the Security Instrument Issuers.

Rates and Charges. In order to assure full and continuous performance of the covenants contained in the Indenture with a margin for contingencies and temporary unanticipated reduction in General Revenues, the Board of Regents and the University covenant and agree to establish, fix, prescribe, continue and collect rates, charges, fees and other income and revenues constituting General Revenues which, together with other legally available income, are reasonably expected to yield an amount of General Revenues at least equal to the Rate Covenant Requirement for the forthcoming Fiscal Year.

"Rate Covenant Requirement" means an amount at least equal to: the sum (a) 110% of the Aggregate Debt Service excluding amounts payable on Repayment Obligations for the forthcoming Fiscal Year, and (b) 100% of the Repayment Obligations, if any, which will be due and payable during the forthcoming Fiscal Year, and (c) 100% of the amounts, if any, required by the Indenture to be deposited into the Debt Service Reserve Fund during the forthcoming Fiscal Year.

If the annual financial statement made in accordance with the provisions of the Indenture relating to General Revenues disclose that during the period covered by such financial statement the General Revenues were not at least equal to the Rate Covenant Requirement, the Board of Regents shall not be in default under the Indenture if, within 60 days after the date of such financial statement, the University revises the schedule of rates, charges, fees and other income and revenues insofar as is practicable and revises expenses all so as to produce General Revenues at least equal to the Rate Covenant Requirement.

Flow Of Funds

All General Revenues (except earnings from the investment of amounts on deposit in the funds and accounts established under the Indenture, which shall be allocated as provided in the Indenture) shall be deposited by the University to the credit of the General Revenue Account.

Amounts in the General Revenue Account may be used and withdrawn by the University at any time for any lawful purpose, except as restricted in the Indenture. In the event of the occurrence of an Event of Default of which the Trustee has actual knowledge or has received written notice, the Trustee shall notify the University of such Event of Default, and the University shall transfer the General Revenue Account to the name and credit of the Trustee. All General Revenues shall continue to be deposited by the University in the General Revenue Account as provided by the Indenture until all Events of Default known to the Trustee shall have been resolved or provision deemed by the Trustee to be adequate shall have been made therefor, whereupon the General Revenue Account shall be returned to the name and credit of the University. During any period that the General Revenue Account is held in the name and to the credit of the Trustee, the Trustee shall use and withdraw amounts in said account first to pay fees, expenses and disbursements of the Trustee and its agents in the event such fees, disbursements or expenses have not otherwise been paid by the University, and second to make the transfers and deposits required by the Indenture. The Board of Regents and the University agree to execute and deliver all instruments as may be required to implement in the Indenture. The Board of Regents and the University further agree that a failure to comply with the terms of the Indenture shall cause irreparable harm to the owners from time to time of the Bonds and shall entitle the Trustee, with or without notice, to take immediate action to compel the specific performance of the obligations of the Board of Regents and the University as provided in the Indenture.

On or before the fifteenth day prior to each Interest Payment Date, the University shall transfer and deposit with the Trustee and the Trustee shall deposit from amounts on deposit in the General Revenue Account to the extent of General Revenues available in the General Revenue Account into the following funds in the following order the amounts set forth below:

(i) Into the applicable account in the Bond Fund for each Series of Bonds, at such times and in such manner described by Supplemental Indenture, such amounts as shall be necessary to pay the Principal of, premium, if any, and interest on the applicable Series of Bonds, and to the extent required by the Supplemental Indenture, on any Security Instrument Obligations promptly on each such payment date as the same become due and payable, or a ratable portion of remaining General Revenues if less than the amount necessary.

(ii) To the applicable accounts maintained in the Reserve Instrument Fund, with respect to all Reserve Instruments which are in effect and are expected to continue in effect, such amount of the remaining General Revenues, or a ratable portion (taking into account the amount to be transferred as described in subparagraph (iii) below) of the amount so remaining if less than the amount necessary, that is required to be paid, including all Reserve Instrument Repayment Obligations, on or before the next such transfer or deposit of General Revenues into the Reserve Instrument Fund, to the Reserve Instrument Provider pursuant to any Reserve Instrument Agreement in order to cause the Reserve Instrument Coverage to equal the Reserve Instrument Limit, such that the Reserve Instrument Coverage shall equal the Reserve Instrument Limit within one year from any draw date under the Reserve Instrument or within such other timeframe as shall be specified by the Reserve Instrument Agreement or Supplemental Indenture.

(iii) To the accounts maintained in Debt Service Reserve Fund for the applicable Series of Bonds, any amounts required hereby and by any Supplemental Indenture to accumulate therein the applicable Debt Service Reserve Requirement at the times and in the amounts provided herein and in any Supplemental Indenture, or a ratable portion (considering the amount to be transferred as described in subparagraph (ii) above) of remaining General Revenues if less than the amount necessary. Moneys in each account in the Debt Service Reserve Fund shall be used only to prevent deficiencies in the payment of the principal of or interest on the applicable Series of Bonds for which such account was created.

Debt Service Reserve Account

*2019 Debt Service Reserve Account; Reserve Instrumen*t. The Indenture requires the establishment of the 2019 Debt Service Reserve Account with respect to the 2019 Bonds and a Debt Service Reserve Requirement with respect to the 2019 Bonds in an amount equal to the maximum annual debt service on the 2019 Bonds, which, as of the date of issuance of the 2019 Bonds, will be $2,201,500 (the "2019 Debt Service Reserve Requirement"). The Indenture authorizes the Board of Regents to obtain a Reserve Instrument to satisfy the 2019 Debt Service Reserve Requirement. Accordingly, application has been made to BAM for the issuance of a surety bond for funding the 2019 Debt Service Reserve Account (the "2019 Reserve Instrument").

The 2019 Reserve Instrument. BAM has made a commitment to issue a municipal bond debt service reserve insurance policy for the 2019 Reserve Instrument with respect to the 2019 Bonds (the "2019 Reserve Instrument Insurance Policy"), effective as of the date of the issuance of such 2019 Bonds. Under the terms of the 2019 Reserve Instrument Insurance Policy, BAM will unconditionally and irrevocably guarantee to pay that portion of the scheduled Principal and interest on the 2019 Bonds that become due for payment but shall be unpaid because of nonpayment by the Board of Regents (the "Insured Payments").

BAM 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 2019 Reserve Instrument Insurance Policy on behalf of the holders of the 2019 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 BAM receives a demand for payment therefore in accordance with the terms of the 2019 Reserve Instrument Insurance Policy.

No payment shall be made under the 2019 Reserve Instrument Insurance Policy more than $2,201,500 (the "2019 Reserve Instrument Insurance Policy Limit"). Pursuant to the terms of the 2019 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 BAM under the 2019 Reserve Instrument Insurance Policy, provided that, to the extent of the reimbursement of such payment to BAM, the amount available under the 2019 Reserve Instrument Insurance Policy shall be reinstated in an amount not to exceed the 2019 Reserve Instrument Insurance Policy Limit.

Special Provisions Relating to the 2019 Reserve Instrument. Upon a failure to pay policy costs when due or any other breach of the provisions contained in the Indenture relating to the 2019 Reserve Instrument Insurance Policy, BAM shall be entitled to exercise all legal and equitable remedies available to it, including those provided under the Indenture 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 BAM shall be included in the calculation of maximum Aggregate Annual Debt Service Requirement in the calculation of the additional bonds test.

Covenant To Request Legislative Appropriation For The 2019 Bonds

In accordance with the Higher Education Act, the Indenture 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 2019 Debt Service Reserve Account (including payment of any amounts due under the 2019 Reserve Instrument) to the 2019 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 2019 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 2019 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 2019 Bonds.

Covenant To Request Legislative Appropriation For Certain Outstanding Parity Bonds; Outstanding Parity Bonds Debt Service Reserve Funds

Covenant to Request Legislative Appropriation for Certain Outstanding Parity Bonds. ***The Outstanding Parity Bonds enjoy the same pledge of the State 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 2019 Bonds. The Legislature is not required to make any appropriation with respect to the Outstanding Parity Bonds.***

Outstanding Parity Bonds Debt Service Reserve Funds. Under the Indenture, 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 Assured Guaranty Municipal Corp. in the amount of $1,222,900 (the maximum annual debt service amount) relating to the 2015 Bonds.
>
> *The 2017 Bonds*. The 2017A Bonds and the 2017B Bonds (collectively, the "2017 Bonds") are secured by a reserve instrument issued by Assured Guaranty Municipal Corp. in the amount of $1,248,537.50 (the maximum annual debt service amount) relating to the 2017 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 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.

The Board of Regents requests that each institution of higher education of the State with bonds outstanding report to the Board of Regents, prior to December 1 of each year, whether any appropriation will be needed to replenish reserve accounts or meet revenue shortfalls for the payment of the institution's bonds.

Additional Bonds

No additional indebtedness, bonds or notes of the Board of Regents or the University payable on a priority ahead of the Bonds or the Security Instrument Repayment Obligations herein authorized out of General Revenues or any portion thereof shall be created or incurred. In addition, no additional Bonds or other indebtedness of the Board of Regents or the University payable on a parity with the Bonds or the Security Instrument Repayment Obligations from General Revenues shall be created or incurred, unless the following requirements have been met:

(a) The University shall deliver a written certificate executed by an Authorized Representative of the University stating that:

(i) total General Revenues in any 12–month period within the 24 calendar months next preceding the issuance of such Additional Bonds were at least 110% of the Aggregate Debt Service on all of the Bonds Outstanding during such 12–month period; and

(ii) estimated General Revenues for each Fiscal Year during which the Bonds and Additional Bonds will be Outstanding are anticipated to be at least 110% of the Aggregate Debt Service on all the Bonds that will be Outstanding, including the Additional Bonds.

(b) All Repayment Obligations then due and owing shall have been paid.

(c) All payments required by the Indenture to be made into the Bond Fund must have been made in full, and there must be in the Debt Service Reserve Fund (considering any Reserve Instrument Coverage) the full amount required by the Indenture to be accumulated therein.

(d) No Event of Default is existing under the Indenture on the date of authentication of such Additional Bonds, unless (i) the Security Instrument Issuers, Reserve Instrument Issuers and Owners of all Outstanding Bonds have each consented to the issuance of such Additional Bonds despite the existence of an Event of Default or (ii) upon the issuance of such Additional Bonds and the application of the proceeds thereof, all such Events of Default will be cured.

Subject to the terms of the Indenture, Additional Bonds may be issued from time to time, and the proceeds thereof shall be used, for one or both of the following purposes: (i) to finance all or a portion of the Costs of a Project and (ii) to refund any one or more Series or maturities within a Series of Outstanding Bonds.

Removal Of Facilities Of The University; Removal Of Revenues From Indenture

The Board of Regents and the University have expressly retain the right to (a) remove, sell, mortgage, pledge or raze any operations, enterprises, structures or facilities of the University so long as an Authorized Representative of the University shall certify to the Trustee that following such action the University can be operated in a manner such that the University and the Board of Regents can comply with all of the provisions of the Indenture and (b) remove any sources of General Revenues from the pledge and lien of the Indenture, so long as the General Revenues generated by such source in the University's most recently completed Fiscal Year did not represent more than 10% of the General Revenues for such year and the aggregate of all such removals since the date of execution of the Indenture (as a percentage of General Revenues for the Fiscal Year preceding the time of removal) when added with the proposed removal (as a similar percentage) would not exceed 10%.

THE 2019 PROJECT

Description Of The 2019 Project

The 2019 Bonds are being issued to finance a portion of the costs of construction of a new student housing building on the University's campus (the "2019 Project"). The preliminary construction plan outlines a four or five–story building of approximately 120,000 square feet containing 500 sleep/study beds. Sleeping quarters are designed primarily in four–bedroom suites with one or two beds per room, two bathrooms, a small kitchenette and closet space. As a design–build project, suites may include variation in the layout and number of shared or private rooms. Common areas will include living rooms, study rooms, laundry rooms, kitchens and a fitness room.

The 2019 Project will be constructed on an existing parcel of land currently occupied by a current student housing building known as Shiloh Hall, immediately south of the existing Nisson Towers (single student housing), near the intersection of 900 East and 100 South in the City. Total construction costs are estimated at $42 million, including furniture, fixtures, and equipment to outfit the new building. Additional parking capacity will be constructed to accommodate the additional students.

Although construction will be primarily financed with proceeds of the 2019 Bonds, the University has designated institutional funds of $2.5 million in reserve for additional costs and contingencies. Construction will begin as soon as possible in order to complete the 2019 Project by August 2021.

Need for the 2019 Project. Current student housing facilities are aging and limited. The University's enrollment growth has already far outpaced existing capacity and continued growth is anticipated over the next decade. The safety and stability of on–campus housing is particularly attractive to nonresident students and their families. Research has also shown that students living on campus tend to be more engaged and successful in their academic pursuits. The 2019 Project will assist in providing needed quality student housing to accommodate enrollment growth and maximize student success.

DESCRIPTION OF GENERAL REVENUE SOURCES

Generally. Under the Indenture "General Revenues" means, subject to those exclusions described below, substantially all income and revenues of the University authorized to be pledged under the Indenture pursuant to the Act. General Revenues exclude (a) appropriations by the Legislature to the University; (b) tuition and fees (other than the student building fees identified below); (c) income and revenues from gifts, grants and contracts restricted from being pledged under the Indenture; (d) income from Independent Operations and (e) any previous sources of General Revenues removed from the lien of the Indenture pursuant to the Indenture.

General Revenues shall include revenues derived by the University from:

(i) the University's student housing facilities;

(ii) the student building fees;

(iii) the University's auxiliary systems (including the Gardner Student Center, bookstore and food services);

(iv) the University's Road Scholar program;

(v) parking services; and

(vi) investment income and the amount of unrestricted gifts.

The University may from time to time add additional student building or other fees to the General Revenues and, to the extent permitted by law, may add tuition or other sources of revenues to the General Revenues as provided under the Indenture.

Student Housing Facilities. Student housing revenues are derived from room charges, guest rentals, and administrative fees. The University's student housing currently comprises approximately 700 beds among seven building complexes. Most of these buildings were constructed prior to 1980 but have been well–maintained and are still fully functional. Shiloh Hall will be demolished to clear space for the 2019 Project. It is anticipated that revenues lost from the demolishing the Shiloh Hall student housing facility will not significantly impact the overall revenues attributed to the student housing revenues. Recent occupancy rates have been near 100% and the University turns away many housing applicants each year.

The table below outlines the age and capacity of current on–campus housing.

Building Name	Fall 2019 Occupancy	Construction Date	Gross Square Feet	Total Beds
Campus View Suites (single)........	100%	2016	88,349	352
Chancellor Apartments (single)	100	1995	14,916	30
Morgan Apartments (married)	100	1978	14,048	16
Abby Apartments (single)............	100	1977	20,148	90
Dixie View Apartments (married)	100	1975	3,788	3
Nisson Towers (single)	98	1968	25,474	162
Shiloh Hall (single) (1)	100	1962	11,725	48
Total beds				701

(1) To be demolished for the construction of the 2019 Project.

(Source: The University.)

Student Building Fees. Student building fees are imposed against all full–time and part–time students of the University as a charge for the use and availability of the University's facilities. The current student building fee for Academic Year 2019–2020 is based upon the amount of credit hours for which a student enrolls and ranges from a minimum charge of $10.98 for one credit hour to a maximum charge of $131.75 for 12 credit hours and above. The assessment of student building fees occurs at the time of registration and is collected in conjunction with tuition payments. Payment in full of all tuition and fees is required by the first day of class each semester. If payment has not been received by the first day, students are dropped from classes. Enrollment is measured after the third week of classes to prevent including in the student headcount any students that have been dropped due to non–payment. The timing for measuring fall student head count eliminates the possibility of inflating enrollment statistics. The University can increase or adjust student building fees when the University deems necessary, subject to the approval of the University's Board of Trustees and the Board of Regents. See "DIXIE STATE UNIVERSITY—Tuition And Fees" below.

Auxiliary Systems. Auxiliary system revenues include revenues from:

(i) the Gardner Student Center operation and rental fees, excluding any food services operations therein;

(ii) on and off campus bookstore revenues (including revenues from books, confections, electronics, merchandise and other miscellaneous income); and

(iii) food services revenues, including student meal plans, event catering and retail sales.

Road Scholar Program. The University's Road Scholar program (previously known as Elderhostel) has offered full–service educational tours to national parks and other points of interest throughout Southern Utah, Nevada, and Northern Arizona since 1985. The University is an affiliate of the national Road Scholar organization, based in Boston, Massachusetts. Road Scholar program revenues are primarily derived from tour group participant fees, as well as bus rentals to University departments and other traveling groups associated with the University.

Parking Services. The University's parking operations have been previously spread among multiple departments but are now consolidated into a single designated office. Parking permits are currently priced at $50 per year for regular permits or $20 per year for economy lots at the perimeter of campus. All faculty, staff, and students are required to purchase a permit to park on campus. The University intends to gradually increase the cost of parking permits in future years in order to construct and increase additional parking capacity.

Investment Income/Amount of Unrestricted Gifts. Interest income from investment earnings on unrestricted funds and accounts held by or for the benefit of the University. Unrestricted Gifts means, with respect to any period, the principal amount of gifts, bequests, contributions, grants and donations not restricted to other purposes and received during such period.

For detailed revenues of each component of the General Revenues see "HISTORICAL AND PROJECTED GENERAL REVENUES AVAILABLE FOR DEBT SERVICE" below.

Use of General Revenues. Under the Indenture, all General Revenues are deposited by the University to the credit of the General Revenue Account, which is controlled by the University. Subject to the restrictions in the Indenture, the University may withdraw and use General Revenues in the General Revenue Account at any time for any lawful purpose. For more information regarding the application of General Revenues, see "SECURITY FOR THE 2019 BONDS—Flow Of Funds" above.

HISTORICAL AND PROJECTED GENERAL REVENUES AVAILABLE FOR DEBT SERVICE

Generally. The following table is a summary of historical and projected General Revenues of the University. The administration for the University (the "Administration") has prepared and reviewed the historical and projected General Revenues to the best of the Administration's ability. However, the accompanying 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, and this information is not fact and should not be relied upon as being necessarily indicative of future results.

Neither the University's independent auditors, nor any other independent accountants, have compiled, examined, or performed any procedures with respect to the historical and projected 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 historical and projected financial information.

The University does not as a matter of course make public projections as to future sales, earnings, or other results. The "historical" information has been derived from the University's basic financial statements; however, this information is not presented in a form that can be recognized from the University's basic financial statements.

Management's Discussion of General Fund Revenues. The University's total General Revenues have followed a general upward trend in recent years. Student housing revenue has significantly increased in conjunction with enrollment growth and completion of the Campus View Suites housing complex in 2016. Conversely, bookstore revenues have stagnated due to increased competition from electronic textbook suppliers and other online distributors. The University has streamlined bookstore staffing and procedures to keep pace with the changing business environment. Food service revenues declined in Fiscal Year 2019 due to construction, but are expected to rebound in Fiscal Year 2020 with the addition of two national franchise eateries in the main campus dining venue. The Road Scholar program is subject to swings in consumer sentiment due to the overall economic climate, which has been favorable in recent years. Student building fee revenues have also increased in anticipation of the Human Performance Center project, which was completed in November 2019.

For purposes of the following table, the University projects annual enrollment growth to be approximately 3% through Academic Year 2023–24, which will likely yield increased revenue in volume–based operations such as food services and parking. Investment income is also expected to decrease due to interest rate reductions at the federal level. Finally, bookstore and Road Scholar program revenues are projected to remain relatively stable due to the competitive pressures and economic uncertainties impacting these operations.

The following table shows the past five Fiscal Years of historical and five Fiscal Years of projected General Revenues and the debt service requirements for the Bonds.

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Historical And Projected General Revenues Available For Debt Service Coverage

	Fiscal Year Ended June 30 (1)									
	Historical					Projected				
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Revenues:										
Auxiliary Systems:										
Bookstores	$ 3,806,182	$ 3,653,609	$ 3,650,966	$ 3,710,582	$ 3,549,179	$ 3,620,000	$ 3,690,000	$ 3,760,000	$ 3,835,000	$ 3,910,000
Food services	1,920,944	1,952,452	2,148,581	2,566,006	2,322,979	2,700,000 (6)	2,780,000	2,860,000	2,945,000	3,030,000
Gardner Student Center	304,050	313,482	329,947	428,912	401,516	420,000	430,000	440,000	450,000	460,000
Road Scholar	2,870,350	3,334,557	3,753,453	4,584,819	4,683,189	4,625,000	4,650,000	4,675,000	4,700,000	4,725,000
Student Housing Facilities	834,094	910,085	2,091,778	2,229,578	2,345,817	2,410,000	2,480,000	4,700,000 (8)	4,830,000	4,985,000
Student Building Fees	536,781	850,363	1,583,277	1,685,701	1,650,769	1,840,000 (7)	1,895,000	1,950,000	2,010,000	2,070,000
Investment Income/Amount of Unrestricted Gifts	142,221	208,658	341,319	519,942	1,213,719	1,050,000	1,000,000	1,000,000	1,000,000	1,000,000
Parking services (2)	159,684	152,240	214,041	269,218	284,924	300,000	450,000	600,000	750,000	900,000
Total General Revenues available for debt service	$ 10,574,306	$ 11,375,446	$ 14,113,362	$ 15,994,758	$ 16,452,092	$ 16,965,000	$ 17,375,000	$ 19,985,000	$ 20,520,000	$ 21,080,000
Debt service:										
2019 General Revenue Bonds	$ –	$ –	$ –	$ –	$ –	$ 651,138	$ 1,438,100	$ 2,178,100	$ 2,201,100	$ 2,186,100
Capitalized interest (from 2019 Bonds)	–	–	–	–	–	(651,140)	(1,438,100)	(359,525)	–	–
2017B General Revenue Bonds	–	–	–	734,931	845,288	845,288	845,288	945,288	1,248,288	1,247,088
Capitalized interest (from 2017B Bonds)	–	–	–	(734,931)	(845,288)	–	–	–	–	–
2017A General Revenue Bonds	–	–	–	20,465	23,538	398,538	401,038	302,375	–	–
Capitalized interest (from 2017A Bonds)	–	–	–	(20,465)	(23,538)	–	–	–	–	–
2015 General Revenue Bonds	–	752,446	1,218,800	1,220,500	1,222,000	1,218,300	1,220,100	1,221,900	1,222,900	1,218,050
Capitalized interest (from 2015 Bonds)	–	(752,446)	(401,900)	–	–	–	–	–	–	–
Total debt service payments	$ –	$ 0	$ 816,900	$ 1,220,500	$ 1,222,000	$ 2,462,124	$ 2,466,426	$ 4,288,138	$ 4,672,288	$ 4,651,238
General Revenue coverage to Debt Service (3)	–	–	**17.28X**	**13.11X**	**13.46X**	**6.89X**	**7.04X**	**4.66X**	**4.39X**	**4.53X**
Indenture Rate Covenant Requirement (4)	–	**1.10X**	**1.10X**	**1.10X**	**1.10X**	**1.10X**	**1.10X**	**1.10X**	**1.10X**	**1.10X**
Additional Bonds Issued on a Parity (5)	–	**1.10X**	**1.10X**	**1.10X**	**1.10X**	**1.10X**	**1.10X**	**1.10X**	**1.10X**	**1.10X**

(1) For a discussion of the assumption used for this table see the preceding paragraphs and "Management's Discussion And Analysis" and "DESCRIPTION OF GENERAL REVENUE SOURCES" above. This information is based on the University's financial reports; however, this information is not presented in a form that can be recognized or extracted from the University's financial statements.

(2) The University intends to incrementally increase the cost of parking permits on an annual basis in order to construct additional parking capacity in future years.

(3) See "DESCRIPTION OF GENERAL REVENUE SOURCES—Use of General Revenues" above.

(4) The Indenture requires that General Revenues be in an amount at least equal to 110% of the Aggregate Debt Service on the University's Bonds. See "SECURITY FOR THE 2019 BONDS—Pledged Of Indenture; Rate And Charges" above.

(5) For the University to issue Additional Bonds, General Revenues in any 12 month period within the 24 calendar months next preceding the issuance of such Additional Bonds will be at least 110% of the Aggregate Debt Service on all of the Bonds Outstanding during such 12 month period; and (ii) estimated General Revenues for each Fiscal Year during which the Bonds and Additional Bonds will be Outstanding are anticipated to be at least 110% of the Aggregate Debt Service on all of the Bonds that will be Outstanding, including the Additional Bonds. See "SECURITY FOR THE 2019 BONDS—Additional Bonds" above.

(6) The University anticipates increased sales with the addition of two national food franchises beginning in Fiscal Year 2020.

(7) Student building fee per semester increased from $120.75 to $131.75 (per full –time student) in Fiscal Year 2020 with annual student enrollment projected to increase 3% per year for Fiscal Years 2021 through 2024.

(8) The 2019 Project is expected to be completed in August 2021 (Fiscal Year 2022).

(Source: The University.)

STATE BOARD OF REGENTS OF THE STATE OF UTAH

The Board of Regents was formed in 1969 as a governing body for the Utah System of Higher Education. Pursuant to legislation effective May 9, 2017, the Board of Regents is to consist of 17 residents of the State appointed by the Governor of the State (the "Governor"), (i) eight of whom are appointed at large, (ii) eight of whom are selected from three nominees presented to the Governor by each State higher education institution's board of trustees who are current or former members of such board of trustees, and (iii) the remaining one member who is selected from three nominees presented by student body presidents of the State institutions of higher education. Members of the Board of Regents appointed prior to May 8, 2017 may continue to serve notwithstanding the newly enabled selection requirements.

The Board of Regents oversees the establishment of policies and procedures, executive appointments, master planning, budget and finance, and proposals for legislation, develops governmental relationships, and performs administrative unit and program approval for higher education for the State. The Utah System of Higher Education consists of eight public colleges and universities governed by the Board of Regents, assisted by local boards of trustees. The Utah System of Higher Education includes two Doctorate–granting Universities, three Master's Colleges and Universities, one Baccalaureate College and University, and two Comprehensive Community or Associate's Colleges.

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
Harris H. Simmons	Chair, Businessperson, Salt Lake City	June 2021
Nina Barnes	Vice Chair, Businessperson, Cedar City	June 2021
Jesselie Anderson	Member, Businessperson, Salt Lake City	June 2025
Lisa–Michele Church	Member, Businessperson, Salt Lake City	June 2025
Wilford Clyde	Member, Businessperson, Springville City	June 2023
Sanchaita Datta	Member, Businessperson, Salt Lake City	June 2025
Alan Hall	Member, Businessperson, Ogden City	June 2025
Marlin K. Jensen	Member, Businessperson, Salt Lake City	June 2021
Ronald W. Jibson	Member, Businessperson, Salt Lake City	June 2023
Patricia Jones	Member, Businessperson, Salt Lake City	June 2021
Steven J. Lund	Member, Businessperson, Provo City	June 2021
Sheva Mozafari	Student Member	June 2020
Cristina Ortega	Member, Attorney, Salt Lake City	June 2023
Robert W. Prince	Member, Orthodontist, St. George City	June 2023
Mark Stoddard	Member, Businessperson, Nephi City	June 2023
Crystal Maggelet	Member, Community Leader, Logan City	June 2025
Thomas Wright	Member, Businessperson, Salt Lake City	June 2023

(Source: The Board of Regents.)

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

DIXIE STATE UNIVERSITY

General

History. The University began as the St. George Stake Academy founded by the Church of Jesus Christ of Latter–day Saints on September 19, 1911. From 1911 to 1963, the academy/college was housed on a three–acre downtown campus and was operated in conjunction with the last two years of Dixie High School. In 1935, the then named Dixie Junior College, was transferred to State ownership.

Beginning in 1953, an extensive program was begun to develop a new college campus. As a first step, the Dixie Education Association acquired 32 acres of land on the east side of the City and presented the new campus site to the State as a gift. In 1957, the gymnasium building was this site's first, State–appropriated facility to be completed. One additional city block was purchased with State money to provide an athletic practice field for the new campus. When it became obvious that the new interstate highway system would bisect this block, it was sold to the State Road Commission and two other city blocks adjacent to the original site were purchased with State funds. This provided a six–block campus area of approximately 43.7 acres. A partial move from the old campus to the new was accomplished in 1963 with the completion of the heating plant, Shiloh Dormitory, Cafeteria building and Fine Arts Center. Beginning in 1965, additional property was purchased south of the original campus providing an athletic field, tennis courts, and temporary housing facilities. This increased the campus to approximately 74.49 acres. The City donated land, which had been dedicated for streets, making it possible to develop a unified campus plan. The College then purchased additional property to complete the acquisition of a unified campus consisting of 90.16 acres. In July 1998, the purchase of an entire city block, adjacent to the College, was completed. This transaction added an additional 6.39 acres to the campus bringing the total acreage in the unified campus to 96.55 acres.

Over the last 20years, the campus has continued to grow in both footprint and enrollment. In 2000, the institution officially became known as Dixie State College of Utah and began offering baccalaureate degrees. Four master's degrees and bachelor's degrees in over 45 different majors are now available, along with numerous two–year degrees, minors, and certificates. In February 2013, the institution attained university status and was renamed "Dixie State University."

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

The University's combined student head count enrollment for Academic Year 2018–2019 (2018 Fall semester (third week) 2016) was 9,950 students (educating approximately 5.4% 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 2018 Fall semester (third week) 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	39,931	21.7%
University of Utah	Salt Lake City, Utah	33,023	18.0
Salt Lake Community College	Salt Lake City, Utah	29,156	15.9
Weber State University	Ogden, Utah	28,247	15.4
Utah State University	Logan/Price, Utah	27,932	15.2
Southern Utah University	Cedar City, Utah	10,196	5.5
Dixie State University	*City of St. George, Utah*	*9,950*	*5.4*
Snow College	Ephraim, Utah	5,514	3.0
Total		183,949	100.0%

(Source: Utah System of Higher Education. Compiled by the Municipal Advisor.)

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.

Board Of Trustees

The responsibilities and powers of the Board of Trustees for the University are identified in the Higher Education Act and in the Board of Regents' policy, and institutional 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 institution and the community; (ii) assist in planning, implementing and executing fund raising and development projects aimed at supplementing institutional 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. Under direction of the Board of Regents policy, in 2003 a Trustee Audit Review Committee was formed with the purpose of assisting the Board of Trustees in fulfilling its oversight responsibilities for financial reporting, internal control, audit processes, and compliance with laws and regulations.

University's Board of Trustees

Board Member	Current Term Expires
David L. Clark, Chair	June 2021
Julie B. Beck, Vice Chair	June 2021
Larry G. Bergeson	June 2023
Tony J. Christensen	June 2023
Colleen M. Kvetko	July 2022
Jon Pike	June 2021
Kelli G. Prince	May 2020
Tiffany L. Wilson	June 2022
Taylor A. Godfrey, Student Body President	May 2020

(Source: The 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	Dr. Richard B. Williams	5	Appointed
Provost/Vice President of Academic Affairs	Dr. Michael G. Lacourse	3	Appointed
Vice President of Administrative Affairs	Paul C. Morris	6	Appointed
Vice President of Student Affairs	Dr. Peter Gitau	3	Appointed
Vice President of University Advancement	Bradley G. Last	6	Appointed
Dean of Business & Communication	Dr. Kyle S. Wells	5	Appointed
Dean of Education	Dr. Brenda L. Sabey	9	Appointed
Dean of Health Sciences (July 2017)	Dr. Eliezer Bermudez	2	Appointed

Office	Person	Years of Service	Expiration of Term
Dean of Humanities and Social Sciences	Dr. Stephen C. Lee	<1	Appointed
Dean of Science & Technology	Dr. Eric D. Pedersen	6	Appointed
Dean of Arts	Dr. Jeffery W. Jarvis	5	Appointed
Assistant Vice President of Business Services	Scott Jensen	3	Appointed
Assistant Vice President for Administrative Affairs Special Projects	A. Scott Talbot	36	Appointed

(Source: The University.)

Accreditation

The University is fully accredited by the Northwest Commission on Colleges and Universities. Teacher education programs are accredited by the Teacher Education Accreditation Council. Numerous other programs are also accredited or approved by specific professional agencies.

Faculty And Staff

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

	Fall Semester				
	2018	2017	2016	2015	2014
Faculty:					
Full–time	216	218	216	212	204
Part–time	315	298	282	272	260
Total faculty	531	516	498	484	464
Wage payroll (part–time)	336	325	323	305	258
Staff	328	315	289	270	259
Executives	23	21	30	24	27
Total employees	1,218	1,177	1,140	1,083	1,008
% change from prior year	3.5%	3.2%	5.3%	7.4%	28.4%

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

Currently, approximately 80% of the University's full–time faculty is tenure–track or tenured.

Student Enrollment

The University's annualized full–time equivalent enrollment for Academic Year 2017–2018 (budget related and self–support) was 7,298 students while the headcount enrollment for 2018 Fall Semester (end of term/budget related and self–support) enrollment was 9,986. 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)				
	2017–18	2016–17	2015–16	2014–15	2013–14
Resident enrollment	5,750	5,401	5,142	5,197	5,342
Nonresident enrollment	1,547	1,406	1,246	1,159	906
Annualized FTE total (budget related and self–support)	7,298	6,806	6,388	6,356	6,248
% change from prior year	7.2%	6.5%	0.5%	1.7%	(3.7)%

	Fall Semester (headcount end of term)				
	2018	2017	2016	2015	2014
Total headcount (budget related and self–support) ...	9,986	9,707	8,991	8,464	8,342
% change from prior year	2.9%	8.0%	6.2%	1.5%	2.4%
Resident enrollment	8,486	8,305	7,689	7,295	7,089
Nonresident enrollment.....................	1,500	1,402	1,302	1,169	1,253
Undergraduate enrollment	9,986	9,707	8,991	8,464	8,342
Graduate enrollment..........................	0	0	0	0	0
Full–time enrollment.........................	6,133	6,054	5,661	5,317	5,254
Part–time enrollment.........................	3,853	3,653	3,330	3,147	3,088

(Source: From reports of the Utah System of Higher Education compiled by the Municipal Advisor.)

Estimated Enrollment Trends And Enrollment

No projections of future enrollments can be assured or guaranteed. 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 University has attempted to develop realistic predictions by reviewing historical trends and seeking a consensus on various, non–quantifiable factors. The resulting long–term enrollment estimates are as follows:

Projected Annualized FTE Enrollments

	Academic Year				
	2019–20	2020–21	2021–2022	2022–23	2023–24
Total enrollment..............................	8,628	9,423	9,949	10,520	11,068
% change from prior year	8.9%	9.2%	5.6%	5.7%	5.2%

(Source: Utah System of Higher Education. May 2018. Compiled by the Municipal Advisor.)

Admissions

The University has an open admissions policy. Students may pursue bachelor's degrees, associate's degrees or many different certificates. New freshman students may be admitted to the University upon submission of an application, verification of high school graduation or equivalency and submission of ACT, SAT, or CPT/Accuplacer test scores. Transfer students must also submit official college transcripts.

Tuition And Fees

General. Payment in full of all tuition and fees is required by the first day of class of each semester. *Tuition and non–building fees are not pledged for the repayment of the 2019 Bonds.* The schedule set forth below shows resident and non–resident tuition and fees per credit hour for Academic Year 2019.

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Fees and Tuition Schedule For Academic Year 2019–2020

Per Semester (effective Fall 2019 Semester)

	Student Building/Other Fees			Tuition		Totals Student Building/ Other Fees and Tuition	
Credit Hours	Pledged for Debt Service Under Indenture (1)	Not Pledged for Debt Service Under Indenture	Total Student Building/ Other Fees	Resident Total Tuition	Non Resident Total Tuition	Resident Totals	Non Resident Totals
0.5	$ 5.49	$ 11.51	$ 17.00	$ 97.50	$ 312.00	$ 114.50	$ 329.00
1.0	10.98	23.02	34.00	195.00	624.00	229.00	658.00
1.5	16.47	34.53	51.00	292.50	936.00	343.50	987.00
2.0	21.96	46.04	68.00	390.00	1,248.00	458.00	1,316.00
2.5	27.45	57.55	85.00	487.50	1,560.00	572.50	1,645.00
3.0	32.94	69.06	102.00	585.00	1,872.00	687.00	1,974.00
3.5	38.43	80.57	119.00	682.50	2,184.00	801.50	2,303.00
4.0	43.92	92.08	136.00	780.00	2,496.00	916.00	2,632.00
4.5	49.41	103.59	153.00	877.50	2,808.00	1,030.50	2,961.00
5.0	54.90	115.10	170.00	975.00	3,120.00	1,145.00	3,290.00
5.5	60.39	126.61	187.00	1,072.50	3,432.00	1,259.50	3,619.00
6.0	65.88	138.12	204.00	1,170.00	3,744.00	1,374.00	3,948.00
6.5	71.36	149.64	221.00	1,267.50	4,056.00	1,488.50	4,277.00
7.0	76.85	161.15	238.00	1,365.00	4,368.00	1,603.00	4,606.00
7.5	82.34	172.66	255.00	1,462.50	4,680.00	1,717.50	4,935.00
8.0	87.83	184.17	272.00	1,560.00	4,992.00	1,832.00	5,264.00
8.5	93.32	195.68	289.00	1,657.50	5,304.00	1,946.50	5,593.00
9.0	98.81	207.19	306.00	1,755.00	5,616.00	2,061.00	5,922.00
9.5	104.30	218.70	323.00	1,852.50	5,928.00	2,175.50	6,251.00
10.0	109.79	230.21	340.00	1,950.00	6,240.00	2,290.00	6,580.00
10.5	115.28	241.72	357.00	2,047.50	6,552.00	2,404.50	6,909.00
11.0	120.77	253.23	374.00	2,145.00	6,864.00	2,519.00	7,238.00
11.5	126.26	264.74	391.00	2,242.50	7,176.00	2,633.50	7,567.00
12.0	131.75	276.25	408.00	2,340.00	7,488.00	2,748.00	7,896.00
12.5	131.75	276.25	408.00	2,340.00	7,488.00	2,748.00	7,896.00
13.0	131.75	276.25	408.00	2,340.00	7,488.00	2,748.00	7,896.00
13.5	131.75	276.25	408.00	2,340.00	7,488.00	2,748.00	7,896.00
14.0	131.75	276.25	408.00	2,340.00	7,488.00	2,748.00	7,896.00
14.5	131.75	276.25	408.00	2,340.00	7,488.00	2,748.00	7,896.00
15.0	131.75	276.25	408.00	2,340.00	7,488.00	2,748.00	7,896.00
15.5	131.75	276.25	408.00	2,340.00	7,488.00	2,748.00	7,896.00
16.0	131.75	276.25	408.00	2,340.00	7,488.00	2,748.00	7,896.00
16.5	131.75	276.25	408.00	2,340.00	7,488.00	2,748.00	7,896.00
17.0	131.75	276.25	408.00	2,340.00	7,488.00	2,748.00	7,896.00
17.5	131.75	276.25	408.00	2,340.00	7,488.00	2,748.00	7,896.00
18.0	131.75	276.25	408.00	2,340.00	7,488.00	2,748.00	7,896.00
18.5	131.75	276.25	408.00	2,340.00	7,488.00	2,748.00	7,896.00
19.0	131.75	276.25	408.00	2,340.00	7,488.00	2,748.00	7,896.00
19.5	131.75	276.25	408.00	2,340.00	7,488.00	2,748.00	7,896.00
20.0	131.75	276.25	408.00	2,340.00	7,488.00	2,748.00	7,896.00
20.5	131.75	276.25	408.00	2,437.50	7,800.00	2,845.50	8,208.00
21.0	131.75	276.25	408.00	2,535.00	8,112.00	2,943.00	8,520.00
21.5	131.75	276.25	408.00	2,632.50	8,424.00	3,040.50	8,832.00
22.0	131.75	276.25	408.00	2,730.00	8,736.00	3,138.00	9,144.00
22.5	131.75	276.25	408.00	2,827.50	9,048.00	3,235.50	9,456.00
23.0	131.75	276.25	408.00	2,925.00	9,360.00	3,333.00	9,768.00
23.5	131.75	276.25	408.00	3,022.50	9,672.00	3,430.50	10,080.00
24.0	131.75	276.25	408.00	3,120.00	9,984.00	3,528.00	10,392.00
24.5	131.75	276.25	408.00	3,217.50	10,296.00	3,625.50	10,704.00
25.0	131.75	276.25	408.00	3,315.00	10,608.00	3,723.00	11,016.00

(1) Beginning in Academic Year 2017–2018, this portion of Student Building/Other Fees are pledged as revenues under the Indenture as General Revenues of the University. See"DESCRIPTION OF GENERAL REVENUE SOURCES" above.

(Source: The University.)

Student Tuition and Fee Revenues. The total amount of student tuition and fee revenues of the University during the past five Fiscal Years are as follows:

	Fiscal Year				
	2019	2018	2017	2016	2015
Tuition and fee revenues (1)	$45,424,641	$43,424,564	$38,456,228	$35,745,017	$32,436,912
% increase from prior year	4.6%	12.9%	7.6%	10.2%	8.5%

(1) Includes scholarship allowances.

(Source: The University's audited financial reports.)

Tuition and fees (other than student building fees) are not pledged for the repayment of the 2019 Bonds.

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 (Academic Year)				
Category	2018–19	2017–18	2016–17	2015–16	2014–15
Commuter:					
Miscellaneous	$2,438	$3,412	$3,028	$3,028	$2,804
Transportation	2,260	3,208	2,960	2,960	2,934
Room and board	2,098	2,098	2,098	2,098	1,998
Books and supplies	950	950	900	900	900
Total	$7,746	$9,668	$8,986	$8,986	$8,636
% change from prior year	(19.9)%	7.6%	0.0%	4.1%	14.1%
Non–Commuter:					
Room and board	$ 6,652	$ 6,328	$ 5,615	$ 5,615	$ 5,918
Miscellaneous	3,640	5,170	5,048	5,048	4,208
Transportation	2,260	3,208	2,960	2,960	2,934
Books and supplies	950	950	900	900	900
Total	$13,502	$15,656	$14,523	$14,523	$13,960
% change from prior year	(13.8)%	7.8%	0.0%	4.0%	(9.1)%

(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. Many part–time and temporary jobs on campus are available to student applicants.

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

	Fiscal Year				
	2018	2017	2016	2015	2014
Scholarships and Grants (1):					
Pell Grants	$16,102,444	$14,211,145	$14,164,255	$15,945,224	$16,737,416
University Funds	14,295,453	12,100,827	10,160,246	9,073,257	7,823,668
Federal SEOG	93,941	181,565	148,735	165,089	188,736
Subtotal	30,491,838	26,493,537	24,473,236	25,183,570	24,749,820
Loans:					
Federal GSL/direct loans	17,723,303	17,678,458	17,906,687	20,233,603	22,527,575
Federal/Perkins	78,922	169,300	235,535	278,618	284,315
Subtotal	17,802,225	17,847,758	18,142,222	20,512,221	22,811,890
Student Employment:					
Federal Work Study	217,455	247,231	231,615	228,905	240,468
State Work Study	39,859	39,136	40,048	43,084	43,767
Subtotal	257,314	286,367	271,663	271,989	284,235
Total assistance	$48,551,377	$44,627,662	$42,887,121	$45,967,780	$47,845,945

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

(Source: The University and State of Utah Single Audit Report.)

Scope Of Education Programs

The University currently offers four master's degrees and more than 75 undergraduate degrees and certificates among six academic colleges: Arts, Business, Education, Health Sciences, Humanities and Social Sciences, and Science, Engineering, & Technology. Several new programs are in various stages of development, including bachelor's degrees in Information Technology, Computer Engineering, Environmental Science, and Respiratory Therapy. The University also anticipates offering additional master's degrees in the near future.

The University also supports community education and high school concurrent enrollment for Washington and Kane Counties, Utah. Courses are available at the University's main campus, a branch campus in the City of Hurricane, Utah, and through online instruction.

The University is currently a member of the Rocky Mountain Athletic Conference and will transition to provisional Division I status in 2020–21 as a member of the Western Athletic Conference. The University sponsors seven men's and nine women's sports in excellent athletic facilities including the Burns Arena (basketball), the recently expanded Trailblazer Stadium (football and soccer), Hurst Field (baseball), Karl Brooks Field (softball), and newly constructed tennis and swimming facilities. Numerous club and intramural sports opportunities are also available to students.

Budget Process

State Appropriations. The 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 Appropriations 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 Total Student 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 each project in its capital appropriation program for the University and may stipulate the source of funding and amount.

Capital improvement projects (also known as alterations, repairs and improvements) help maintain existing facilities. Utah statute requires the Legislature to annually provide funding equal to 1.1% of the replacement value of state–owned facilities for state–wide capital improvement projects. In Fiscal Year 2019 the Legislature appropriated $119,068,800 for state–wide capital improvement projects and the State's Building Board allocated $2,789,840 to the University. For Fiscal Year 2020 the Legislature appropriated $126,810,400 for state–wide capital improvement projects, with the State Building Board allocating $3,820,594 to the University.

State Appropriations To The University

State Appropriations To The University. The University has annually received and anticipates continuing to receive 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 Bonds.

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

Fiscal Year	State Appropriations	% Change From Prior Period
2019	$41,574,716	12.0%
2018	37,131,561	1.3
2017	36,661,705	9.2
2016	33,570,501	5.1
2015	31,955,314	22.5

(Source: The University's audited financial reports.)

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.

Fiscal Year	State Appropriations for Building	% Change From Prior Period
2018	$2,144,652	46.1%
2017	1,467,876	(75.5)
2016 (1)	5,980,676	246.0
2015	1,728,447	5,687.5
2014	29,865	(99.3)

(1) For the purchase of properties adjacent to the main campus known as University Plaza and East Elementary.

(Source: The University's audited financial reports.)

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.

The amount of funds raised will often vary from year to year depending on the nature of the special projects and programs. The following table summarizes the annual private gifts received by the University for the following Fiscal Years:

Fiscal Year	Receipts	% Change From Prior Period
2018	$1,387,196	7.9%
2017	1,285,548	13.9
2016	1,129,109	34.4
2015	840,225	(19.3)
2014	1,041,041	9.3

(Source: The University's audited financial reports.)

Contracts And Grants

The following table sets forth the awards received by the various schools within the University and financial aid grants for students for each of the following past five Fiscal Years.

Fiscal Year	Receipts	% Change From Prior Period
2018	$18,720,462	11.6%
2017	16,770,533	(0.4)
2016	16,842,157	(10.0)
2015	18,722,122	(5.6)
2014	19,822,649	(4.0)

(Source: The University's audited financial reports.)

The University is reimbursed by the sponsoring agencies for authorized direct and indirect costs incurred in performing the contract or grant. Indirect cost reimbursement includes building and equipment usage, administration, etc.

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 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 DIXIE STATE UNIVERSITY FOR FISCAL YEAR 2018–Notes to the Financial Statements—Note 3. Investments;" "–Note 4. Deposits and Investments" (audit page 31).

Risk Management; Cybersecurity

Risk Management. 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.

Cybersecurity. Cybersecurity incidents could result from unintentional events, or from deliberate attacks by unauthorized entities or individuals attempting to gain access to the University's systems technology for the purposes of misappropriating assets or information or causing operational disruption and damage. To mitigate the risk of business operations impact and/or damage by cybersecurity incidents or cyber–attacks, the University invests in multiple forms of cybersecurity and operational safeguards. The University is covered by policies of insurance for cyber and technology risks.

See "APPENDIX B—FINANCIAL REPORT OF DIXIE STATE UNIVERSITY FOR FISCAL YEAR 2018–Notes to the Financial Statements–Note 9. Risk Management and Insurance Coverage" (audit page 39).

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

Employee Workforce; Retirement System. The University currently employs approximately 567 full–time equivalent employees and 651 part–time equivalent employees for a total employment of 1,218 employees. The University participates in two retirement plans covering substantially all its regular employees. The University is a participant of the Utah State Retirement Systems ("URS") and Teacher's Insurance and Annuity Association.

For a detailed discussion regarding retirement benefits and contributions see "APPENDIX B—FINANCIAL REPORT OF DIXIE STATE UNIVERSITY FOR FISCAL YEAR 2018–Notes to the Financial Statements–Note 13. Pension Plans and Retirement Benefits" (audit page 45).

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 termination benefits by means of an early retirement program to qualified full–time salaried employees who have been allowed to retire early by the Board of Trustees. There are 16 retirees who received termination benefits under the University's early retirement program during Fiscal Year 2018. The cost of termination benefits is funded on a pay–as–you–go basis. Termination benefits expense for Fiscal Year 2018 for stipend and benefits was $444,812. See "APPENDIX B—FINANCIAL REPORT OF DIXIE STATE UNIVERSITY FOR FISCAL YEAR 2018–Notes to the Financial Statements–Note 1. Summary of Significant Accounting Policies–Note E Compensated absences and Termination Benefits" (audit page 28).

DEBT STRUCTURE OF DIXIE STATE UNIVERSITY

Outstanding Debt Of The University

General Revenue Bonds

The Board of Regents (on behalf of the University) has the following outstanding General Revenue bonds.

Series	Purpose	Original Principal Amount	Final Maturity Date	Current Principal Outstanding
2019 (a) (1)	Housing	$42,040,000	June 1, 2051	$42,040,000
2017B (2)	Building/stadium	19,715,000	June 1, 2049	19,715,000
2017A (2) (3)	Building/stadium	1,055,000	June 1, 2022	1,055,000
2015 (2)	Housing	21,315,000	June 1, 2046	20,040,000
Total principal amount of outstanding debt				$82,850,000

(a) For purposes of this OFFICIAL STATEMENT, the 2019 Bonds will be considered issued and outstanding.
(1) Rated "AA" by S&P Global Ratings ("S&P"), as of the date of this OFFICIAL STATEMENT.
(2) Rated "AA" (AGM Insured; underlying "AA") by S&P, as of the date of this OFFICIAL STATEMENT.
(3) Issued as federally taxable bonds.

(Source: Municipal Advisor.)

Lease Revenue Bonds

History. The University's Dixie Center opened in March 1987 and consists of a convention hall with 2,744 square feet of exhibit space; an arena which holds 5,500 people for basketball games and 4,500 for concerts; a theater which seats 1,200 people; and a fitness center which has weight rooms, dance rooms and an outdoor swimming pool with diving platform (the "1987 Project"). The complex is located on the campus of the University. The 1987 Project was constructed by the Dixie Center Special Service District (a special district that included the City and the County) and was funded with the issuance of general obligation bonds.

In 1997, at the request of the Board of Regents, acting in its capacity as the governing authority of the University, the Washington County/St. George Interlocal Agency (the "WCIA") issued $6,390,000 Lease Revenue Bonds, Series 1997 (the "WCIA 1997 Bonds") to finance the cost of the acquisition of the 1987 Project from Dixie Center Special Service District, including a leasehold interest in the site thereof, and related improvements.

The University then leased the 1987 Project from WCIA, as lessor, on an annually renewable basis pursuant to a lease purchase agreement, by and between the University and WCIA. In July 1999, the Board of Regents desired to refinance the costs of the 1987 Project by exercising its option to purchase WCIA's interest in the 1987 Project and issued $6,475,000 (original principal amount), Lease Revenue Refunding Bonds, Series 1999A (Dixie College) (the "1999 Bonds"). In 2006, the Board of Regents issued the 2006 Lease Revenue Bonds to refund the 1999 Bonds.

The 1987 Project was constructed on land owned by the University (the "1987 Project Site"). Under a Ground Lease Agreement, dated as of June 1, 1999 (the "Ground Lease"), between the Board of Regents and the University, the University leased the 1987 Project Site to the Board of Regents. Pursuant to an annually renewable Lease Purchase Agreement, dated as of June 1, 1999 (the "Original Lease"), the Board of Regents leases the 1987 Project to the University.

The Board of Regents (on behalf of the University) has the following outstanding lease revenue bond.

Series	Purpose	Original Principal Amount	Final Maturity Date	Current Principal Outstanding
2006 (1)..................	Refunding	$4,845,000	May 1, 2023	$1,405,000

(1) Rated "AA" by S&P, as of the date of this OFFICIAL STATEMENT. These bonds are insured by Ambac.

(Source: Municipal Advisor.)

Under the Original Lease, the University has agreed to make base rental payments in stated amounts which are sufficient to pay interest on, and the principal amount of, the 2006 Lease Revenue Bonds coming due in each year, but only if and to the extent that funds are appropriated in amounts sufficient to pay the base rentals coming due during each succeeding renewal term under the Original Lease plus additional rentals as are payable during such period. The Original Lease specifically provides that nothing therein shall be construed to require the Board of Regents, the University or the State to appropriate any money to pay any rentals thereunder and that the University shall not be obligated to pay such rentals except to the extent appropriated***. The obligation of the University to pay any rentals is subject to annual renewal as provided in the Original Lease. Neither the obligation of the University to pay rentals nor the obligation of the Board of Regents to pay the 2006 Lease Revenue Bonds constitutes a debt of the University, the Board of Regents or the State or any political subdivision thereof. The issuance of the 2006 Lease Revenue 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.***

2006 Debt Service Reserve Account; 2006 Reserve Instrument. The indenture, dated June 1, 1999 (the "1999 Indenture"), requires the establishment of an account in a debt service reserve fund with respect to the 2006 Lease Revenue Bonds (the "2006 Debt Service Reserve Account") and a debt service reserve requirement with respect to the 2006 Lease Revenue Bonds in an amount equal to the maximum annual debt service on the 2006 Lease Revenue Bonds of $479,638.76 (the “2006 Debt Service Reserve Requirement”). The Board of Regents obtained a reserve instrument to satisfy the 2006 Debt Service Reserve Requirement from Ambac (the “2006 Reserve Instrument).

Covenant to Request Legislative Appropriation for the 2006 Lease Revenue Bonds. In accordance with Utah law, the 1999 Indenture 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 2006 Debt Service Reserve Account (including payment of any amounts due under the 2006 Reserve Instrument) to the debt service reserve requirement with respect to the 2006 Lease Revenue Bonds, or (ii) meet projected shortfalls of payment of principal and/or interest for the following year on any 2006 Lease Revenue 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 2006 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 2006 Lease Revenue Bonds.

Annual Appropriation from the Legislature for the Payment of the 2006 Lease Revenue Bonds. The Legislature has in the past and is expected to in the future, to annually appropriate moneys for the payment of principal of and interest on the 2006 Lease Revenue Bonds. The University receives bond payment moneys for the 2006 Lease Revenue Bonds from an annual appropriation by the State from the State’s General Fund. The appropriated moneys for 2006 Lease Revenue Bonds payments are not considered General Revenues of the University and are not available to pay debt service on Bonds.

Other Financial Obligations

As of Fiscal Year 2018, the University had approximately $5.8 million in principal outstanding in capital leases (excluding the 2006 Lease Revenue Bonds). Amounts due on capital leases payable in future Fiscal Years 2019 through 2028 may be found in “APPENDIX B—FINANCIAL REPORT OF DIXIE STATE UNIVERSITY FOR FISCAL YEAR 2018–Notes to the Financial Statements–Note 11. Bonds Payable and Other Long–Term Liabilities” (audit page 42).

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

Fiscal Year Ending June 30	General Revenue Bonds: Series 2019 $42,040,000 Principal	Series 2019 Interest	Series 2017B $19,715,000 Principal	Series 2017B Interest	Series 2017A $1,055,000 Principal	Series 2017A Interest	Series 2015 $21,315,000 Principal	Series 2015 Interest	Total Principal	Total Interest	Total Debt Service (1)	Lease Revenue Bonds: Series 2006 $4,845,000 Principal	Series 2006 Interest	Total Debt Service
2018………	$ 0	$ 0	$ 0	$ 734,931	$ 0	$20,465	$ 425,000	$ 795,500	$ 425,000	$ 1,550,895	$ 1,975,895	$ 380,000	$ 96,430	$ 476,430
2019………	0	0	0	845,288	0	23,538	435,000	787,000	435,000	1,655,825	2,090,825	395,000	80,755	475,755
2020………	0	651,140	0	845,288	375,000	23,538	440,000	778,300	815,000	2,298,265	3,113,265	410,000	63,968	473,968
2021………	0	1,438,100	0	845,288	385,000	16,038	455,000	765,100	840,000	3,064,525	3,904,525	425,000	45,518	470,518
2022………	740,000	1,438,100	100,000	845,288	295,000	7,375	475,000	746,900	1,610,000	3,037,663	4,647,663	450,000	26,393	476,393
2023………	800,000	1,401,100	405,000	843,288	–	–	495,000	727,900	1,700,000	2,972,288	4,672,288	120,000	5,580	125,580
2024………	825,000	1,361,100	420,000	827,088	–	–	505,000	713,050	1,750,000	2,901,238	4,651,238	–	–	–
2025………	875,000	1,319,850	435,000	810,288	–	–	525,000	697,900	1,835,000	2,828,038	4,663,038	–	–	–
2026………	925,000	1,276,100	460,000	788,538	–	–	540,000	682,150	1,925,000	2,746,788	4,671,788	–	–	–
2027………	950,000	1,229,850	480,000	765,538	–	–	555,000	665,950	1,985,000	2,661,338	4,646,338	–	–	–
2028………	1,000,000	1,182,350	505,000	741,538	–	–	570,000 (8)	648,606	2,075,000	2,572,494	4,647,494	–	–	–
2029………	1,050,000	1,132,350	530,000	716,288	–	–	600,000 (8)	620,106	2,180,000	2,468,744	4,648,744	–	–	–
2030………	1,100,000	1,079,850	555,000	689,788	–	–	630,000 (8)	590,106	2,285,000	2,359,744	4,644,744	–	–	–
2031………	1,175,000	1,024,850	585,000	662,038	–	–	660,000	558,606	2,420,000	2,245,494	4,665,494	–	–	–
2032………	1,200,000	977,850	600,000	644,488	–	–	685,000	535,506	2,485,000	2,157,844	4,642,844	–	–	–
2033………	1,250,000	929,850	620,000	626,488	–	–	710,000	510,675	2,580,000	2,067,013	4,647,013	–	–	–
2034………	1,300,000	892,350	640,000	607,888	–	–	735,000	484,050	2,675,000	1,984,288	4,659,288	–	–	–
2035………	1,325,000	853,350	660,000	587,888	–	–	765,000	456,488	2,750,000	1,897,725	4,647,725	–	–	–
2036………	1,375,000	813,600	690,000	554,888	–	–	795,000 (9)	427,800	2,860,000	1,796,288	4,656,288	–	–	–
2037………	1,425,000	772,350	725,000	520,388	–	–	825,000 (9)	396,000	2,975,000	1,688,738	4,663,738	–	–	–
2038………	1,450,000	729,600	750,000 (5)	496,825	–	–	855,000 (9)	363,000	3,055,000	1,589,425	4,644,425	–	–	–
2039………	1,500,000	692,625	780,000 (5)	466,825	–	–	890,000 (9)	328,800	3,170,000	1,488,250	4,658,250	–	–	–
2040………	1,525,000 (2)	653,250	810,000 (5)	435,625	–	–	925,000 (9)	293,200	3,260,000	1,382,075	4,642,075	–	–	–
2041………	1,575,000 (2)	607,500	845,000 (5)	403,225	–	–	965,000 (9)	256,200	3,385,000	1,266,925	4,651,925	–	–	–
2042………	1,625,000 (2)	560,250	875,000 (5)	369,425	–	–	1,005,000 (9)	217,600	3,505,000	1,147,275	4,652,275	–	–	–
2043………	1,675,000 (2)	511,500	910,000 (6)	334,425	–	–	1,045,000 (9)	177,400	3,630,000	1,023,325	4,653,325	–	–	–
2044………	1,725,000 (2)	461,250	945,000 (6)	302,575	–	–	1,085,000 (9)	135,600	3,755,000	899,425	4,654,425	–	–	–
2045………	1,775,000 (3)	409,500	975,000 (7)	269,500	–	–	1,130,000 (9)	92,200	3,880,000	771,200	4,651,200	–	–	–
2046………	1,825,000 (3)	356,250	1,025,000 (7)	220,750	–	–	1,175,000 (9)	47,000	4,025,000	624,000	4,649,000	–	–	–
2047………	1,900,000 (3)	301,500	1,075,000 (7)	169,500	–	–	–	–	2,975,000	471,000	3,446,000	–	–	–
2048………	1,950,000 (3)	244,500	1,130,000 (7)	115,750	–	–	–	–	3,080,000	360,250	3,440,250	–	–	–
2049………	2,000,000 (3)	186,000	1,185,000 (7)	59,250	–	–	–	–	3,185,000	245,250	3,430,250	–	–	–
2050………	2,075,000 (4)	126,000	–	–	–	–	–	–	2,075,000	126,000	2,201,000	–	–	–
2051………	2,125,000 (4)	63,750	–	–	–	–	–	–	2,125,000	63,750	2,188,750	–	–	–
Totals………	$ 42,040,000	$ 25,677,565	$ 19,715,000	$ 18,146,168	$1,055,000	$90,952	$ 20,900,000	$ 14,498,694	$ 83,710,000	$ 58,413,379	$ 142,123,379	$2,180,000	$ 318,643	$ 2,498,643

(1) Total debt service does not include capitalized interest payments on the University's Bonds.
(2) Mandatory sinking fund principal payments from a $8,125,000 3.00% term bond due June 1, 2044.
(3) Mandatory sinking fund principal payments from a $9,450,000 3.00% term bond due June 1, 2049.
(4) Mandatory sinking fund principal payments from a $4,200,000 3.00% term bond due June 1, 2051.
(5) Mandatory sinking fund principal payments from a $4,060,000 4.00% term bond due June 1, 2042.
(6) Mandatory sinking fund principal payments from a $1,855,000 3.50% term bond due June 1, 2044.
(7) Mandatory sinking fund principal payments from a $5,390,000 5.00% term bond due June 1, 2049.
(8) Mandatory sinking fund principal payments from a $1,800,000 5.00% term bond due June 1, 2030.
(9) Mandatory sinking fund principal payments from a $10,69500,000 4.00% term bond due June 1, 2046.

(Source: Municipal Advisor.)

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.

As of the date of this OFFICIAL STATEMENT, the Board of Regents and the University do not plan to issue Additional Bonds under the Indenture. However, in the future the University may issue Additional Bonds for various projects as needed.

No Defaulted Obligations

The University has never failed to pay principal of and interest on its financial obligations when due. Also see "SECURITY FOR THE 2019 BONDS—No Historical Request For Legislative Appropriation On Higher Education Bonds Or Debt Service Reserve Accounts" above.

FINANCIAL INFORMATION REGARDING DIXIE STATE UNIVERSITY

Management's Discussion And Analysis

Economic Outlook. The University's financial position has continued to strengthen in recent years due to increased State support and enrollment growth. The University received a significant influx of state funding in association with the approval of university status in 2013. Current positive statewide economic indicators signal that state appropriations to the University will likely remain stable or increase in the near term.

Enrollment headcount has increased by approximately 20% over the last five years and is expected to increase approximately 5% per year on average over the next five years. Enrollment growth has been fueled by increasing numbers of Utah high school graduates, continued population expansion of the Southern Utah region, and successful recruitment of non–resident students. New instructional programs and degrees associated with the University's enhanced academic profile will also bolster efforts to recruit and retain students. See "DIXIE STATE UNIVERSITY—Estimated Enrollment Trends and Enrollment" above.

Management's Discussion and Analysis of the University's Financial Statements for Fiscal Year 2018. The administration of the University prepared a narrative discussion, overview, and analysis of the financial activities of the University for Fiscal Year 2018. For the complete discussion see "APPENDIX B—FINANCIAL REPORT OF DIXIE STATE UNIVERSITY FOR FISCAL YEAR 2018–Management's Discussion and Analysis" (audit page 8). *The Management's Discussion and Analysis for Fiscal Year 2019 is not available. Under State law the University must complete its annual financial report for Fiscal Year 2019 by December 31, 2019.*

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.

Dixie State University

Statement of Net Position

Primary Institution (1)

(This summary has not been audited)

	As of June 30				
	2018	2017	2016	2015	2014
Assets and deferred outflows of resources					
Assets					
Current assets					
Cash and cash equivalents	$ 19,950,357	$ 13,653,933	$ 16,663,116	$ 25,147,885	$ 21,046,312
Investments	3,372,065	3,035,482	2,305,565	–	–
Accounts and notes receivable	2,057,369	1,707,173	1,633,913	1,334,031	1,212,066
Accounts receivable–primary government/related parties	1,415,484	2,261,021	386,570	115,589	534,998
Inventories	614,936	693,436	809,739	997,989	899,416
Student loans receivable	218,753	186,953	488,695	425,603	375,357
Prepaid expenses	211,340	105,865	175,309	126,043	7,162
Total current assets	27,840,304	21,643,863	22,462,907	28,147,140	24,075,311
Noncurrent assets					
Capital assets, net of accumulated depreciation	164,259,623	152,027,720	150,090,865	125,824,913	127,936,915
Investments	18,673,010	21,209,082	17,721,345	9,905,541	9,523,946
Restricted cash and cash equivalents	16,341,796	986,816	11,032,808	23,601,273	3,060,971
Accounts and notes receivable, net	2,165,710	1,649,099	1,524,340	357,245	290,979
Student loans receivable	622,828	941,008	738,637	858,502	951,436
Net pension asset	464	345	972	4,231	–
Restricted short–term investments	–	–	–	–	154,937
Total noncurrent assets	202,063,431	176,814,070	181,108,967	160,551,705	141,919,184
Total assets	229,903,735	198,457,933	203,571,874	188,698,845	165,994,495
Deferred outflows of resources					
Deferred outflows relating to pensions	2,409,925	2,396,535	2,322,288	727,064	–
Total deferred outflows of resources	2,409,925	2,396,535	2,322,288	727,064	–
Total assets and deferred outflows of resources	$ 232,313,660	$ 200,854,468	$ 205,894,162	$ 189,425,909	$ 165,994,495
Liabilities, deferred inflows of resources and net position					
Liabilities					
Current liabilities					
Accounts payable– primary government/related parties	$ 3,420,950	$ 1,483,513	$ 7,897,462	$ 1,102,566	$ 1,055,991
Accounts payable	2,065,013	1,489,482	1,214,973	946,318	1,541,975
Compensated absences and termination benefits	1,852,523	1,670,214	1,512,597	1,234,011	995,851
Unearned revenue	1,499,940	1,205,090	984,936	898,832	637,570
Bonds, notes and capital leases payable	1,273,920	1,138,128	1,173,989	805,901	808,889
Accrued liabilities	1,015,587	1,486,168	676,202	452,107	390,847
Deposits	560,553	301,273	342,050	281,206	479,992
Total current liabilities	11,688,486	8,773,868	13,802,209	5,720,941	5,911,115
Noncurrent liabilities					
Bonds, notes and capital leases payable	47,538,945	25,857,493	26,993,736	27,706,377	8,490,741
Net pension liability	4,226,666	6,031,021	6,257,177	4,921,641	–
Compensated absences and termination benefits	1,048,069	1,038,018	1,092,476	570,513	903,542
Total noncurrent liabilities	52,813,680	32,926,532	34,343,389	33,198,531	9,394,283
Total liabilities	64,502,166	41,700,400	48,145,598	38,919,472	15,305,398
Deferred inflows of resources					
Deferred inflows relating to pensions	2,499,272	958,812	622,730	469,604	–
Total deferred inflows of resources	2,499,272	958,812	622,730	469,604	–
Net position					
Net invested in capital assets	130,207,393	125,023,908	131,002,023	118,477,153	118,637,285
Unrestricted	10,605,932	13,048,741	7,018,688	13,796,873	15,396,451
Restricted for:					
Nonexpendable:					
Scholarships and fellowships	10,193,873	10,193,149	10,260,139	10,064,190	9,654,155
Other	2,576,754	2,531,728	2,311,700	2,354,280	1,538,698
Expendable:					
Capital projects	5,821,792	1,626,128	1,495,364	59,571	234,732
Scholarships and fellowships	3,871,464	3,427,877	2,522,736	2,494,282	1,938,802
Other	1,094,508	1,019,928	1,153,792	1,278,278	1,494,568
Loans	940,506	1,133,724	1,220,807	1,287,779	1,379,766
Debt service	–	190,073	140,585	224,427	414,640
Total net position	165,312,222	158,195,256	157,125,834	150,036,833	150,689,097
Total liabilities, deferred inflows of resources and net position	$ 232,313,660	$ 200,854,468	$ 205,894,162	$ 189,425,909	$ 165,994,495

(1) Does not include the University's component unit (Foundation).

(Source: Information taken from the University's financial statements. Compiled by Zions Public Finance, Inc.)

Dixie State University

Statement of Revenues, Expenses, and Changes in Net Position

Primary Institution (1)

(This summary has not been audited)

	Fiscal Year Ended June 30				
	2018	2017	2016	2015	2014
Operating revenues					
Student tuition and fees, net…………………………	$ 43,424,564	$ 38,456,228	$ 35,745,017	$ 32,436,912	$ 29,905,185
Auxiliary enterprises, net……………………………	10,283,384	9,357,936	7,885,046	7,700,340	7,865,887
Other operating revenues……………………………	1,157,378	987,416	568,378	893,452	964,358
Federal grants and contracts…………………………	85,185	103,033	80,105	80,061	80,601
State and local grants and contracts…………………	–	–	–	26,741	25,348
Nongovernment grants and contracts………………	–	–	–	16,788	14,050
Total operating revenues………………	54,950,511	48,904,613	44,278,546	41,154,294	38,855,429
Operating expenses					
Salaries and wages…………………………………	44,293,474	41,941,958	39,249,839	36,831,233	33,838,975
Other operating expenses……………………………	20,460,576	20,440,784	16,603,585	16,589,232	16,125,513
Student financial aid………………………………	16,238,908	14,515,249	14,534,693	15,057,120	15,424,576
Employee benefits…………………………………	15,789,319	14,427,684	13,706,342	11,934,472	12,583,873
Depreciation………………………………………	6,684,305	6,117,520	5,633,804	5,553,642	5,408,611
Cost of goods sold………………………...…….	4,113,309	3,904,404	3,717,948	3,740,945	3,546,182
Utilities……………………………………………	2,035,302	2,051,585	1,944,812	1,810,681	1,847,638
Actuarial calculated pension expense…………….	951,778	1,277,146	1,219,817	915,082	–
Total operating expenses………………	110,566,971	104,676,330	96,610,840	92,432,407	88,775,368
Operating income (loss)………………	(55,616,460)	(55,771,717)	(52,332,294)	(51,278,113)	(49,919,939)
Nonoperating revenues (expenses)					
State appropriations………………………………	37,131,561	36,661,705	33,570,501	31,955,314	26,085,486
Federal grants and contracts………………………	17,538,644	15,618,112	15,660,944	17,408,547	18,184,235
Gifts………………………………………………	1,387,196	1,285,548	1,129,109	840,225	1,041,041
Investment income…………………………….....	1,337,373	1,307,212	390,271	299,628	1,139,466
State grants and contracts…………………………	1,046,633	981,678	1,048,708	1,179,921	1,502,813
Local grants and contracts…………………………	50,000	65,000	39,000	40,000	40,000
Private grants………………………………………	–	2,710	13,400	13,593	15,000
Other nonoperating revenues (expenses)………….	(276,298)	51,246	284,292	315,104	(276,839)
Interest on capital asset related debt………………	(1,427,123)	(1,073,948)	(523,269)	(343,538)	(405,854)
Net nonoperating revenues……………	56,787,986	54,899,263	51,612,956	51,708,794	47,325,348
Income (loss) before other revenues….	1,171,526	(872,454)	(719,338)	430,681	(2,594,591)
Other revenues (expenses)					
Capital grants and gifts……………………………	3,669,281	192,299	1,680,871	246,444	1,330,618
Capital appropriations………………………………	2,144,652	1,467,876	5,980,676	1,728,447	29,865
Additions to permanent endowments………………	131,507	281,701	146,792	1,983,942	1,251,982
Total other revenues……………………	5,945,440	1,941,876	7,808,339	3,958,833	2,612,465
Increase in net assets…………………	7,116,966	1,069,422	7,089,001	4,389,514	17,874
Net position					
Net position, beginning of year……………………	158,195,256	157,125,834	150,036,833	150,689,097	150,666,654
Prior period adjustment………………………....	–	–	–	(5,041,778)	4,569
Adjusted net position, beginning of year………….	158,195,256	157,125,834	150,036,833	145,647,319	150,671,223
Net position, end of year………………	$ 165,312,222	$ 158,195,256	$ 157,125,834	$ 150,036,833	$ 150,689,097

(1) Does not include the University's component unit (Foundation).

(Source: Information taken from the University's financial statements. Compiled by Zions Public Finance, Inc.)

Additional Financial Information Regarding The University

See "APPENDIX B—FINANCIAL REPORT OF DIXIE STATE UNIVERSITY FOR FISCAL YEAR 2018" below for additional financial information regarding the University.

LEGAL MATTERS

Absence Of Litigation Concerning The 2019 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 2019 Bonds.

On the date of the execution and delivery of the 2019 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 2019 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 or the Assistant 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 Indenture, 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 Indenture.

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.

Based on discussions with representatives of the Board of Regents and the University, the Attorney General believes the miscellaneous legal proceedings against the Board of Regents and the University, individually or in the aggregate, are not likely to have a material adverse impact on the Board of Regents' and the University's ability to make its payments of the principal of and interest on the 2019 Bonds as those payments come due.

General

The authorization and issuance of the 2019 Bonds are subject to the approval of the 2019 Bonds by Chapman and Cutler LLP, Bond Counsel to the Board of Regents in connection with the issuance of the 2019 Bonds. Certain legal matters regarding this OFFICIAL STATEMENT will be passed on for the Board of Regents and the University by Chapman and Cutler 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 2019 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 2019 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 MATTERS

Federal Income Taxation Of 2019 Bonds

Federal tax law contains a number of requirements and restrictions which apply to the 2019 Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The Board of Regents and the University have covenanted to comply with all requirements that must be satisfied in order for the interest on the 2019 Bonds to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the 2019 Bonds to become includible in gross income for federal income tax purposes retroactively to the date of issuance of the 2019 Bonds.

Subject to the Board of Regent's and the University's compliance with the above–referenced covenants, under present law, in the opinion of Bond Counsel, interest on the 2019 Bonds is excludable from the gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals under the Internal Revenue Code of 1986, as amended (the "Code").

In rendering its opinion, Bond Counsel will rely upon certifications of the Board of Regents and the University with respect to certain material facts within the Board of Regents' and the University's knowledge. Bond Counsel's opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

Ownership of the 2019 Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax–exempt obligations. Prospective purchasers of the 2019 Bonds should consult their tax advisors as to applicability of any such collateral consequences.

The issue price for original issue discount (as further discussed below) and market discount purposes (the "OID Issue Price") for each maturity of the 2019 Bonds is the price at which a substantial amount of such maturity of the 2019 Bonds is first sold to the public (excluding bond houses and brokers and similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The OID Issue Price of a maturity of the 2019 Bonds may be different from the price set forth, or the price corresponding to the yield set forth, on the inside cover page hereof.

If the OID Issue Price of a maturity of the 2019 Bonds is less than the principal amount payable at maturity, the difference between the OID Issue Price of each such maturity, if any, of the 2019 Bonds (the "OID Bonds") and the principal amount payable at maturity is original issue discount.

For an investor who purchases an OID Bond in the initial public offering at the OID Issue Price for such maturity and who holds such OID Bond to its stated maturity, subject to the condition that the Board of Regents and the University comply with the covenants discussed above, (a) the full amount of original issue discount with respect to such OID Bond constitutes interest which is excludable from the gross income of the owner thereof for federal income tax purposes; (b) such owner will not realize taxable capital gain or market discount upon payment of such OID Bond at its stated maturity; (c) such original issue discount is not included as an item of tax preference in computing the alternative minimum tax for individuals under the Code; and (d) the accretion of original issue discount in each year may result in an alternative minimum tax liability for corporations or certain other collateral federal income tax consequences in each year even though a corresponding cash payment may not be received until a later year. Owners of OID Bonds should consult their own tax advisors with respect to the state and local tax consequences of original issue discount on such OID Bonds.

Owners of 2019 Bonds who dispose of 2019 Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase 2019 Bonds in the initial public offering, but at a price different from the OID Issue Price or purchase 2019 Bonds subsequent to the initial public offering should consult their own tax advisors.

If a 2019 Bond is purchased at any time for a price that is less than the 2019 Bond's stated redemption price at maturity or, in the case of an OID Bond, its OID Issue Price plus accreted original issue discount (the "Revised Issue Price"), the purchaser will be treated as having purchased a 2019 Bond with market discount subject to the market discount rules of the Code (unless a statutory de minimis rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a 2019 Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser's election, as it accrues. Such treatment would apply to any purchaser who purchases an OID Bond for a price that is less than its Revised Issue Price. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such 2019 Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the 2019 Bonds.

An investor may purchase a 2019 Bond at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as "bond premium" and must be amortized by an investor on a constant yield basis over the remaining term of the 2019 Bond in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax–exempt bond. The amortized bond premium is treated as a reduction in the tax–exempt interest received. As bond premium is amortized, it reduces the investor's basis in the 2019 Bond. Investors who purchase a 2019 Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the 2019 Bond's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the 2019 Bond.

There are or may be pending in the Congress of the United States legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or affect the market value of the 2019 Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the 2019 Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Internal Revenue Service (the "Service") has an ongoing program of auditing tax–exempt obligations to determine whether, in the view of the Service, interest on such tax–exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the 2019 Bonds. If an audit is commenced, under current procedures the Service may treat the Board of Regents as a taxpayer and the Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the 2019 Bonds until the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax–exempt obligations, including the 2019 Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any 2019 Bond owner who fails to provide an accurate Form W–9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any 2019 Bond owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

State Tax Exemption For The 2019 Bonds

In the opinion of Bond Counsel, under the existing laws of the State, as presently enacted and construed, interest on the 2019 Bonds will be exempt from taxes imposed by the Utah Individual Income Tax Act. Bond Counsel expresses no opinion with respect to any other taxes imposed by the State or any political subdivision thereof. Ownership of the 2019 Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the 2019 Bonds. Prospective purchasers of the 2019 Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

MISCELLANEOUS

Bond Ratings

S&P has assigned its municipal bond rating of "AA" to the 2019 Bonds. An explanation of the ratings may be obtained from S&P. The Board of Regents has not directly applied to Fitch Ratings, Inc. or Moody's Investors Service, Inc. for a rating on the 2019 Bonds.

Such ratings do not constitute a recommendation by the rating agency to buy, sell or hold the 2019 Bonds. Such ratings reflect only the views of S&P and any desired explanation of the significance of such ratings 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 ratings given the 2019 Bonds will be maintained for any period or that the ratings 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 ratings may have an adverse effect on the market price of the 2019 Bonds.

Trustee

The obligations and duties of the Trustee are described in the Indenture and the Trustee has undertaken only those obligations and duties that are expressly set out in the Indenture. The Trustee has not independently passed upon the validity of the 2019 Bonds, the security therefore, the adequacy of the provisions for payment thereof or the exclusion from gross income for federal tax purposes of the interest on the 2019 Bonds. The Trustee may resign or be removed or replaced as provided in the Indenture. The Trustee is not required to take any action with respect to any Event of Default (as defined in the Indenture) or otherwise unless indemnified to its satisfaction. See "APPENDIX A—THE GENERAL INDENTURE OF TRUST–Events Of Default; Remedies–Events of Default" and "–Remedies; Rights of Registered Owners" (page A–39).

Municipal Advisor

The Board of Regents and the University have entered an agreement with the Municipal Advisor where under the Municipal Advisor provides financial recommendations and guidance to the Board of Regents and the University with respect to preparation for sale of the 2019 Bonds, timing of sale, tax–

exempt bond market conditions, costs of issuance and other factors related to the sale of the 2019 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, 2018 and for the year then ended, included in "APPENDIX B—FINANCIAL REPORT OF DIXIE STATE UNIVERSITY FOR FISCAL YEAR 2018" to this OFFICIAL STATEMENT, have been audited by the Utah State Auditor, as stated in its report thereon (audit page 5). 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 Indenture, do not purport to be complete, and reference is made to said State Constitution, statutes, programs, laws, court decisions and the Indenture 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.

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

Dixie State University

APPENDIX A

THE GENERAL INDENTURE OF TRUST

The following is the conformed copy of the Indenture. Reference is made to the Indenture, and the Second Supplemental Indenture for full details of all the terms of the 2019 Bonds and the security provisions appertaining thereto.

(The remainder of this page has been intentionally left blank.)

General Indenture of Trust

State Board of Regents of The State of Utah
Dixie State University
General Revenue Bonds

Dated as of June 1, 2015

Between

State Board of Regents of The State of Utah,
Acting for and on Behalf of Dixie State University
as Issuer

and

Zions First National Bank
as Trustee

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THIS GENERAL INDENTURE OF TRUST, dated as of June 1, 2015, between the State Board of Regents of the State of Utah (the *"Issuer"*), a body politic of the State of Utah duly organized and existing under the Constitution and the laws of the State of Utah, acting for and on behalf of Dixie State University (the *"University"*), and Zions First National Bank, a national banking association duly organized and existing under the laws of the United States of America, authorized by law to accept and execute trusts and having its principal office in Salt Lake City, Utah (the *"Trustee"*):

WITNESSETH:

WHEREAS, pursuant to the provisions of Section 53B-1-103(2)(a) of the Utah Code[1], the Issuer is vested with the control, management and supervision of the University;

WHEREAS, pursuant to the provisions of the Utah Code, the University may (i) acquire, purchase, construct, improve, remodel, add to, extend, equip, and furnish any project or building, including of all necessary land; (ii) maintain and operate the University and its facilities; and (iii) impose and collect rents, fees, and charges for use of the University and its facilities and services;

WHEREAS, the Issuer, on behalf of the University, may issue bonds that are payable from the revenues derived from the operation of the buildings financed with such bonds, the imposition of student building fees, land grant interest, and net profits from proprietary activities, or from other sources other than by appropriations by the Legislature to the University in order to (i) pay all or part of the cost of the acquisition, purchase, construction, improvement, remodeling, addition to, extension, equipment, and furnishing of any Project, and (ii) refund any bonds previously issued by the Issuer on behalf of the University; and

WHEREAS, in order to finance or refinance Projects, the Issuer has determined to authorize the issuance of Bonds, to prescribe the conditions for the issuance of such Bonds and to provide for the payment of such Bonds from the General Revenues and has determined to enter into this Indenture for the carrying out of such purposes.

NOW, THEREFORE, THIS INDENTURE OF TRUST WITNESSETH:

For and in consideration of the premises, the mutual covenants of the Issuer and the Trustee, the purchase from time to time of the Bonds by the Bondowners thereof, the issuance by the Security Instrument Issuers from time to time of Security Instruments and the issuance by Reserve Instrument Providers from time to time of Reserve Instruments, and in order to secure the payment of the Principal of and premium, if any, and interest on the Bonds, all Security Instrument Repayment Obligations according to their tenor and effect and all Reserve Instrument Repayment Obligations according to their tenor and effect and the performance and observance by the Issuer of all the covenants expressed or implied herein, in the Bonds, in all Security Instrument Agreements and in all Reserve Instrument Agreements, the Issuer does hereby convey, assign and pledge unto the Trustee and unto its successors in trust forever all right, title and interest of the Issuer and the University in and to (i) the General Revenues, (ii) all moneys in funds and accounts held by the Trustee hereunder (except as provided in Section 5.7 hereof) including the investment, if any thereof, and (iii) all other rights hereinafter granted, FIRST, for the further securing of the Bonds and all Security Instrument Repayment Obligations, and SECOND, for the further securing of all Reserve Instrument Repayment Obligations, subject only to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in this Indenture;

TO HAVE AND TO HOLD the same with all privileges and appurtenances hereby and hereafter conveyed and assigned, or agreed or intended so to be, to the Trustee and its respective successors and assigns in such trust forever;

IN TRUST NEVERTHELESS, upon the terms set forth in this Indenture, FIRST, for the equal and proportionate benefit, security and protection of all Bondowners and Security Instrument Issuers without privilege, priority or distinction as to the lien or otherwise of any of any of the Bonds or Security Instrument Repayment Obligations over any others by reason of time of issuance, sale, delivery, maturity or expiration thereof or otherwise for any cause whatsoever, except as expressly provided in or permitted by this Indenture; and SECOND, for the equal and proportionate benefit, security and protection of all Reserve Instrument Providers, without privilege, priority or distinction as to the lien or otherwise of any Reserve Instrument Repayment Obligation over any of the others by reason of time of issuance, delivery or expiration thereof or otherwise for any cause whatsoever;

PROVIDED, HOWEVER, that if the Issuer, its successors or assigns, shall well and truly pay, or cause to be paid, the Principal and premium, if any, on the Bonds and the interest due or to become due thereon, at the times and in the manner mentioned in the Bonds, all Security Instrument Repayment Obligations, according to the true intent and meaning thereof and all Reserve Instrument Repayment Obligations, according to the true intent and meaning thereof, or shall provide, as permitted by this Indenture, for the payment thereof as provided herein, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions of this Indenture, then upon such final payments or provisions for such payments by the Issuer, this Indenture, and the rights hereby granted, shall terminate; otherwise this Indenture shall remain in full force and effect.

The terms and conditions upon which the Bonds are to be executed, authenticated, delivered, secured and accepted by all persons who from time to time shall be or become Owners thereof, and the trusts and conditions upon which the General Revenues are to be held and disposed, which said trusts and conditions the Trustee hereby accepts, are as follows:

1 Capitalized terms used in the recitals hereto and not otherwise defined are used as defined in Article I hereof.

ARTICLE I

DEFINITIONS

Section 1.1. Definitions. As used in this Indenture, the following terms shall have the following meanings unless the context otherwise clearly indicates:

"*Accreted Amount*" means, with respect to Capital Appreciation Bonds of any Series and as of the date of calculation, the amount established pursuant to the Supplemental Indenture authorizing such Capital Appreciation Bonds as the amount representing the initial public offering price, plus the accumulated and compounded interest on such Bonds.

"*Act*" means Title 53B, Chapter 21, Utah Code and, to the extent applicable, the Utah Industrial Facilities and Development Act, Title 4, Chapter 17, Utah Code, and the Utah Refunding Bond Act, Title 11, Chapter 27, Utah Code.

"*Additional Bonds*" means all Bonds issued under this Indenture other than the Initial Bonds.

"*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 (a) all Series of Bonds Outstanding and (b) any Repayment Obligations Outstanding during such period.

"*Amount of Unrestricted Gifts*" means, with respect to any period, the principal amount of gifts, bequests, contributions, grants and donations available to pay debt service and actually received during such period.

"*Authorized Amount*" means, with respect to a Commercial Paper Program, the maximum Principal amount of commercial paper which is then authorized by the Issuer to be outstanding at any one time pursuant to such Commercial Paper Program.

"*Authorized Representative*" means the President, Vice President for Administrative Services or the Treasurer of the University or any other person at the time designated to act on behalf of the University by a written instrument furnished to the Trustee containing the specimen signature of such person or persons and signed on behalf of the University by its President or Vice President for Administrative Services. The written instrument may designate an alternate or alternates.

"*Average Aggregate Debt Service*" means, as of any date of calculation, the amount obtained by dividing (a) the sum of the Aggregate Debt Service on all Series of Bonds Outstanding computed for each Fiscal Year during which any Bonds are or will be Outstanding, by (b) the number of such Fiscal Years.

"*Balloon Bonds*" means Bonds, other than Bonds which mature within one year of the date of issuance thereof, 25% or more of the Principal Installments on which (a) are due or, (b) at

the option of the Owner thereof may be redeemed, during any period of twelve consecutive months.

"*Bond Fund*" means the State Board of Regents Dixie State University Bond Fund created in Section 3.3 hereof to be held by the Trustee and administered pursuant to Section 5.3 hereof.

"*Bondholder,*" "*Bondowner*", "*Registered Owner*" or "*Owner*" or any similar term means the registered owner of any Bonds herein authorized.

"*Bonds*" means bonds, notes, commercial paper or other obligations (other than Repayment Obligations) authorized by and at any time Outstanding pursuant to this Indenture, including the Initial Bonds and any Additional Bonds.

"*Business Day*" means any day (a) on which banking business is transacted, but not including any day on which banks are authorized to be closed, in New York City or in the city in which the Trustee has its principal corporate trust office and (b) on which the New York Stock Exchange is open.

"*Capital Appreciation Bonds*" means Bonds the interest on which (a) is compounded and accumulated at the rates and on the dates set forth in the Supplemental Indenture authorizing the issuance of such Bonds and designating them as Capital Appreciation Bonds, and (b) is payable upon maturity or redemption of such Bonds.

"*Chair*" means the Chair of the Issuer or any successor to the duties of such office.

"*Code*" means the Internal Revenue Code of 1986, as amended. Each reference to a Section of the Code shall be deemed to include the related United States Treasury Regulations.

"*Commercial Paper Program*" means commercial paper obligations with maturities of not more than two hundred seventy (270) days from the dates of issuance thereof which are issued and reissued by the Issuer from time to time pursuant to Article II hereof and are outstanding up to an Authorized Amount.

"*Construction Fund*" means the State Board of Regents Dixie State University Construction Fund created in Section 3.1 hereof to be held by the Trustee and administered pursuant to Section 5.1 hereof.

"*Cost*" or "*Costs*" or "*Cost of a Project*", or any phrase of similar import, in connection with a Project or with the refunding of any bonds, means all costs and expenses which are properly chargeable thereto under generally accepted accounting principles or which are incidental to the financing, acquisition and construction of a Project, or the refunding of any bonds, including, without limiting the generality of the foregoing:

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

(b) cost of labor, facilities and services furnished by the University and its employees or others, materials and supplies purchased by the University or others and permits and licenses obtained by the University or others;

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

(d) premiums for contract bonds and insurance during construction and costs on account of personal injuries and property damage in the course of construction and insurance against the same;

(e) interest expenses, including interest on the Series of Bonds;

(f) printing, engraving and other expenses of financing, including fees of financial rating services and fees and costs of issuing the Series of Bonds;

(g) costs, fees and expenses in connection with the acquisition of real and personal property or rights therein, including premiums for title insurance:

(h) costs of equipment and furnishings purchased by the University and necessary to the completion and proper operation of a Project;

(i) amounts required to repay temporary loans or notes made to finance the costs of a Project;

(j) cost of site improvements performed in anticipation of a Project;

(k) moneys necessary to fund the Funds created under this Indenture;

(1) (i) costs (A) of the capitalization with proceeds of a Series of Bonds issued hereunder of any operation and maintenance expenses and other working capital appertaining to any facilities to be acquired for a Project and of any interest on a Series of Bonds for any period not exceeding the period estimated by the Issuer to effect the construction of a Project plus one year, as herein provided, (B) of any discount on Bonds or other securities, (C) of any reserves for the payment of the Principal of and interest on a Series of Bonds, (D) of any replacement expenses and (E) of any other cost of issuance of a Series of Bonds or other securities, (ii) Security Instrument Costs and (iii) Reserve Instrument Costs;

(m) costs of amending any indenture or other instrument authorizing the issuance of or otherwise appertaining to a Series of Bonds;

(n) all other expenses necessary or desirable and appertaining to a Project, as estimated or otherwise ascertained by the University, including costs of contingencies for a Project; and

(o) 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 Costs.

In the case of any refunding or redeeming any Series of Bonds, "Cost" includes, without limiting the generality of the foregoing, the items listed in (c), (e), (f) and (k) above, advertising and other expenses related to the redemption of such Bonds to be redeemed and the redemption price of such Bonds (and the accrued interest payable on redemption to the extent not otherwise provided for).

"Cross-over Date" 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 or other obligations refunded by Cross-over Refunding Bonds.

"Cross-over Refunding Bonds" means Bonds issued for the purpose of refunding Bonds or other obligations if the proceeds of such Cross-over Refunding Bonds are irrevocably deposited in escrow in satisfaction of the requirements of Section 11-27-3, 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.

"Current Interest Bonds" means Bonds not constituting Capital Appreciation Bonds. Interest on Current Interest Bonds shall be payable periodically on the interest payment dates provided therefor in a Supplemental Indenture.

"Debt Service" means, for any particular Fiscal Year and for any Series of Bond and any Repayment Obligations, an amount equal to the sum of (a) all interest payable during such Fiscal Year on such Series of Bonds plus (b) the Principal Installments payable during such Fiscal Year on (i) such Bonds Outstanding, calculated on the assumption that Bonds 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 Indenture, and (ii) such Repayment Obligations then outstanding;

provided, however,

(A) for purposes of Section 2.15 hereof, when calculating the Principal Installments payable during such Fiscal Year, there shall be treated as payable in such Fiscal Year the amount of Principal Installments which would have been payable during such Fiscal Year had the Principal of each Series of Balloon Bonds Outstanding been amortized, from their date of issuance over a period of 30 years, on a level debt service basis at an interest rate equal to the rate borne by such Balloon Bonds on the date of calculation; *provided* (I) that if the date of calculation is within twelve months before the actual maturity of such Balloon Bonds, the full amount of Principal payable at maturity shall be included in such calculation, and (II) that if there is any Security Instrument Repayment Obligation relating to such Balloon Bonds, the amount of Principal to be taken into account shall be the principal component of such Security Instrument Repayment Obligation;

(B) when calculating interest payable during such Fiscal Year for any Series of Variable Rate Bonds or Repayment Obligations bearing interest at a variable rate which cannot be ascertained for any particular Fiscal Year, (I) 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 of related Repayment Obligations during any consecutive 12-month period during the immediately preceding 24 months (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 30 days prior to the date of computation, or, (II) 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, (a) at a rate equal to 110% of the most recent SIFMA Municipal Swap Index theretofore published on Bloomberg's website (www.bloomberg.com), or (b) if Bloombereg's website is no longer published or no longer publishes the SIFMA Municipal Swap Index, at a rate certified by the Issuer's financial advisor, underwriter or other agent, including a Remarketing Agent, to be the rate of interest such Series of Variable Rate Bonds or related Repayment Obligations would bear if issued on the date of computation in the same amount, with the same maturity or maturities, with the same security, and bearing interest at a variable rate;

(C) when calculating interest payable during such Fiscal Year for any Series of Variable Rate Bonds which are issued with an Interest Rate Swap in which the Issuer has agreed to pay a fixed interest rate, such Series of Variable Rate Bonds shall be deemed to bear interest at the effective fixed annual rate thereon as a result of such Interest Rate Swap; *provided* that such effective fixed annual rate may be utilized only if the Interest Rate Swap has been reviewed and approved by each of the Rating Agencies then rating the Series of Variable Rate Bonds and each Security Instrument Issuer, if any, insuring payment of the Series of Variable Rate Bonds; and *provided further* that such effective fixed annual interest rate may be utilized only so long as such Interest Rate Swap is contracted to remain in full force and effect;

(D) when calculating interest payable during such Fiscal Year for any Series of Bonds which are issued with a fixed interest rate and with respect to which an Interest Rate Swap is in effect in which the Issuer has agreed to pay a floating amount, no fixed amounts to be received by the Issuer under such Interest Rate Swap shall be included in the calculation of Debt Service and only the net amount representing the excess, if any, of such floating payments to be made by the Issuer over the fixed amounts to be paid under the Interest Rate Swap shall be included in the calculation of Debt Service; *provided* that such net amounts may be utilized only if the Interest Rate Swap has been reviewed and approved by each of the Rating Agencies then rating the Series of Bonds and each

Security Instrument Issuer, if any, insuring payment of the Series of Bonds; and *provided further* that such net amounts may be utilized only so long as such Interest Rate Swap is contracted to remain in full force and effect;

(E) when calculating interest payable during such Fiscal Year with respect to any Commercial Paper Program, *"Debt Service"* shall mean an amount equal to the sum of all Principal and interest payments that would be payable during such Fiscal Year assuming that the Authorized Amount of such Commercial Paper Program is amortized on a level debt service basis over a period of 30 years beginning on the date of calculation or, if later, the last day of the period during which obligations can be issued under such Commercial Paper Program, and bearing interest (I) at an interest rate equal to the average of the interest rates applicable to such Commercial Paper Program during any consecutive 12-month period during the immediately preceding 24 months (or a shorter period, commencing on the date obligations are first issued under the Commercial Paper Program) ending within 30 days prior to the date of computation, or (II) with respect to any Commercial Paper Program for which such an average of the interest rates cannot be determined, (a) at a rate equal to 110% of the most recent SIFMA Municipal Swap Index theretofore published on Bloomberg's website, or (b) if Bloomberg's website is no longer published or no longer publishes the SIFMA Municipal Swap Index, at an interest rate certified by the Issuer' financial advisor or other agent or underwriter, including a Remarketing Agent, to be the rate of interest that obligations of the Commercial Paper Program would bear if issued on the date of computation in the Authorized Amount, with the same security, and maturing over a period of 30 years beginning on the date of calculation; and

(F) when calculating interest payable on Bonds that are Paired Obligations, the interest rate on such Bonds shall be the resulting linked rate or effective fixed interest rate to be paid by the Issuer with respect to such Paired Obligations;

and *further provided, however,* that there shall be excluded from "Debt Service" (I) interest on Bonds (including Cross-over Refunding Bonds or Cross-over Refunded Bonds) to the extent that Escrowed Interest or capitalized interest is available to pay such interest, (II) Principal on 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, 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 (III) Repayment Obligations to the extent that payments on Pledged Bonds relating to such Repayment Obligations satisfy the Issuer's obligation to pay such Repayment Obligations.

"Debt Service Reserve Fund" means the State Board of Regents Dixie State University Debt Service Reserve Fund created in Section 3.4 hereof to be held by the trustee and administered pursuant to Section 5.4 hereof.

"Debt Service Reserve Requirement" means, for a Series of Bonds, the amount, if any, set forth in the Supplemental Indenture authorizing such Series of Bonds as the Debt Service

Reserve Requirement for such Series of Bonds. The Debt Service Reserve Requirement applicable to any Series of Bonds may be funded by a Reserve Instrument as herein provided.

"*Escrowed Interest*" means amounts irrevocably deposited in escrow in accordance with the requirements of Section 11-27-3, Utah Code, in connection with the issuance of Refunding Bonds or Cross-over Refunding Bonds secured by such amounts or earnings on such amounts which are required to be applied to pay interest on such Cross-over Refunding Bonds or the related Cross-over Refunded Bonds.

"*Event of Default*" means with respect to any default or event of default hereunder any occurrence or event specified in and defined by Section 7.1 hereof.

"*Fiscal Year*" means the 12-month period beginning July 1 of each year and ending June 30 of the following year.

"*General Revenues*" means, subject to those exclusions described in this definition, all income and revenues of the University authorized to be pledged hereunder pursuant to the Act. General Revenues exclude (a) appropriations by the Legislature to the University; (b) tuition and fees (other than the student building fees identified below); (c) income and revenues from gifts, grants and contracts restricted from being pledged hereunder; (d) income from Independent Operations and (e) any previous sources of General Revenues removed from the lien of this Indenture pursuant to Section 6.13 herein. General Revenues shall include revenues derived by the University from: (i) the University's student housing facilities, (ii) the student building fees, (iii) the University's auxiliary systems (including the Gardner Student Center, bookstore and food services), (iv) the University's Road Scholar program, (v) parking services and (vi) Investment Income and the Amount of Unrestricted Gifts. The University may from time to time add additional student building or other fees to the General Revenues and, to the extent permitted by law,· may add tuition or other sources of revenues to the General Revenues.

"*Government Obligations*" means 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 timely payment of the principal of and interest on which are unconditionally guaranteed by the full faith and credit of the United States of America.

"*Independent Operations*" means all income from those operations that are independent of, or unrelated to, the primary missions of the University, but that may enhance such activities, including health services (for example the Dental Hygiene Program and the Student Health Center), public performance accounts (for example DocUtah, the Center for Media Operations, celebrity concert series, cultural events and the community education channel) and student support activities (for example Travel Study, undergraduate research, campus recreation and USTAR).

"*Indenture*" means this General Indenture of Trust as from time to time amended or supplemented by Supplemental Indentures in accordance with the terms of this Indenture.

"*Initial Bonds*" means the first Series of Bonds issued under this Indenture.

"*Interest Payment Date*" means the stated payment date of an installment of interest on the Bonds.

"*Interest Rate Swap*" means an agreement between the Issuer or the Trustee and a Swap Counterparty related to Bonds of one or more Series whereby a variable rate cash flow (which may be subject to any interest rate cap) on a principal or notional amount is exchanged for a fixed rate of return on an equal principal or notional amount. If the Issuer or the Trustee enters into more than one Interest Rate Swap with respect to a Series of Bonds, each Interest Rate Swap shall specify the same payment dates.

"*Investment Income*" means the earnings on unrestricted funds and accounts held by or for the benefit of the University.

"*Issuer*" means the State Board of Regents of the State of Utah and its successors, acting for and on behalf of the University.

"*Moody's*" means Moody's Investors Service, Inc., and its successor and assigns.

"*Outstanding*" refers to the status of Bonds which have not been canceled which have been authenticated and delivered by the Trustee under this Indenture, except (a) any Bond or portion thereof which at the time has been paid or deemed paid pursuant to Article X of this Indenture; and (b) any Bond in lieu of or in substitution for which a new Bond shall have been authenticated and delivered hereunder.

"*Paired Obligations*" means any Series (or portion thereof) of Bonds designated as Paired Obligations in the Supplemental Indenture authorizing the issuance or incurrence thereof, which are simultaneously issued or incurred (a) the Principal of which is of equal amount maturing and to be redeemed (or cancelled after acquisition thereof) on the same dates and in the same amounts, and (b) the interest rates which, taken together, result in an irrevocably fixed interest rate obligation of the Issuer for the terms of such Bonds.

"*Paying Agent*" means the Trustee, appointed as the initial paying agent for the Bonds pursuant to Section 11.5 hereof, and any additional or successor paying agent appointed pursuant hereto.

"*Permitted Investments*" means any investments permitted by the State Money Management Act, Title 51, Chapter 7, Utah Code.

"*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*" means (a) with respect to any Capital Appreciation Bond, the Accreted Amount thereof (the difference between the stated amount to be paid at maturity and the

Accreted Amount being deemed unearned interest), except as used in connection with the authorization and issuance of Bonds and with the order of priority of payment of Bonds after an Event of Default, in which case "Principal" means the initial public offering price of a Capital Appreciation Bond (the difference between the Accreted Amount and the initial public offering price being deemed interest), and (b) with respect to any Current Interest Bond, the Principal amount of such Bond payable at maturity.

"*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" in this Section) of any Sinking Fund Installment due on a certain future date for Bonds of such Series, plus the amount of the sinking fund redemption premium, if any, which 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 (iii) 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 premiums, if any, and (b) with respect to any Repayment Obligations, the principal amount of such Repayment Obligations due on a certain future date.

"*Project*" means the acquisition, purchase, construction, improvement, remodel, addition, expansion, equipment, and furnishing of facilities and buildings for use by the University.

"*Put Bond*" means any Bond which is part of a Series of Bonds which is subject to purchase by the Issuer, its agent or a third party from the Owner of the Bond pursuant to provisions of the Supplemental Indenture authorizing the issuance of the Bond and designating it as a "Put Bond."

"*Rate Covenant Requirement*" means an amount at least equal to: the sum (a) 110% of the Aggregate Debt Service excluding amounts payable on Repayment Obligations for the forthcoming Fiscal Year, and (b) 100% of the Repayment Obligations, if any, which will be due and payable during the forthcoming Fiscal Year, and (c) 100% of the amounts, if any, required by the Indenture to be deposited into the Debt Service Reserve Fund during the forthcoming Fiscal Year.

"*Rating Agency*" means Moody's or S&P and their successors and assigns to the extent such agencies then maintain a rating of the Bonds at the request of the Issuer. If either such corporation ceases to act as a securities rating agency, the University may, with the approval of the Trustee and any Security Instrument Issuer that then has a Security Instrument in effect, designate any nationally recognized securities rating agency as a replacement.

"*Registrar*" means the Trustee (or other party designated as Registrar by Supplemental Indenture), appointed as the initial registrar for the Bonds pursuant to Sections 2.8 and 11.5 hereof, and any additional or successor registrar appointed pursuant hereto.

"*Regular Record Date*" means, with respect to any Interest Payment Date for a Series of Bonds, the date specified as the Regular Record Date in the Supplemental Indenture authorizing the issuance of such Series of Bonds.

"*Regulations*" and all references thereto shall mean and include applicable final, proposed and temporary United States Treasury Regulations promulgated with respect to Sections 103 and 141 through 150 of the Code, including all amendments thereto made hereafter.

"*Remarketing Agent*" means a remarketing agent or commercial paper dealer appointed by the Issuer pursuant to a Supplemental Indenture.

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

"*Reserve Instrument*" means a device or instrument issued by a Reserve Instrument Provider to satisfy all or any portion of the Debt Service Reserve Requirement applicable to a Series of Bonds. The term "Reserve Instrument" includes, by way of example and not of limitation, letters of credit, bond insurance policies, surety bonds, standby bond purchase agreements, lines of credit and other devices.

"*Reserve Instrument Agreement*" means any agreement entered into by the Issuer and a Reserve Instrument Provider pursuant to a Supplemental Indenture and providing for the issuance by such Reserve Instrument Provider 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 Provider pursuant to a Reserve Instrument Agreement. Each Reserve Instrument Agreement or Supplemental Indenture relating to the Reserve Instrument shall specify the fees, premiums, expenses and costs constituting Reserve Instrument Costs.

"*Reserve Instrument Coverage*" means, as of any date of calculation, the aggregate amount available to be paid to the Trustee pursuant hereto under all Reserve Instruments, or, with respect to a particular Reserve Instrument, the amount available to be paid to the Trustee pursuant hereto under such Reserve Instrument.

"*Reserve Instrument Fund*" means the State Board of Regents Dixie State University Student Fee and Housing System Reserve Instrument Fund created in Section 3.5 hereof to be held by the Trustee and administered pursuant to Section 5.5 hereof.

"*Reserve Instrument Limit*" means, as of any date of calculation and with respect to any Reserve Instrument, the maximum aggregate amount to be paid under such Reserve Instrument into an account in the Debt Service Reserve Fund assuming for purposes of such calculation that the amount initially available under each Reserve Instrument has not been reduced.

"*Reserve Instrument Provider*" means any bank, financial institution, insurance company or surety company issuing a Reserve Instrument.

"*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 Issuer under such Reserve Instrument Agreement to repay the Reserve Instrument Provider for payments previously made by it pursuant to a Reserve Instrument. There shall not be included in the calculation of Reserve Instrument Repayment Obligations any Reserve Instrument Costs. Each Reserve Instrument Agreement or the Supplemental Indenture authorizing the execution and delivery of such Reserve Instrument Agreement shall specify the amounts payable under it which, when outstanding, shall constitute Reserve Instrument Repayment Obligations and the portions of such amounts that are allocable as principal of and as interest on such Reserve Instrument Repayment Obligations.

"*S&P*" means Standard & Poor's Financial Services LLC, a part of McGraw-Hill Financial and its successors and assigns.

"*Secretary*" means the Secretary of the Issuer or any successor to the duties of such office.

"*Security Instrument*" means an instrument or other device issued by a Security Instrument Issuer to pay, or to provide security or liquidity for, a Series of Bonds. The term "Security Instrument" includes, by way of example and not of limitation, letters credit, bond insurance policies, standby bond purchase agreements, lines of credit and other security instruments and credit enhancement or liquidity devices; *provided, however*, that no such device or instrument shall be a "Security Instrument" for purposes of this Indenture unless specifically so designated in a Supplemental Indenture authorizing the use of such device or instrument.

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

"*Security Instrument Costs*" means, with respect to any Security Instrument, 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 or the Supplemental Indenture authorizing the use of such Security Instrument. Such Security Instrument Agreement or Supplemental Indenture shall specify any fees, premiums, expenses and costs constituting Security Instrument Costs.

"*Security Instrument Issuer*" means any bank or other financial institution, insurance company, surety company or other institution issuing a Security Instrument.

"*Security Instrument Repayment Obligations*" means, as of any date of calculation and with respect to any Security Instrument Agreement, any outstanding amounts payable by the Issuer under the Security Instrument Agreement or the Supplemental Indenture authorizing the use of such Security Instrument to repay the Security Instrument Issuer for payments previously or concurrently made by the Security Instrument Issuer pursuant to a Security Instrument. There shall not be included in the calculation of the amount of Security Instrument Repayment Obligations any Security Instrument Costs. Each Security Instrument Agreement or the

Supplemental Indenture authorizing the use of such Security Instrument shall specify any amounts payable under it which, when outstanding, shall constitute Security Instrument Repayment Obligations and shall specify the portions of any such amounts that are allocable as principal of and as interest on such Security Instrument Repayment Obligations.

"*Serial Bonds*" means all Bonds other than Term Bonds.

"*Series*" means all of the Bonds authenticated and delivered on original issuance and identified pursuant to the Supplemental Indenture authorizing such Bonds as a separate Series of Bonds, and any Bonds thereafter authenticated and delivered in lieu thereof or in substitution therefor.

"*Sinking Fund Installment*" means an amount so designated pursuant to a Supplemental Indenture. The portion of any such Sinking Fund Installment remaining after the deduction of any such amounts credited pursuant to Sections 5.3(c) or 5.9 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.

"*Special Record Date*" means such date as may be fixed for the payment of defaulted interest on the Bonds in accordance with this Indenture.

"*State*" means the State of Utah.

"*Supplemental Indenture*" means any indenture between the Issuer and the Trustee entered into pursuant to and in compliance with the provisions of Article IX hereof.

"*Swap Counterparty*" means a member of the International Swap Dealers Association rated in one of the three top rating categories by at least one of the Rating Agencies and meeting the requirements of applicable laws of the State.

"*Swap Payments*" means as of each payment date specified in an Interest Rate Swap, the amount, if any, payable to the Swap Counterparty by the Trustee on behalf of the Issuer.

"*Swap Receipts*" means as of each payment date specified in an Interest Rate Swap, the amount, if any, payable to the Trustee for the account of the Issuer by Swap Counterparty.

"*Term Bonds*" means the Bonds which shall be subject to retirement by operation of mandatory sinking fund redemptions from the Bond Fund.

"*Trustee*" means Zions First National Bank, Salt Lake City, Utah, or any successor corporation resulting from or surviving any consolidation or merger to which it or its successors may be a party and any successor trustee at any time serving as successor trustee hereunder.

"*University*" means Dixie State University and its successors.

"Utah Code" means 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 which is not susceptible of a precise determination.

Section 1.2. Indenture to Constitute Contract. In consideration of the purchase and acceptance from time to time of any and all of the Bonds authorized to be issued hereunder by the Registered Owners thereof, the issuance from time to time of any and all Security Instruments by Security Instrument Issuers, and the issuance from time to time of any and all Reserve Instruments by Reserve Instrument Providers pursuant hereto, this Indenture shall be deemed to be and shall constitute a contract between the Issuer and the Owners from time to time of the Bonds, the Security Instrument Issuers and the Reserve Instrument Providers; and the pledge made in this Indenture and the covenants and agreements herein set forth to be performed by or on behalf of the Issuer shall be, FIRST, for the equal benefit, protection and security of the Owners of any and all of the Bonds and the Security Instrument Issuers of any and all of the Security Instruments all of which, regardless of the time or times of their issuance, delivery, maturity or expiration, shall be of equal rank without preference, priority or distinction of any of the Bonds or Security Instrument Repayment Obligations over any others, except as expressly provided in or permitted by this Indenture, and SECOND, for the equal benefit, protection and security of the Reserve Instrument Providers of any and all of the Reserve Instruments which, regardless of the time or times of their issuance, delivery or termination, shall be of equal rank without preference, priority or distinction of any Reserve Instrument over any other thereof.

Section 1.3. Construction. This Indenture, except where the context by clear implication herein otherwise requires, shall be construed as follows:

(a) The terms "hereby," "hereof," "herein," "hereto," "hereunder" and any similar terms used in this Indenture shall refer to this Indenture in its entirety unless the context clearly indicates otherwise.

(b) Words in the singular number include the plural, and words in the plural include the singular.

(c) Words in the masculine gender include the feminine and the neuter, and when the sense so indicates, words of the neuter gender refer to any gender.

(d) Articles, sections, subsections, paragraphs and subparagraphs mentioned by number, letter, or otherwise, correspond to the respective articles, sections, subsections, paragraphs and subparagraphs hereof so numbered or otherwise so designated.

(e) The titles or descriptive headings applied to articles, sections and subsections herein are inserted only as a matter of convenience and ease of reference and in no way define, limit or describe the scope or intent of provisions of this Indenture.

ARTICLE II

THE BONDS

Section 2.1. Authorization of Bonds. There is hereby authorized Bonds for issuance hereunder which may, if and when authorized by Supplemental Indenture, be issued in one or more separate Series. Each Series of Bonds shall be authorized by a Supplemental Indenture, which shall state the purpose or purposes for which each such Series of Bonds is being issued. The aggregate Principal amount of Bonds which may be issued shall not be limited except as provided herein or as may be limited by law, provided that the aggregate Principal amount of Bonds of each such Series shall not exceed the amount specified in the Supplemental Indenture authorizing each such Series of Bonds.

Section 2.2. Description of Bonds; Payment. (a) The Bonds of each Series issued hereunder shall be issued only as fully registered bonds, without coupons, and shall be dated, shall bear interest at a rate or rates not exceeding the maximum rate permitted by law on the date of initial issuance of Bonds of such Series, and shall be payable on the date, shall be stated to mature on the date and in the years and shall be subject to redemption prior to their respective maturities, all as set forth in the Supplemental Indenture authorizing such Series of Bonds. The Bonds of each Series shall be designated "General Revenue [and] [Refunding] Bonds [insert descriptive words, if desired], Series __________" of the State Board of Regents of the State of Utah, Dixie State University, in each case inserting the year in which the Bonds are issued and, if appropriate, an identifying Series letter.

(b) Payment of the interest on any Bond shall be made to the person appearing on the Bond registration books of the Registrar hereinafter provided for as the Registered Owner thereof by check or draft mailed to the Registered Owner at his address as it appears on such registration books. Unless otherwise specified by Supplemental Indenture, the interest on Bonds so payable, and punctually paid and duly provided for, on any Interest Payment Date will be paid to the person who is the Registered Owner thereof at the close of business on the Regular Record Date for such interest. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the Registered Owner of any Bond on such Regular Record Date, and may be paid to the person who is the Registered Owner thereof at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee, notice thereof to be given to such Registered Owner not less than ten days prior to such Special Record Date. The Principal of and premium, if any, on Bonds are payable upon presentation and surrender thereof at the principal corporate trust office of the Trustee as Paying Agent, except as otherwise provided by Supplemental Indenture. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

(c) The Bonds of each Series may contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions hereof as may be necessary or desirable to comply with custom, the rules of any securities exchange or commission or brokerage board or otherwise, as may be specified in the Supplemental Indenture authorizing such Series of Bonds.

(d) Bonds of a Series may be structured as full book-entry bonds if specified by the Supplemental Indenture authorizing such Series of Bonds.

Section 2.3. Execution; Limited Obligation. The Bonds shall be executed on behalf of the Issuer with the manual or official facsimile signature of its Chair, countersigned with the manual or official facsimile signature of its Secretary, and shall have impressed or imprinted thereon the corporate seal or facsimile thereof of the Issuer. In addition, the President or Vice President for Administrative Services of the University shall execute the Bonds by manual or official facsimile signature on behalf of the University. In case any officer, whose signature on the facsimile of whose signature shall appear on the Bonds, shall cease to be such officer before the delivery of such Bonds, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if he had remained in office until delivery.

The Bonds and the Repayment Obligations are not an indebtedness of the State, the University or the Issuer, but are special limited obligations of the Issuer payable from and secured solely by the General Revenues and other moneys in funds and accounts held by the Trustee hereunder (except as provided in Section 5.7 hereof) and, except as provided herein, the Issuer hereby pledges and assigns the same as provided in the Granting Clause of this Indenture. The issuance of the Bonds and delivery of any Security Instrument Agreement or Reserve Instrument Agreement shall not, directly, indirectly or contingently, obligate the Issuer, 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.

The provisions of this Section relating to the execution of Bonds may be changed as they apply to the Bonds of any Series by the Supplemental Indenture authorizing such Series of Bonds.

Section 2.4. Authentication and Delivery of Bonds. (a) The Issuer shall deliver executed Bonds of each Series to the Trustee for authentication. Subject to the satisfaction of the conditions for authentication of Bonds set forth herein, the Trustee shall authenticate such Bonds, and deliver them upon the order of the Issuer to the purchasers thereof upon the payment by the purchasers to the Issuer of the purchase price therefor. Delivery by the Trustee shall be full acquittal to the purchasers for the purchase price of such Bonds. The proceeds of the sale of such Bonds shall, however, be disposed of only as provided herein and in the related Supplemental Indenture.

(b) No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit hereunder, unless and until a certificate of authentication on such Bond substantially in the form set forth herein for such Bond shall have been duly executed by the Trustee, and such executed certificate of the Trustee upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered hereunder. The Trustee's certificate of authentication on any Bond shall be deemed to have been executed by it if manually signed by an authorized officer of the Trustee, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds issued hereunder.

(c) Prior to the authentication by the Trustee of each Series of Bonds, there shall first have been filed with the Trustee:

(i) A copy, duly certified by the Secretary, of this Indenture (to the extent not theretofore so filed) and the Supplemental Indenture authorizing such Series of Bonds and which Supplemental Indenture shall specify the following:

(A) the purpose for which such Series of Bonds is to be issued,

(B) the authorized Principal amount and Series designation of such Series of Bonds,

(C) the dated date and the maturity date or dates of the Bonds of such Series,

(D) the interest rate or rates (including a zero interest rate) of the Bonds of such Series, or the manner of determining such rate or rates, provided that the Supplemental Indenture shall specify the maximum rate that the Bonds of such Series may bear if such Bonds are Variable Rate Bonds;

(E) the authorized denominations of the Bonds of such Series;

(F) the designation, amount and due date of each Sinking Fund Installment, if any, for the Bonds of such Series;

(G) the Interest Payment Dates for such Series of Bonds;

(H) the Regular Record Date for the Bonds of such Series;

(I) any Debt Service Reserve Requirement for such Series of Bonds and the amount, if any, to be deposited from the proceeds of such Series of Bonds into any account in the Debt Service Reserve Fund established for such Series of Bonds;

(J) to the extent applicable, the obligations under any Security Instrument Agreement or Reserve Instrument Agreement entered into in connection with the issuance of the Bonds of such Series which, when outstanding, shall constitute Security Instrument Repayment Obligations or Reserve Instrument Repayment Obligations, as the case may be, and which portions of such Security Instrument Repayment Obligations or Reserve Instrument Repayment Obligations, as the case may be, are to be attributed to principal of and to interest on such Repayment Obligations unless provided in the agreement; and

(K) any further covenants by the Issuer or the University required by any Security Instrument Issuer, Reserve Instrument Issuer or purchaser of Bonds deemed necessary or desirable by the Issuer or the University in connection with the sale of such Series of Bonds.

(ii) A copy, certified by the Secretary, of the proceedings of the Issuer approving the execution and delivery of the instruments specified in Subparagraph (i) above and the execution and delivery of such Series of Bonds, together with a certificate, dated as of the date of authentication of such Series of Bonds, of the Secretary that such proceedings are still in force and effect without amendments except as shown in such proceedings.

(iii) A request and authorization to the Trustee of the Issuer to authenticate such Series of Bonds in the aggregate Principal amount therein specified and deliver them to purchasers therein identified upon payment to the Trustee, for account of the Issuer, of the sum specified therein.

(iv) A certification of an Authorized Representative that the applicable requirements of Section 2.15 hereof have been met.

(v) An opinion of Bond Counsel dated the date of authentication of such Series of Bonds to the effect that (a) the Issuer has duly authorized, executed and delivered this Indenture and the related Supplemental Indenture; (b) such Series of Bonds has been duly and validly authorized and are being issued in accordance with law and this Indenture; (c) this Indenture is a valid and binding obligation of the Issuer; (d) this Indenture creates a pledge of the General Revenues and of moneys in applicable Funds and Accounts created hereby, subject to application thereof to the purposes and on the terms and conditions provided hereby; and (e) such Series of Bonds are valid and binding special obligations of the Issuer; *provided* that such opinion may contain limitations as to enforcement by bankruptcy or similar laws, equity principles, sovereign police powers, and federal powers.

(d) The Issuer may authorize by Supplemental Indenture the delivery to the Trustee of one or more Security Instruments and Reserve Instruments with respect to any Series of Bonds and the execution and delivery of any Security Instrument Agreements and Reserve Instrument Agreements deemed necessary in connection therewith.

(e) Subject to any limitations contained in a Supplemental Indenture, the Issuer may provide a Security Instrument with respect to Series of Bonds (or may substitute one Security Instrument for another) if the Issuer has provided to the Trustee written evidence satisfactory to the Trustee from each Rating Agency then having a rating in effect for any Series of Bonds then Outstanding to the effect that the Rating Agency has reviewed the proposed Security Instrument and that the use of such Security Instrument (or the substitution of one Security Instrument for another, as appropriate) will not, by itself result in a reduction or withdrawal of such Rating Agency's rating of such Series of Bonds.

(f) The Issuer may authorize by Supplemental Indenture the issuance of Put Bonds; *provided* that any obligation of the Issuer to pay the purchase price of any such Put Bonds shall

not be secured by a pledge of General Revenues on a parity with the pledge contained in the Granting Clause of this Indenture. The Issuer may provide for the appointment of such Remarketing Agents, indexing agents or other agents as the Issuer may determine.

Section 2.5. Special Provisions for the Issuance of Refunding Bonds. (a) One or more Series of Refunding Bonds may be issued in such Principal amount which, when taken together with other legally available funds, will provide the Issuer with funds sufficient to accomplish the refunding of all or a part of the Outstanding Bonds of one or more Series or all or part of any other borrowing of the Issuer or the University payable in whole or in part from the General Revenues, including in each case the payment of all expenses in connection with such refunding. As used in this Section, the term "Refunded Debt" shall refer to such Bonds or other debt to be so refunded.

(b) Each Supplemental Indenture authorizing the issuance of a Series of Refunding Bonds shall specify the Refunded Debt to be refunded.

Section 2.6. Provisions Regarding Bonds Secured by a Security Instrument. (a) The Issuer may include such provisions in a Supplemental Indenture authorizing the issuance of a Series of Bonds secured by a Security Instrument as the Issuer deems appropriate, including:

(i) So long as the Security Instrument is in full force and effect, and payment on the Security Instrument is not in default, (A) the Security Instrument Issuer shall be deemed to be the Owner of the Outstanding Bonds of such Series (I) when the approval, consent or action of the Bondowners for such Series of Bonds is required or may be exercised under the Indenture and (II) following an Event of Default and (B) the Indenture may not be amended in any manner which adversely affects the rights of such Security Instrument Issuer without its prior written consent.

(ii) In the event that the Principal and redemption price, if applicable, and interest due on any Series of Bonds Outstanding shall be paid under the provisions of a Security Instrument, all covenants, agreements and other obligations of the Issuer to the Bondowners of such Series of Bonds shall continue to exist and such Security Instrument Issuer shall be subrogated to the rights of such Bondowners in accordance with the terms of such Security Instrument.

(b) In addition, such Supplemental Indenture may establish such provisions as are necessary to provide relevant information to the Security Instrument Issuer and to provide a mechanism for paying Principal Installments and interest on such Series of Bonds from the Security Instrument.

Section 2.7. Mutilated, Lost, Stolen or Destroyed Bonds. In the event any Bond is mutilated, lost, stolen or destroyed, the Issuer may execute and the Trustee may authenticate a new Bond of like date, Series, maturity and denomination as that mutilated, lost, stolen or destroyed; *provided* that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Trustee, and in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the Trustee evidence of such loss, theft or destruction satisfactory to the

Trustee, together with indemnity satisfactory to it. In the event any such Bond shall have matured, instead of issuing a duplicate Bond, the Trustee may pay the same without surrender thereof upon compliance with the foregoing. The Trustee may charge the Registered Owner of such Bond with its reasonable fees and expenses in this connection. Any Bond issued pursuant to this Section shall be deemed part of the Series of the Bonds in respect of which it was issued and an original additional contractual obligation of the Issuer.

Section 2.8. Registration of Bonds; Persons Treated as Owners. The Issuer shall cause the books for the registration and for the transfer of the Bonds as provided herein to be kept by the Trustee which is hereby constituted and appointed the Registrar of the Issuer with respect to the Bonds, *provided, however,* that the Issuer may by Supplemental Indenture select a party other than the Trustee to act as Registrar with respect to the Series of Bonds issued under said Supplemental Indenture. Upon the occurrence of an Event of Default which would require any Security Instrument Issuer to make payment under a Security Instrument Agreement, the Registrar shall make such registration books available to the Security Instrument Issuer.

Any Bond may, in accordance with its terms, be transferred only upon the registration books kept by the Registrar, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a written instrument of transfer in a form approved by the Registrar, duly executed. No transfer shall be effective until entered on the registration books kept by the Registrar. Upon surrender for transfer of any Bond at the principal corporate trust office of the Trustee, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Trustee and duly executed by, the Registered Owner or his attorney duly authorized in writing, the Issuer shall execute and the Trustee shall authenticate and deliver in the name of the transferee or transferees, a new Bond or Bonds of the same Series, designation, maturity and interest rate for a like aggregate Principal amount as the Bond surrendered for transfer.

Bonds may be exchanged at the principal corporate trust office of the Trustee for a like aggregate Principal amount of Bonds of other authorized denominations of the same Series and the same maturity. The execution by the Issuer of any Bond of any authorized denomination shall constitute full and due authorization of such denomination, and the Trustee shall thereby be authorized to authenticate and deliver such Bond.

The Issuer and the Trustee shall not be required to transfer or exchange any Bond (a) during the period from and including any Regular Record Date, to and including the next succeeding Interest Payment Date, (b) during the period from and including the day fifteen days prior to any Special Record Date, to and including the date of the proposed payment pertaining thereto and (c) during the period of fifteen days prior to the mailing of notice calling such Bond for redemption nor at any time following the mailing of notice calling such Bond for redemption.

Bonds surrendered for payment, redemption or exchange, and Bonds purchased from any moneys held by the Trustee hereunder or surrendered to the Trustee by the Issuer, shall be promptly canceled and, to the extent permitted by law, destroyed by the Trustee.

The Issuer, the Registrar and the Paying Agent may treat and consider the person in whose name each Bond is registered on the registration books kept by the Registrar as the holder and absolute owner thereof for the purpose of receiving payment of, or on account of, the Principal or redemption price thereof and interest due thereon and for all other purposes whatsoever, and neither the Issuer, nor the Registrar nor the Paying Agent shall be affected by any notice to the contrary. Payment of or on account of either Principal of or interest on any Bond shall be made only to or upon order of the Registered Owner thereof or his legal representative, but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

The Trustee shall require the payment by the Registered Owner requesting exchange or transfer of Bonds of any tax or other governmental charge and any service charge of the Trustee as Registrar which are required to be paid with respect to such exchange or transfer and such charges shall be paid before such new Bond shall be delivered.

Section 2.9. Redemption Provisions. The Term Bonds of each Series of Bonds may be subject, to the extent provided in the Supplemental Indenture authorizing each such Series of Bonds, to redemption prior to maturity by operation of Sinking Fund Installments. The Bonds of each Series may further be subject to redemption prior to maturity at such times and upon such terms as may be fixed by such Supplemental Indenture. Except as otherwise provided in a Supplemental Indenture, if less than all Bonds of a Series are to be redeemed, the particular maturities of such Bonds to be redeemed shall be selected by the Issuer. Except as otherwise provided in a Supplemental Indenture, if less than all of the Bonds of any maturity of a Series are to be redeemed, the particular Bonds or portion of Bonds of such maturity to be redeemed shall be selected by lot by the Trustee in such manner as the Trustee in its discretion may deem fair and appropriate.

Section 2.10. Notice of Redemption. (a) In the event any of the Bonds are to be redeemed, the Trustee shall cause notice to be given as provided in this Section 2.10. Unless otherwise specified in the Supplemental Indenture authorizing the issuance of the applicable Series of Bonds, notice of such redemption shall be mailed by first class mail, postage prepaid, to all Registered Owners of Bonds to be redeemed at their addresses as they appear on the registration books of the Trustee as Registrar at least thirty (30) days but not more than sixty (60) days prior to the date fixed for redemption. Such notice shall state the following information:

(i) the complete official name of the Bonds, including Series, to be redeemed, and the CUSIP numbers, if any, of the Bonds being redeemed, *provided* that any such notice may state that no representation is made as to the correctness of CUSIP numbers either as printed on such Bonds or as contained in the notice of redemption;

(ii) the dated date of, and interest rate on, such Bonds;

(iii) in the case of partial redemption of any 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 Bond, a new Bond in Principal amount equal to the unredeemed portion of such 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 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 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.

(b) Each notice of redemption may further state, in the case of redemption at the option of the Issuer, that such redemption shall be conditioned upon the receipt by the Trustee on or prior to the date fixed for such redemption of moneys sufficient to pay the Principal of and interest on such Bonds to be redeemed and that if such moneys shall not have been so received said notice shall be of no force and effect and the Issuer shall not be required to redeem such Bonds. In the event that such notice of redemption contains such a condition and such moneys are not 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.

(c) Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

Any notice mailed shall be conclusively presumed to have been duly given, whether or not the Owner of such Bonds receives the notice. Receipt of such notice shall not be a condition precedent to such redemption, and failure so to receive any such notice by any of such Registered Owners or any defect therein shall not affect the validity of the proceedings for the redemption of the Bonds.

Section 2.11. *Partially Redeemed Bonds*. Unless otherwise specified in the Supplemental Indenture authorizing the issuance of the applicable Series of Bonds, in case any registered Bond shall be redeemed in part only, upon the presentation of such Bond for such partial redemption, the Issuer shall execute and the Trustee shall authenticate and shall deliver or cause to be delivered to or upon the written order of the Registered Owner thereof, at the expense of the Issuer, a Bond or Bonds of the same Series, interest rate and maturity, in aggregate Principal amount equal to the unredeemed portion of such registered Bond. A portion of any Bond of a denomination of more than minimum denomination of the Bonds specified in the Supplemental Indenture to be redeemed will be in the Principal amount of such minimum denomination or an integral multiple thereof and in selecting portions of such Bonds for redemption, the Trustee will

treat each such Bond as representing that number of Bonds of such minimum denomination which is obtained by dividing the Principal amount of such Bonds by such minimum denomination.

Section 2.12. *Cancellation*. All Bonds which have been redeemed shall be canceled and, to the extent permitted by law, cremated or otherwise destroyed by the Trustee and shall not be reissued; *provided, however,* that one or more new Bonds shall be issued for the unredeemed portion of any Bond without charge to the Registered Owner thereof.

Section 2.13. *Nonpresentation of Bonds*. Unless otherwise provided by Supplemental Indenture, in the event any Bond shall not be presented for payment when the Principal thereof becomes due, either at maturity or otherwise, or at the date fixed for redemption thereof, if funds sufficient to pay such Bond shall have been made available to the Trustee, all liability of the Issuer to the Registered Owner thereof for the payment of such Bond shall forthwith cease, terminate and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such fund or funds, without liability to the Registered Owner of such Bond for interest thereon, for the benefit of the Registered Owner of such Bond who shall thereafter be restricted exclusively to such fund or funds for any claim of whatever nature on his part hereunder or on, or with respect to, said Bond. If any Bond shall not be presented for payment within four years following the date when such Bond becomes due, whether by maturity or otherwise, the Trustee shall, to the extent permitted by law, repay to the Issuer the funds theretofore held by it for payment of such Bond, and such Bond shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the Issuer, and the Registered Owner thereof shall be entitled to look only to the Issuer for payment, and then only to the extent of the amount so repaid, and the Issuer shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

Section 2.14. *Initial Bonds*. Subject to the provisions hereof, the Initial Bonds may be authenticated and delivered by the Trustee upon satisfaction of the conditions specified in Section 2.4(c) hereof and any additional conditions specified in the Supplemental Indenture authorizing such Series of Bonds. Section 2.15 shall not apply to the issuance of the Initial Bonds.

Section 2.15. *Issuance of Additional Bonds*. No additional indebtedness, bonds or notes of the Issuer or the University payable on a priority ahead of the Bonds or the Security Instrument Repayment Obligations herein authorized out of General Revenues or any portion thereof shall be created or incurred. In addition, no additional Bonds or other indebtedness of the Issuer or the University payable on a parity with the Bonds or the Security Instrument Repayment Obligations from General Revenues shall be created or incurred, unless the following requirements have been met:

(a) The University shall deliver a written certificate executed by an Authorized Representative of the University stating that:

(i) total General Revenues in any 12 month period within the 24 calendar months next preceding the issuance of such Additional Bonds were at least 110% of the Aggregate Debt Service on all of the Bonds Outstanding during such 12 month period; and

(ii) estimated General Revenues for each Fiscal Year during which the Bonds and Additional Bonds will be Outstanding are anticipated to be at least 110% of the Aggregate Debt Service on all of the Bonds that will be Outstanding, including the Additional Bonds.

(b) All Repayment Obligations then due and owing shall have been paid.

(c) All payments required by this Indenture to be made into the Bond Fund must have been made in full, and there must be in the Debt Service Reserve Fund (taking into account any Reserve Instrument Coverage) the full amount required by the Indenture to be accumulated therein.

(d) No Event of Default is existing under this Indenture on the date of authentication of such Additional Bonds, unless (i) the Security Instrument Issuers, Reserve Instrument Issuers and Owners of all Outstanding Bonds have each consented to the issuance of such Additional Bonds despite the existence of an Event of Default or (ii) upon the issuance of such Additional Bonds and the application of the proceeds thereof, all such Events of Default will be cured.

Subject to the provisions hereof, Additional Bonds may be issued from time to time, and the proceeds thereof shall be used, for one or both of the following purposes: (A) to finance all or a portion of the Costs of a Project and (B) to refund any one or more Series or maturities within a Series of Outstanding Bonds or any other borrowing of the Issuer or the University payable in whole or in part from General Revenues.

Section 2.16. Temporary Bonds. (a) Until the definitive Bonds of any Series are prepared, the Issuer may execute, in the same manner as is provided in Section 2.4 hereof, and upon the request of the Issuer, the Trustee shall authenticate and deliver, in lieu of definitive Bonds, but subject to the same provisions, limitations and conditions as the definitive Bonds except as to the denominations thereof, one or more temporary Bonds substantially of the tenor of the definitive Bonds in lieu of which such temporary Bond or Bonds are issued, in denominations authorized by the Issuer, and with such omissions, insertions and variations not inconsistent with this Indenture as may be appropriate to temporary Bonds. The Issuer at its own expense shall prepare and execute and, upon the surrender of such temporary Bonds, for exchange and the cancellation of such surrendered temporary Bonds, the Trustee shall authenticate and, without charge to the Registered Owner thereof, deliver in exchange therefor, definitive Bonds, of the same aggregate Principal amount, Series and maturity as the temporary Bonds surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefits and security as definitive Bonds authenticated and issued pursuant hereto.

(b) If the Issuer shall authorize the issuance of temporary Bonds in more than one denomination, the Registered Owner of any temporary Bond or Bonds may, at his option, surrender the same to the Trustee in exchange for another temporary Bond or Bonds of like

aggregate Principal amount, Series and maturity of any other authorized denomination or denominations, and thereupon the Issuer shall execute and the Trustee shall authenticate and, in exchange for the temporary Bond or Bonds so surrendered, shall deliver a temporary Bond or Bonds of like aggregate Principal amount, Series and maturity in such other authorized denomination or denominations as shall be requested by such Registered Owner.

(c) All temporary Bonds surrendered in exchange either for another temporary Bond or Bonds or for a definitive Bond or Bonds shall be forthwith canceled by the Trustee.

Section 2.17. Form of Bonds. For each Series of Bonds, the text of such Bonds and the Trustee's Authentication Certificate shall be in substantially the forms thereof set forth in the Supplemental Indenture authorizing the issuance of such Bonds, with such omissions, insertions and variations not inconsistent with the terms hereof as may be necessary, desirable, authorized and permitted hereby.

Section 2.18. Covenant Against Creating or Permitting Liens; Subordinated Indebtedness. Except for the pledge of General Revenues to secure payment of the Bonds and Repayment Obligations hereunder, the Issuer and the University covenant that the General Revenues are and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto; *provided, however*, that nothing contained herein shall prevent the Issuer from issuing, if and to the extent permitted by law, indebtedness having a lien on General Revenues subordinated to that of the Bonds and the Repayment Obligations.

ARTICLE III

CREATION OF FUNDS AND ACCOUNTS

Section 3.1. Creation of Construction Fund. There is hereby created and ordered established in the custody of the Trustee a special trust fund in the name of the Issuer to be designated "State Board of Regents Dixie State University Construction Fund." There shall be by Supplemental Indenture established in the custody of the Trustee a separate account within the Construction Fund for each Project to be designated by the name of the applicable Project.

Section 3.2. Creation of General Revenue Account. There is hereby created and ordered established in the custody of the University a special trust fund to be designated "State Board of Regents Dixie State University General Revenue Account."

Section 3.3. Creation of Bond Fund. There is hereby created and ordered established in the custody of the Trustee a special trust fund in the name of the Issuer to be designated "State Board of Regents Dixie State University Bond Fund." There shall be by Supplemental Indenture established in the custody of the Trustee a separate account within the Bond Fund for each Series of Bonds issued under this Indenture to be designated by the name of the applicable Series of Bonds.

Section 3.4. Creation of Debt Service Reserve Fund. There is hereby created and ordered established in the custody of the Trustee a special trust fund in the name of the Issuer to be designated "State Board of Regents Dixie State University Debt Service Reserve Fund." There shall be created and ordered established in the custody of the Trustee a separate account within the Debt Service Reserve Fund for a Series of Bonds issued under this Indenture and for which a Debt Service Reserve Requirement has been established, to be designated by the name of the applicable Series of Bonds.

Section 3.5. Creation of Reserve Instrument Fund. There is hereby created and ordered established in the custody of the Trustee a special trust fund in the name of the Issuer to be designated "State Board of Regents Dixie State University Reserve Instrument Fund." If so provided in the related Supplemental Indenture, there may be created and ordered established in the custody of the Trustee a separate account within the Reserve Instrument Fund for a Series of Bonds issued under this Indenture to be designated by the name of the applicable Series of Bonds.

Section 3.6. Additional Funds. The Issuer can by Supplemental Indenture authorize the Trustee to create such additional funds or accounts as may be necessary to accomplish the Trustee's responsibilities hereunder.

ARTICLE IV

APPLICATION OF BOND PROCEEDS AND OTHER MONEYS

Unless otherwise provided in a Supplemental Indenture, the proceeds, including accrued interest and premium, if any, received from the sale of each Series of Bonds, shall be applied by the Issuer simultaneously with the delivery of such Bonds by the Trustee to the purchaser thereof, as follows:

(a) the accrued interest, if any, shall be deposited into the applicable account in the Bond Fund;

(b) the additional amount, if any, specified in the Supplemental Indenture authorizing the issuance of such Bonds, to be deposited into the applicable account in the Bond Fund;

(c) the amount, if any, required to be deposited into the applicable account in the Debt Service Reserve Fund to satisfy the applicable Debt Service Reserve Requirement; and

(d) the balance of the moneys remaining after making all the deposits and payments provided for in Paragraphs (a) through (c), inclusive, and after making provisions for the payment of costs of issuance (if so directed in the Supplemental Indenture) shall be paid into the appropriate account in the Construction Fund or as otherwise specified in the Supplemental Indenture authorizing the issuance of the Bonds (including use for refunding purposes).

ARTICLE V

USE OF FUNDS

Section 5.1. Use of Construction Fund. (a) So long as an Event of Default shall not have occurred and be continuing, moneys deposited in the applicable account in the Construction Fund shall be paid out by the Trustee in order to pay Costs of the Project within three Business Days (or within such longer period as is reasonably required to liquidate investments in the Construction Fund if required to make such payment) after the receipt by the Trustee of a written requisition in substantially the form attached hereto as EXHIBIT A.

(b) Upon receipt of such requisition, the Trustee shall pay the obligation set forth in such requisition out of moneys in the applicable account in the Construction Fund. In making such payments the Trustee may rely upon such requisition.

(c) An Authorized Representative of the University shall deliver to the Trustee, within 90 days after the completion of a Project, a certificate stating:

(i) that such Project has been fully completed in accordance with the plans and specifications therefor, as amended from time to time, and stating the date of completion for such Project; and

(ii) that the University is of the opinion that such Project has been fully paid for and no claim or claims exist against the University or against such Project out of which a lien based on furnishing labor or material exists or might ripen; *provided, however,* there may be excepted from the foregoing statement any claim or claims out of which a lien exists or might ripen in the event that the University intends to contest such claim or claims, in which event such claim or claims shall be described to the Trustee.

(d) In the event the certificate filed with the Trustee pursuant to Paragraph (c) above shall state that there is a claim or claims in controversy which create or might ripen into a lien, there shall be filed with the Trustee a similar certificate when and as such claim or claims shall have been fully paid or otherwise discharged.

(e) The Trustee and the University shall keep and maintain adequate records pertaining to each account within the Construction Fund and all disbursements therefrom.

(f) Upon completion of a Project and payment of all costs and expenses incident thereto and the filing with the Trustee of documents required by this Section 5.1, any balance remaining in the applicable account in the Construction Fund relating to such Project shall be deposited into the applicable account in the Bond Fund, to be applied as directed by the University (i) toward the redemption of the Series of Bonds issued to finance such Project or (ii) to the payment of interest next falling due on such Series of Bonds.

(g) As required by the Act and except as otherwise provided by applicable law, the Construction Fund has been established with the approval of the State Treasurer and shall be governed, used and disbursed in accordance with the Act.

(h) Upon the occurrence and continuance of an Event of Default hereunder, amounts on deposit in the Construction Fund may be applied toward the payment of Bonds issued hereunder.

Section 5.2. Use of General Revenue Account. (a) All General Revenues (except earnings from the investment of amounts on deposit in the funds and accounts established under this Indenture, which shall be allocated as provided in Section 5.7) shall be deposited by the University to the credit of the General Revenue Account.

(b) Amounts in the General Revenue Account may be used and withdrawn by the University at any time for any lawful purpose, except as restricted in this Indenture. In the event of the occurrence of an Event of Default of which the Trustee has actual knowledge or has received written notice, the Trustee shall notify the University of such Event of Default, and the University shall transfer the General Revenue Account to the name and credit of the Trustee. All General Revenues shall continue to be deposited by the University in the General Revenue Account as provided by this Indenture until all Events of Default known to the Trustee shall have been resolved or provision deemed by the Trustee to be adequate shall have been made therefor, whereupon the General Revenue Account shall be returned to the name and credit of the University. During any period that the General Revenue Account is held in the name and to the credit of the Trustee, the Trustee shall use and withdraw amounts in said account first to pay fees, expenses and disbursements of the Trustee and its agents in the event such fees, disbursements or expenses have not otherwise been paid by the University, and second to make the transfers and deposits required by this Indenture. The Issuer and the University agree to execute and deliver all instruments as may be required to implement this Section 5.2(b). The Issuer and the University further agree that a failure to comply with the terms of this Section 5.2(b) shall cause irreparable harm to the owners from time to time of the Bonds and shall entitle the Trustee, with or without notice, to take immediate action to compel the specific performance of the obligations of the Issuer and the University as provided in this Section.

(c) On or before the fifteenth day prior to each Interest Payment Date, the University shall transfer and deposit with the Trustee and the Trustee shall deposit from amounts on deposit in the General Revenue Account to the extent of General Revenues available in the General Revenue Account into the following funds in the following order the amounts set forth below:

(i) Into the applicable account in the Bond Fund for each Series of Bonds, at such times and in such manner described by Supplemental Indenture, such amounts as shall be necessary to pay the Principal of, premium, if any, and interest on the applicable Series of Bonds, and to the extent required by the Supplemental Indenture, on any Security Instrument Obligations promptly on each such payment date as the same become due and payable, or a ratable portion of remaining General Revenues if less than the amount necessary.

(ii) To the applicable accounts maintained in the Reserve Instrument Fund, with respect to all Reserve Instruments which are in effect and are expected to continue in effect, such amount of the remaining General Revenues, or a ratable portion (taking into account the amount to be transferred pursuant to (iii) of this subsection (c)) of the amount so remaining if less than the amount necessary, that is required to be paid, including all Reserve Instrument Repayment Obligations, on or before the next such transfer or deposit of General Revenues into the Reserve Instrument Fund, to the Reserve Instrument Provider pursuant to any Reserve Instrument Agreement in order to cause the Reserve Instrument Coverage to equal the Reserve Instrument Limit, such that the Reserve Instrument Coverage shall equal the Reserve Instrument Limit within one year from any draw date under the Reserve Instrument or within such other timeframe as shall be specified by the Reserve Instrument Agreement or Supplemental Indenture.

(iii) To the accounts maintained in Debt Service Reserve Fund for the applicable Series of Bonds, any amounts required hereby and by any Supplemental Indenture to accumulate therein the applicable Debt Service Reserve Requirement at the times and in the amounts provided herein and in any Supplemental Indenture, or a ratable portion (taking into account the amount to be transferred pursuant to (ii) of this subsection (c)) of remaining General Revenues if less than the amount necessary. Moneys in each account in the Debt Service Reserve Fund shall be used only to prevent deficiencies in the payment of the Principal of or interest on the applicable Series of Bonds for which such account was created.

Section 5.3. Use of Bond Fund. (a) The Trustee shall make deposits, as and when received, as follows:

(i) the amounts provided for by Paragraphs (a) and (b) of Article IV hereof shall be deposited into the applicable account in the Bond Fund for each Series of Bonds;

(ii) all moneys payable by the University as specified in Section 5.2(c)(i) hereof shall be deposited into the applicable account in the Bond Fund;

(iii) any payments made by a Security Instrument Issuer with respect to a Series of Bonds, which shall be deposited into the applicable account in the Bond Fund and used solely to pay the related Series of Bonds, subject to the provisions of the Supplemental Indenture authorizing the issuance of such Series of Bonds;

(iv) any amount in the applicable account in the Construction Fund for each Series of Bonds shall be transferred to the applicable account in the Bond Fund to the extent required to pay capitalized interest on the Series of Bonds that is payable as a Cost of the Project;

(v) any amount in the applicable account in the Construction Fund shall be transferred to the applicable account in the Bond Fund to the extent required by Section 5.1(f) hereof upon completion of a Project;

(vi) all moneys required to be transferred to the applicable account in the Bond Fund from the applicable account in the Debt Service Reserve Fund or from a Reserve Instrument or Instruments then in effect shall be deposited into the applicable account in the Bond Fund as provided in Section 5.4 hereof; and

(vii) all other moneys received by the Trustee hereunder when accompanied by directions from the person depositing such moneys that such moneys are to be paid into the applicable account in the Bond Fund, shall be deposited into the applicable account in the Bond Fund.

(b) Except as provided in Section 7.4 hereof, as provided in this Section and as otherwise provided by Supplemental Indenture, moneys in the applicable account in the Bond Fund for each Series of Bonds shall be expended solely for the following purposes and in the following order of priority:

(i) on or before each Interest Payment Date for each Series of Bonds, the amount required for the interest payable 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 each redemption date for each Series of Bonds, the amount required for the payment of redemption price of and accrued interest on such Bonds then to be redeemed.

Such amounts shall be applied by the Paying Agent to pay Principal Installments and redemption price of, and interest on the related Series of Bonds.

(c) The Trustee shall pay out of the applicable account in the Bond Fund for each Series of Bonds to a Security Instrument Issuer an amount equal to any Security Instrument Repayment Obligation then due and payable to such Security Instrument Issuer. If payment is so made on Pledged Bonds held for the benefit of the Security Instrument Issuer, a corresponding payment on the Security Instrument Repayment Obligation shall be deemed to have been made (without requiring an additional payment by the Issuer) and the Trustee shall keep its records accordingly.

(d) The Issuer hereby authorizes and directs the Trustee to withdraw sufficient funds from the applicable account in the Bond Fund to pay Principal of and interest on the applicable Series of Bonds and Security Instrument Repayment Obligations as the same become due and payable and the Issuer shall make said funds so withdrawn available to the Trustee and any Paying Agent for the purpose of paying said Principal and interest and Security Instrument Repayment Obligations.

(e) Except as otherwise provided in a Supplemental Indenture authorizing a Series of Bonds, amounts accumulated in the applicable account in the Bond Fund 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 Issuer in a written request not less than 30 days before 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, (ii) the redemption at the applicable sinking fund redemption price of such Bonds, if then redeemable by their terms, or (iii) any combination of (i) and (ii). All purchases of any Bonds pursuant to this subsection (e) 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 Issuer shall direct 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 applicable account in the Bond Fund until such Sinking Fund Installment date for the purpose of calculating the amount of such Fund. As soon as practicable after the 60th day preceding the due date of any such Sinking Fund Installment, the Trustee shall proceed to call for redemption on such due date, by giving notice as required by the Indenture, 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 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 applicable account in the Bond Fund to the applicable 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 shall be paid by the Issuer as Current Expense.

(f) After payment in full of the Principal of and interest on any Series of Bonds issued hereunder (or after provision has been made for the payment thereof as provided herein so that such Bonds are no longer Outstanding), the fees, charges and expenses of the Trustee and any Paying Agent and any other amounts required to be paid hereunder and under any Reserve Instrument Agreement, all amounts remaining in the applicable account in the Bond Fund for the applicable Series of Bonds shall be paid to the University.

Section 5.4. Use of Debt Service Reserve Fund. (a) Except as otherwise provided in this Section and subject to the immediately following sentence, moneys in each account in the Debt Service Reserve Fund shall at all times be maintained in an amount not less than the applicable Debt Service Reserve Requirement. In calculating the amount on deposit in each account in the Debt Service Reserve Fund, the amount, if any, of the related Reserve Instrument Coverage will be treated as an amount on deposit in such account in the Debt Service Reserve Fund. Each Supplemental Indenture authorizing the issuance of a Series of Bonds shall specify the Debt Service Reserve Requirement applicable to such Series which amount shall be deposited from (i) proceeds from the sale thereof or from any other legally available source, or (ii) by a Reserve Instrument or Instruments or (iii) any combination thereof. Funds on deposit in each account in the Debt Service Reserve Fund shall be used solely to make up any deficiencies in the Bond Fund relating to the payment of Debt Service on the applicable Series of Bonds. If amounts on deposit in an account in the Debt Service Reserve Fund shall, at any time, be less than the applicable Debt Service Reserve Fund Requirement, such deficiency shall be made up at the time and in the manner provided in Section 5.8 hereof.

(b) In the event funds on deposit in an account in the Debt Service Reserve Fund are needed to make up any deficiencies in the Bond Fund, and there is insufficient cash available in such account in the Debt Service Reserve Fund to make up such deficiency and Reserve Instruments applicable to such Series of Bonds are in effect, unless otherwise provided in a Supplemental Indenture, the Trustee shall immediately make a demand for payment on such Reserve Instruments, to the maximum extent authorized by such Reserve Instruments, in the amount necessary to make up such deficiency, and immediately deposit such payment upon receipt thereof into the Bond Fund for application to such deficiencies.

(c) Funds at any time on deposit in the accounts maintained in the Debt Service Reserve Fund in excess of the amount required to be maintained therein (taking into account the amount of related Reserve Instrument Coverage) may at any time be transferred to the General Revenue Account.

(d) Notwithstanding anything contained elsewhere herein to the contrary, any account maintained within the Debt Service Reserve Fund for a Series of Bonds, shall only be drawn upon with respect to the Series of Bonds to which such account applies.

Section 5.5. Reserve Instrument Fund. There shall be paid into the Reserve Instrument Fund the amounts required hereby and by a Supplemental Indenture to be so paid. The amounts in the Reserve Instrument Fund shall, from time to time, be applied by the Trustee on behalf of the Issuer to pay the amounts which are due and payable to any Reserve Instrument Provider under any applicable Reserve Instrument Agreement.

Section 5.6. Investment of Funds. Any moneys in the Bond Fund, the Reserve Instrument Fund, the Construction Fund, the Debt Service Reserve Fund and accounts therein and any other funds or accounts created pursuant to the provisions hereof may, at the discretion and authorization of an Authorized Representative, be invested in Permitted Investments which 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 and which are of a suitable quality at the time of such investment for such fund or account. Any moneys in the General Revenue Account may, at the discretion and authorization of an authorized officer of the University, be invested as permitted by applicable law.

Subject to any required rebate of earnings on investments in any fund or account to the United States of America pursuant to Section 148(f) of the Code and except as otherwise provided in a Supplemental Indenture establishing a Project account, (a) all moneys earned as an investment of moneys in each Project account in the Construction Fund shall be retained in such Project account; (b) net income earned on any moneys or investments in the General Revenue Account, each account in the Bond Fund and the Reserve Instrument Fund be retained in or shall be transferred to, as applicable, the General Revenue Account; and (c) whenever an account in the Debt Service Reserve Fund shall be in its full required amount, net income earned on any moneys or investments in such account in the Debt Service Reserve Fund shall be transferred to the General Revenue Account, otherwise, to be retained therein.

Section 5.7. Trust Funds. All moneys and securities received by the Trustee under the provisions of this Indenture shall be trust funds under the terms hereof and shall not be subject to lien or attachment of any creditor of the State or any political subdivision, body, agency, or instrumentality thereof or of the Issuer or the University and shall not be subject to appropriation by any legislative body or otherwise. Such moneys and securities shall be held in trust and applied in accordance with the provisions hereof. Except for moneys held to satisfy the obligations, if any, of the Issuer under the Code with respect to arbitrage rebate, unless and until disbursed pursuant to the terms hereof, all such moneys and securities (and the income therefrom) shall be held by the Trustee as security for payment of the Principal, premium, if any, and interest on the Bonds and the fees and expenses of the Trustee payable hereunder.

Section 5.8. Method of Valuation and Frequency of Valuation; Debt Service Reserve Fund Replenishment. In computing the amount in any fund or account, Permitted Investments shall be valued at the market price thereof. With respect to all funds and accounts except the Debt Service Reserve Fund, valuation shall occur at least annually. Amounts in each account of the Debt Service Reserve Fund shall be valued at least semiannually and marked-to-market at least annually, except in the event of a withdrawal from any of such accounts in the Debt Service Reserve Fund (other than a withdrawal of amounts above the required level), whereupon amounts in such account shall be valued immediately after such withdrawal and monthly thereafter until amounts in such account in the Debt Service Reserve Fund are at the required level. If amounts on deposit in any account in an account in the Debt Service Reserve Fund shall, at any time, be less than the applicable Debt Service Reserve Requirement, such deficiency shall be made up from the first available General Revenues after required deposits to the Bond Fund in the manner provided in Section 5.2(c)(iii) over a period of not more than twelve months.

Section 5.9. Purchase of Bonds. The Issuer may purchase Bonds of any Series from any available funds at public or private sale, as and when and at such prices as the Issuer may in its discretion determine, subject to applicable law. All Bonds so purchased shall at such times as shall be selected by the Issuer be delivered to and cancelled by the Trustee or any Registrar and shall thereafter be delivered to, or upon the order of, the Issuer, 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 Issuer shall, by a written request delivered to the Trustee, elect the manner in which the Principal amount of such Bonds shall be credited toward Sinking Fund Installments, consistent with the procedures of Section 5.3(e) hereof.

Section 5.10. Legislative Appropriation. In order to (a) assure the maintenance of each accounts in the Debt Service Reserve Fund in an amount equal to the applicable Debt Service Reserve Requirement, (b) assure the maintenance of the Reserve Instrument Fund in amounts equal to the amounts specified by any Supplemental Indenture, and (c) assure the payment of Principal and interest on the Bonds and any related Security Instrument Repayment Obligations, the Issuer shall cause the Chair, not later than the first day of December in each year, to certify to the Governor and Director of Finance of the State, the amount, if any, required to (i) restore the accounts in the Debt Service Reserve Fund to the applicable Debt Service Reserve Requirement, (ii) restore the Reserve Instrument Fund to the amounts specified by a Supplemental Indenture and (iii) meet any projected shortfalls of payment of Principal or interest or both for the following year on any Bonds issued hereunder (and any related Security Instrument Repayment

Obligations). A copy of such certificate shall be promptly delivered by the Chair to the Trustee. The Governor may request from the Legislature an appropriation of the amount so certified in the second preceding sentence. All sums appropriated by the Legislature, if any, and paid to the Issuer pursuant to the foregoing procedure shall be deposited respectively in the applicable accounts in the Debt Service Reserve Fund, the Reserve Instrument Fund or the Bond Fund, as applicable.

ARTICLE VI

GENERAL COVENANTS

Section 6.1. General Covenants. The Issuer and the University hereby covenant and agree with each and every Registered Owner of the Bonds issued hereunder, Security Instrument Issuer and Reserve Instrument Provider as follows:

(a) The facilities of the University will be maintained in good condition and repair and operate the same in an efficient manner so as to utilize fully such facilities.

(b) So long as any Bonds, Security Instrument Repayment Obligations or Reserve Instrument Repayment Obligations are outstanding, records and accounts will be kept by the University separate and apart from all other records and accounts, showing complete and correct entries of all transactions relating to its General Revenue Account and the funds and accounts established hereunder. Each Registered Owner, Security Instrument Issuer and Reserve Instrument Provider, or any duly authorized agent or agents thereof shall have the right at all reasonable times to inspect all records, accounts and data relating thereto that is reasonably available to the University.

Section 6.2. Pledge of Indenture; Equality of Pledge. There are no other obligations that enjoy a lien upon the General Revenues. The Bonds and any Security Instrument Repayment Obligations constitute an irrevocable first lien upon the General Revenues. The Issuer covenants that the Bonds and any Security Instrument Repayment Obligations are equitably and ratably secured by a pledge of the General Revenues and shall not be entitled to any priority one over the other in the application of the General Revenues regardless of the time or times of the issuance or delivery of the Bonds or Security Instrument, it being the intention of the Issuer that there shall be no priority among the Bonds or the Security Instrument Repayment Obligations regardless of the fact that they may be actually issued and/or delivered at different times.

Any assignment or pledge from the Issuer to a Reserve Instrument Provider of (a) proceeds of the issuance and sale of Bonds, (b) General Revenues or (c) funds established hereby, including investments, if any, thereof, is and shall be subordinate to the assignment and pledge effected hereby to the Registered Owners of the Bonds and to the Security Instrument Issuers.

Section 6.3. Payment of Principal, Premium and Interest. The Issuer covenants that it will punctually pay or cause to be paid the Principal of, premium, if any, and interest on every Bond issued hereunder, any Security Instrument Repayment Obligations and any Reserve

Instrument Repayment Obligations, in strict conformity with the terms of the Bonds, this Indenture, any Security Instrument Agreement and any Reserve Instrument Agreement, according to the true intent and meaning hereof and thereof. The Principal of and interest on the Bonds and any Security Instrument Repayment Obligations and any Reserve Instrument Repayment Obligations are payable solely from the General Revenues (except to the extent paid out of moneys attributable to Bond proceeds or other funds created hereunder or the income from the temporary investment thereof), which General Revenues are hereby specifically pledged and assigned to the payment thereof in the manner and to the extent herein specified, and nothing in the Bonds, this Indenture, any Security Instrument Agreement or any Reserve Instrument Agreement should be considered as pledging any other funds or assets of the Issuer or the University for the payment of the Bonds, any Security Instrument Repayment Obligations or any Reserve Instrument Repayment Obligations except for the General Revenues pledged for such purpose hereunder.

Section 6.4. Performance of Covenants; Issuer. The Issuer covenants that at all times it will faithfully perform any and all covenants, undertakings, stipulations and provisions contained herein, and in any and every Bond, Security Instrument Agreement and Reserve Instrument Agreement. The Issuer represents that it is duly authorized to issue the Bonds authorized hereby and to execute this Indenture, that all actions on its part for the issuance of the Bonds and the execution and delivery of this Indenture have been duly and effectively taken, and that the Bonds are and will be valid and enforceable obligations of the Issuer according to the import thereof.

Section 6.5. List of Bondholders. The Registrar will keep on file at its principal office a list of the names and addresses of the Registered Owners of all Bonds which are from time to time registered on the registration books in the hands of the Trustee as Registrar for the Bonds. At reasonable times and under reasonable regulations established by the Trustee, said list may be inspected and copied by the Issuer or by the Registered Owners (or a designated representative thereof) of 10% or more in Principal amount of Bonds then Outstanding, such ownership and the authority of any such designated representative to be evidenced to the reasonable satisfaction of the Trustee. The Registrar shall maintain a list of the names and addresses of the Owners of all Bonds and upon any transfer shall add the name and address of the new Bondowner and eliminate the name and address of the transferor Bondowner.

Section 6.6. Expeditious Construction. The University shall complete the acquisition and construction of each Project with all practical dispatch and will cause all construction to be effected in a sound and economical manner.

Section 6.7. Management of Facilities. (a) In order to assure the efficient management and operation of its facilities the University will employ competent and experienced management or staff and will otherwise use its best efforts to cause the facilities to be properly operated and maintained.

(b) The University will at all times cause its facilities to be maintained, preserved and kept in good repair, working order and condition so that the operating efficiency thereof will be of a high character. The University will cause all necessary and proper repairs and replacements to be made so that the business carried on in connection with such facilities may be properly and advantageously conducted at all times in a manner consistent with prudent management, and that the rights and security of the Owners of the Bonds, Security Instrument Issuers and Reserve Instrument Issuers may be fully protected and preserved.

Section 6.8. Payment from Other Available Funds. Notwithstanding any other provisions hereof, nothing herein shall be construed to prevent the University from (a) depositing any funds available to the University for such purpose in any account in the Bond Fund for the payment of Principal of, premium, if any, and interest on any Bonds and the Security Instrument Repayment Obligations or for the amounts payable under any applicable Security Instrument Agreement issued under provisions hereof or for the redemption of any such Bonds, or (b) depositing any funds available to the University in the Reserve Instrument Fund for the payment of any amounts payable under any applicable Reserve Instrument Agreement.

Section 6.9. Payment of Taxes. The University covenants that all taxes and assessments or other municipal or governmental charges lawfully levied or assessed upon its facilities or upon any part thereof or upon any income therefrom will be paid when the same shall become due, that no lien or charge upon its facilities or any part thereof or upon any General Revenues, except for the lien and charge thereon created hereunder and securing the Bonds and the Security Instrument Repayment Obligations, will be created or permitted to be created ranking equally with or prior to the Bonds and the Security Instrument Repayment Obligations and that all lawful claims and demands for labor, materials, supplies or other objects which, if unpaid, might by law become a lien upon its facilities or any part thereof will be paid or discharged, or adequate provision will be made for the payment or discharge of such claims and demands within 60 days after the same shall accrue; *provided, however,* that nothing in this Section 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.

Section 6.10. Insurance. The University, in the operation of its facilities, will self-insure or carry insurance including, but not limited to, worker's compensation insurance and public liability insurance, in such amounts and to such extent as is normally carried by others operating facilities of the same type.

Section 6.11. Instruments of Further Assurance. The Issuer, the University and the Trustee mutually covenant that they will, from time to time, each upon the written request of the other, execute and deliver such further instruments and take or cause to be taken such further actions as may be reasonable and as may be required by the other to carry out the purposes hereof; *provided, however,* that no such instruments or action shall involve any personal liability of the Trustee or members of the governing body of the Issuer or the University or any official thereof.

Section 6.12. Against Encumbrances. The University will not create, and will use its good faith efforts to prevent the creation of, any mortgage or lien upon its facilities or any property essential to the proper operation of such facilities or to the maintenance of the General Revenues. The Issuer and the University will not create, or permit the creation of, any pledge,

lien, charge or encumbrance upon the General Revenues except only as provided in or permitted by the Indenture.

Section 6.13. Removal of Facilities of the University; Removal of Revenues from Indenture. The Issuer and the University hereby expressly retain the right to (a) remove, sell, mortgage, pledge or raze any operations, enterprises, structures or facilities of the University so long as an Authorized Representative of the University shall certify to the Trustee that following such action the University can be operated in a manner such that the University and the Issuer can comply with all of the provisions of this Indenture and (b) remove any sources of General Revenues from the pledge and lien of this Indenture, so long as the General Revenues generated by such source in the University's most recently completed fiscal year did not represent more than 10% of the General Revenues for such year and the aggregate of all such removals since the date of execution of this Indenture (as a percentage of General Revenues for the fiscal year preceding the time of removal) when added with the proposed removal (as a similar percentage) would not exceed 10%.

Section 6.14. Power to Own Facilities and Collect Rates and Fees. The University has, and will have so long as any Bonds are Outstanding or Repayment Obligations are outstanding, good, right and lawful power to own its facilities and to fix and collect all rates, fees and other charges in connection with such facilities and all General Revenues. No revenue-producing facility or service shall be leased, furnished or supplied free, but shall always be leased, furnished or supplied so as to produce General Revenues; *provided* that the University reserves the right to lease, furnish or supply free any such facility or service to the extent that such action does not materially adversely affect the Issuer's ability to perform its obligations under this Indenture.

Section 6.15. Maintenance of Revenues. The Issuer and the University will at all times comply with all terms, covenants and provisions, express and implied, of all contracts and agreements entered into by it for use and services of a facility and all other contracts of a facility or agreements affecting or involving its facilities or business of the University with respect thereto. The University shall promptly collect all General Revenues, including charges due for facility use and service supplied by it as the same become due, and shall at all times maintain and promptly and vigorously enforce its rights against any person who does not pay such charges or other amounts when due. The University shall establish policies, rules and fees, charges and rentals as shall be necessary to (a) assure maximum possible use and occupancy of its facilities and the services thereof and (b) yield sufficient revenues to meet the obligations of the University and the Issuer hereunder (including the Rate Covenant Requirement).

Section 6.16. Rates and Charges. (a) In order to assure full and continuous performance of the covenants contained in this Indenture with a margin for contingencies and temporary unanticipated reduction in General Revenues, the Issuer and the University covenant and agree to establish, fix, prescribe, continue and collect rates, charges, fees and other income and revenues constituting General Revenues which, together with other legally available income, are reasonably expected to yield an amount of General Revenues at least equal to the Rate Covenant Requirement for the forthcoming Fiscal Year.

(b) If the annual financial statement made in accordance with the provisions of Section 6.1 hereof relating to General Revenues disclose that during the period covered by such financial statement the General Revenues were not at least equal to the Rate Covenant Requirement, the Issuer shall not be in default under this Section if, within 60 days after the date of such financial statement, the University revises the schedule of rates, charges, fees and other income and revenues insofar as is practicable and revises expenses all so as to produce General Revenues at least equal to the Rate Covenant Requirement.

Section 6.17. Reconstruction and Replacement of Facilities; Application of Insurance or Condemnation Proceeds. If any useful facilities or a portion thereof shall be damaged or destroyed or taken by exercise of the power of eminent domain, the University shall, as expeditiously as is practicable, continuously and diligently prosecute or cause to be prosecuted the reconstruction or replacement thereof, unless the University shall file with the Trustee a certificate to the effect that such reconstruction or replacement is not in the interests of the Issuer and the Bondowners. The proceeds of any insurance or condemnation proceedings paid on account of such damage or destruction or taking, other than business interruption loss 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 by the University in Permitted Investments which 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 or condemnation proceedings not needed to pay such cost of reconstruction or replacement shall be deposited into the General Revenue Account.

ARTICLE VII

EVENTS OF DEFAULT; REMEDIES

Section 7.1. Events of Default. Each of the following events is hereby declared an "Event of Default":

(a) if payment of any installment of interest on any of the Bonds shall not be made by or on behalf of the Issuer (other than pursuant to a Security Instrument Agreement) when the same shall become due and payable;

(b) if payment of the Principal of or the redemption premium, if any, on any of the Bonds shall not be made by or on behalf of the Issuer (other than pursuant to a Security Instrument Agreement) when the same shall become due and payable, either at maturity or by proceedings for redemption in advance of maturity or through failure to fulfill any payment to any fund hereunder or otherwise;

(c) if an order or decree shall be entered, with the consent or acquiescence of the Issuer, appointing a receiver or custodian for any of the General Revenues, or approving a petition filed against the Issuer or the University seeking reorganization of

the Issuer or the University under the federal bankruptcy laws or any other similar law or statute of the United States of America or any state thereof, or if any such order or decree, having been entered without the consent or acquiescence of the Issuer or the University, as applicable, shall not be vacated or discharged or stayed on appeal within 30 days after the entry thereof;

(d) if any proceeding shall be instituted, with the consent or acquiescence of the Issuer, or the University, as applicable, for the purpose of effecting a composition between the Issuer or the University and its creditors or for the purpose of adjusting the claims of such creditors pursuant to any federal or state statute now or hereafter enacted, if the claims of such creditors are or may be under any circumstances payable from General Revenues;

(e) if (i) the Issuer or the University is adjudged insolvent by a court of competent jurisdiction, or (ii) an order, judgment or decree be entered by any court of competent jurisdiction appointing, without the consent of the Issuer or the University, as applicable, a receiver, trustee or custodian of the Issuer or the University or of the whole or any part of their property and any of the aforesaid adjudications, orders, judgments or decrees shall not be vacated or set aside or stayed within 60 days from the date of entry thereof;

(f) if the Issuer or the University shall file a petition or answer seeking reorganization, relief or any arrangement under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof;

(g) if, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the Issuer or the University or of the whole or any substantial part of the property of the Issuer or the University, and such custody or control shall not be terminated within 30 days from the date of assumption of such custody or control; or

(h) if the Issuer or the University shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or herein or any Supplemental Indenture hereof on the part of the Issuer or the University to be performed, other than as set forth above in this Section, and such default shall continue for 30 days after written notice specifying such Event of Default and requiring the same to be remedied shall have been given to the Issuer, the University and any Security Instrument Issuer then having a Security Instrument in effect by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Registered Owners of not less than 25% in aggregate Principal amount of the Bonds then Outstanding hereunder or any Security Instrument Issuer of a Security Instrument that is in effect at the time;

provided that any failure by the Issuer to make payment as described in subparagraph (a) or (b) of this Section shall not constitute an Event of Default with respect to any Bond if the Supplemental Indenture authorizing the issuance of such Bond provides that due and punctual payment by a Security Instrument Issuer or a Reserve Instrument Issuer shall not give rise to an Event of Default and such payment is, in fact, duly and punctually made; and *provided, further* that the provisions of Section 7.1(h) hereof are subject to the following limitations: if by reason of acts of God; strikes, lockouts or other similar disturbances; acts of public enemies; orders of any kind of the government of the United States or the State or any department, agency, political subdivision, court or official of the State which asserts jurisdiction over the Issuer or the University; orders of any kind of civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquakes; volcanoes; fires, hurricanes; tornadoes; storms; floods; washouts; droughts; arrests; restraint of government and people; civil disturbances; explosions; or any cause or event not reasonably within the control of the Issuer or the University, the Issuer or the University is unable in whole or in part to carry out any one or more of its respective agreements or obligations contained herein (other than as described in (a) through (g) above) such default shall not constitute an "Event of Default" hereunder so long as such cause or event continues.

The Trustee shall give notice to any Security Instrument Issuer or Reserve Instrument Issuer of any Event of Default known to the Trustee within 30 days after it has knowledge thereof.

Section 7.2. Remedies; Rights of Registered Owners. Upon the occurrence of an Event of Default, the Trustee may pursue any available remedy by suit at law or in equity to enforce the payment of the Principal of, premium, if any, and interest on the Bonds then Outstanding or to enforce any obligations of the Issuer and the University hereunder.

If an Event of Default shall have occurred, and if requested so to do by (a) Registered Owners of a majority in aggregate Principal amount of the Bonds then Outstanding, (b) Security Instrument Issuers at that time providing Security Instruments which are in full force and effect and not in default on any payment obligation and which secure not less than 50% in aggregate Principal amount of Bonds at the time Outstanding, or (c) any combination of Bondowners and Security Instrument Issuers described in (a) and (b) above representing not less than 50% in aggregate Principal amount of Bonds at the time Outstanding, and indemnified as provided in Section 8.1 hereof, the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by this Section as the Trustee, being advised by counsel, shall deem most expedient in the interest of the Registered Owners and the Security Instrument Issuers.

No remedy by the terms hereof conferred upon or reserved to the Trustee (or to the Registered Owners or to the Security Instrument Issuers) is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee, the Registered Owners or the Security Instrument Issuers or now or hereafter existing at law or in equity or by statute.

No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any Event of Default or acquiescence therein; and every such right and power may be exercised from time to time and as often as may be deemed expedient.

No waiver of any Event of Default hereunder, whether by the Trustee, the Registered Owners or the Security Instrument Issuers, shall extend to or shall affect any subsequent Event of Default or shall impair any rights or remedies consequent thereon.

Section 7.3. Right of Registered Owners and Security Instrument Issuers to Direct Proceedings. Anything herein to the contrary notwithstanding, unless a Supplemental Indenture provides otherwise, either (a) the Registered Owners of a majority in aggregate Principal amount of the Bonds then Outstanding, (b) the Security Instrument Issuers at the time providing Security Instruments which are in full force and effect and not in default on any payment obligation and which secure not less than 50% in aggregate Principal amount of Bonds at the time Outstanding, or (c) any combination of Bondowners and Security Instrument Issuers described in (a) and (b) above representing not less than 50% in aggregate Principal amount of Bonds at the time Outstanding, shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions hereof, or for the appointment of a receiver or any other proceedings hereunder; *provided*, that such direction shall not be otherwise than in accordance with the provisions of law and of this Indenture.

Section 7.4. Application of Moneys. All General Revenues and moneys received by the Trustee pursuant to any right given or action taken under the default provisions of this Article shall be applied in the following order:

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

(b) To the payment of the Principal of, premium, if any, and interest then due and payable on the Bonds and the Security Instrument Repayment Obligations as follows:

(i) Unless the Principal of all the Bonds shall have become due and payable, all such moneys shall be applied:

FIRST—To the payment to the persons entitled thereto of all installments of interest then due on the Bonds and the Security Instrument Repayment Obligations, in the order of the maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or privilege; and

SECOND—To the payment to the persons entitled thereto of the unpaid Principal of and premium, if any, on the Bonds which shall have become due (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions hereof), in the order of their due dates, and, if the amount available shall not be sufficient to pay in full all the Bonds and Security Instrument Repayment Obligations due on any particular date, then to the payment ratably, according to the amount of Principal due on such date, to the persons entitled thereto without any discrimination or privilege.

(ii) If the Principal of all the Bonds shall have become due and payable, all such moneys shall be applied to the payment of the Principal and interest then due and unpaid upon the Bonds 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 or Security Instrument Repayment Obligation over any other Bond 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 privilege.

(iii) To the payment of all obligations owed to all Reserve Instrument Providers, ratably, according to the amounts due without any discrimination or preference under any applicable agreement related to any Reserve Instrument Agreement.

Whenever moneys are to be applied pursuant to the provisions of this Section, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amounts of such moneys available for such application and the likelihood of additional moneys becoming available for such application in the future; *provided, however*, that the discretion of the Trustee to apply moneys shall not permit the Trustee to fail to liquidate investments in the Bond Fund and the Debt Service Reserve Fund and apply amounts credited to such funds to the payment of debt service on the dates it is due. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of Principal paid on such dates shall cease to accrue.

Section 7.5. Remedies Vested in Trustee. All rights of action (including the right to file proof of claims) hereunder or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceedings related thereto and any such suit or proceedings instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Registered Owners of the Bonds, and any recovery of judgment shall be for the equal benefit of the Registered Owners of the Outstanding Bonds.

Section 7.6. Rights and Remedies of Registered Owners. Except as provided in the last sentence of this Section, no Registered Owner of any Bond or Security Instrument Issuer shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement hereof or for the execution of any trust thereof or for the appointment of a receiver or any other remedy hereunder, unless an Event of Default has occurred of which the Trustee has been notified as provided in Section 8.1(g), or of which by said Section it is deemed to have notice, nor unless also Registered Owners of a majority in aggregate Principal amount of the Bonds then Outstanding or Security Instrument Issuers at the time providing Security Instruments which are

in full force and effect and are not in default on any payment obligation and which secure not less than 50% in aggregate Principal amount of Bonds at the time Outstanding shall have made written request to the Trustee and shall have offered reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, nor unless also they have offered to the Trustee indemnity as provided in Section 8.1 hereof nor unless the Trustee shall thereafter fail or refuse to exercise the powers hereinabove granted, or to institute such action, suit or proceeding in its, his or their own name or names. Such notification, request and offer of indemnity are hereby declared in every case at the option of the Trustee to be conditions precedent to the execution of the powers and trust hereof, and to any action or cause of action for the enforcement hereof, or for the appointment of a receiver or for any other remedy hereunder; it being understood and intended that no one or more Registered Owner of the Bonds or Security Instrument Issuer shall have any right in any manner whatsoever to affect, disturb or prejudice the lien hereof by its, his or their action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of the Registered Owners of all Bonds then Outstanding and all Security Instrument Issuers at the time providing Security Instruments. Nothing herein contained shall, however, affect or impair the right of any Registered Owner or Security Instrument Issuer to enforce the covenants of the Issuer to pay the Principal of, premium, if any, and interest on each of the Bonds and Security Instrument Repayment Obligations at the time, place, from the source and in the manner in said Bonds or Security Instrument Repayment Obligations expressed.

Section 7.7. Termination of Proceedings. In case the Trustee, any Bondowner or any Security Instrument Issuer shall have proceeded to enforce any right hereunder and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, the Bondowner, or Security Instrument Issuer, then and in every such case the Issuer and the Trustee shall be restored to their former positions and rights hereunder, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 7.8. Waivers of Events of Default. Subject to Section 8.1(g) hereof, the Trustee may in its discretion, and with the prior written consent of all Security Instrument Issuers at the time providing Security Instruments, waive any Event of Default hereunder and its consequences and shall do so upon the written request of the Registered Owners of (a) a majority in aggregate Principal amount of all the Bonds then Outstanding or Security Instrument Issuers at the time providing Security Instruments which are in full force and effect and are not in default on any payment obligation and which secure not less than 50% in aggregate Principal amount of Bonds at the time Outstanding in respect of which an Event of Default in the payment of Principal and interest exists, or (b) a majority in aggregate Principal amount of the Bonds then Outstanding or Security Instrument Issuers at the time providing Security Instruments which are in full force and effect and are not in default on any payment obligation and which secure not less than 50% in aggregate Principal amount of Bonds at the time Outstanding in the case of any other Event of Default; *provided, however*, that there shall not be waived (i) any Event of Default in the payment of the Principal of any Bonds at the date of maturity specified therein, or (ii) any default in the payment when due of the interest on any such Bonds, unless prior to such waiver or rescission all arrears of interest, with interest (to the extent permitted by law) at the rate borne by the Bonds in respect of which such Event of Default shall have occurred on overdue installments of interest and all arrears of payments of Principal and premium, if any, when due, and all expenses of the Trustee in connection with such Event of Default, shall have been paid or provided for, and in case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such Event of Default shall have been discontinued or abandoned or determined adversely, then and in every such case the Issuer, the Trustee, the Registered Owners and the Security Instrument Issuers shall be restored to their former positions and rights hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other Event of Default, or impair any right consequent thereon.

Section 7.9. Cooperation of Issuer and University. In the case of any Event of Default hereunder, each of the Issuer and the University shall cooperate with the Trustee and use its best efforts to protect the Bondowners and the Security Instrument Issuers.

ARTICLE VIII

THE TRUSTEE

Section 8.1. Acceptance of the Trusts. The Trustee accepts the trusts imposed upon it hereby, and agrees to perform said trusts as a corporate trustee ordinarily would perform said trusts under a corporate indenture, but no implied covenants or obligations shall be read into this Indenture against the Trustee.

(a) The Trustee may execute any of the trusts or powers thereof and perform any of its duties by or through attorneys, agents or receivers but shall not be answerable for any misconduct or negligence of any agent or attorney appointed with due care, in accordance with the standard specified above, and shall be entitled to advice of counsel concerning all matters of trusts hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the trusts hereof. The Trustee may act upon the opinion or advice of counsel. The Trustee shall not be responsible for any loss or damage resulting from any action or non-action in good faith in reliance upon such opinion or advice.

(b) The Trustee shall not be responsible for any recital herein, or in the Bonds (except in respect to the certificate of the Trustee endorsed on the Bonds), or collecting any insurance moneys, or for the validity of the execution by the Issuer of this Indenture or of any supplements thereto or instruments of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby; and the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions or agreements on the part of the Issuer; but the Trustee may require of the Issuer full information and advice as to the performance of the covenants, conditions and agreements aforesaid and as to the condition of the property herein conveyed. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with the provisions hereof.

(c) The Trustee shall not be accountable for the use of any Bonds authenticated or delivered hereunder, except as specifically set forth herein. The Trustee may become the owner of Bonds secured hereby with the same rights which it would have if not Trustee.

(d) The Trustee shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document believed to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken by the Trustee pursuant hereto upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the Registered Owner of any Bond, shall be conclusive and binding upon all future Owners of the same Bond and upon Bonds issued in exchange therefor or in place thereof.

(e) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to rely upon a certificate signed on behalf of the Issuer by an Authorized Representative as sufficient evidence of the facts therein contained and prior to the occurrence of an Event of Default of which the Trustee has been notified as provided in Paragraph (g) of this Section, or of which by said Paragraph it is deemed to have notice, shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same. The Trustee may accept a certificate of the Secretary of the Issuer to the effect that a resolution in the form therein set forth has been adopted by the Issuer as conclusive evidence that such resolution has been duly adopted, and is in full force and effect.

(f) The permissive right of the Trustee to do things enumerated herein shall not be construed as a duty and the Trustee shall not be answerable for other than its negligence or willful misconduct.

(g) The Trustee shall not be required to take notice or be deemed to have notice of any Event of Default hereunder, except an Event of Default described in Section 7.1 (a) or (b), unless the Trustee shall be specifically notified in writing of such Default by the Issuer, a Security Instrument Issuer or by the Registered Owners of a least 25% in the aggregate Principal amount of the Bonds then Outstanding and all notices or other instruments required hereby to be delivered to the Trustee must, in order to be effective, be delivered at the principal corporate trust office of the Trustee, and in the absence of such notice so delivered, the Trustee may conclusively presume there is no Event of Default except as aforesaid.

(h) At any and all reasonable times and upon reasonable prior written notice, the Trustee, and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right fully to inspect all books, papers and records of the Issuer pertaining to the Bonds, and to take such memoranda from and in regard thereto as may be desired.

(i) The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.

(j) Notwithstanding anything elsewhere herein contained, the Trustee shall have the right, but shall not be required, to demand, in respect of the authentication of any Bonds, the withdrawal of any cash, the release of any property, or any action whatsoever within the purview hereof, any showing, certificates, opinions, appraisals, or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required as a condition of such action by the Trustee, deemed desirable for the authentication of any Bonds, the withdrawal of any cash, or the taking of any other action by the Trustee.

(k) All moneys received by the Trustee or any paying agent shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received but need not be segregated from other funds except to the extent required by law. Neither the Trustee nor any paying agent shall be under any liability for interest on any moneys received hereunder except such as may be agreed upon.

(l) If any Event of Default hereunder shall have occurred and be continuing, the Trustee shall exercise such of the rights and powers vested in it hereby and shall use the same degree of care as a prudent man would exercise or use in the circumstances in the conduct of his own affairs.

(m) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request, order or direction of any of the Bondholders, Security Instrument Issuers or Reserve Instrument Issuers pursuant to the provisions of this Indenture, unless such Bondholders, Security Instrument Issuers or Reserve Instrument Issuers shall have offered to the Trustee security or indemnity, acceptable to it, against the costs, expenses and liabilities which may be incurred therein or thereby.

(n) The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with this Indenture or any supplement hereto.

Section 8.2. Fees, Charges and Expenses of Trustee. The Trustee shall be entitled to payment or reimbursement for reasonable fees for its services rendered as Trustee hereunder and all advances, counsel fees and other expenses reasonably and necessarily made or incurred by the Trustee in connection with such services. The Trustee shall be entitled to payment and reimbursement for the reasonable fees and charges of the Trustee as Paying Agent and Registrar for the Bonds as hereinabove provided. Upon an Event of Default, but only upon an Event of Default, the Trustee shall have a right of payment prior to payment on account of interest or Principal of, or premium, if any, on any Bond for the foregoing advances, fees, costs and expenses incurred.

Section 8.3. Notice to Registered Owners If Event of Default Occurs. If an Event of Default occurs of which the Trustee is by Section 8.1 (g) hereof required to take notice or if notice of Default be given as in said Section provided, then the Trustee shall give written notice thereof by registered or certified mail to all Security Instrument Issuers and to the Registered Owners of all Bonds then Outstanding shown on the registration books of the Bonds kept by the Trustee as Registrar for the Bonds.

Section 8.4. Intervention by Trustee. In any judicial proceeding to which the Issuer is a party and which in the opinion of the Trustee and its counsel has a substantial bearing on the interest of Registered Owners of the Bonds, the Trustee may intervene on behalf of such Owners and shall do so if requested in writing by any Security Instrument Issuer or by the Registered Owners of at least 25% in aggregate Principal amount of the Bonds then Outstanding. The rights and obligations of the Trustee under this Section are subject to the approval of a court of competent jurisdiction.

Section 8.5. Successor Trustee. Any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, ipso facto, shall be and become successor Trustee hereunder and vested with all of the title to the whole property or trust estate and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed of conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 8.6. Resignation by the Trustee. The Trustee and any successor Trustee may at any time resign from the trusts hereby created by giving written notice to the Issuer, served personally or by registered mail, and by registered or certified mail to each Reserve Instrument Issuer, Security Instrument Issuer and Registered Owner of Bonds then Outstanding, and such resignation shall take effect upon the appointment of a successor Trustee by the Registered Owners or by the Issuer as provided in Section 8.8 hereof; *provided, however* that if no successor Trustee has been appointed within 60 days of the date of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice, if any, as it deems proper and prescribes, appoint a successor Trustee.

Section 8.7. Removal of the Trustee. (a) The Board by written instrument may at any time, unless there exists any Event of Default, remove the Trustee initially appointed and any successor thereto. For so long as a Security Instrument is in full force and effect with respect to any Series of Bonds and the Security Instrument Issuer providing such Security Instrument has not failed to make a payment as required in connection therewith, the Issuer, but only upon the written consent of the Issuer, which consent shall not be unreasonably withheld, shall remove the Trustee upon the written request of any Security Instrument Issuer then providing a Security Instrument with respect to any Series of Bonds, and thereupon, the Issuer shall appoint a successor Trustee by an instrument in writing.

Section 8.8. Appointment of Successor Trustee; Temporary Trustee. In case the Trustee hereunder shall resign or be removed, or be dissolved, or shall be in course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by the Issuer by an instrument executed by its Chair and attested by its Secretary under its seal. Any successor Trustee appointed pursuant to the provisions of this section shall be a commercial bank in good standing, duly authorized to exercise trust powers and subject to examination by federal or state authority, and have a reported capital and surplus of not less than $50,000,000.

Any removal or resignation of a Trustee and appointment of a successor Trustee shall become effective only upon the acceptance of appointment by the successor Trustee. If, within thirty (30) days after notice of the removal or resignation of the Trustee, no successor Trustee shall have been appointed and shall have accepted such appointment, the removed or resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee, which court may thereupon, after such notice, if any, as it may deem proper and prescribe and as may be required by law, appoint a successor Trustee having the qualifications required hereby.

Each Reserve Instrument Provider and Security Instrument Issuer shall be notified immediately upon the resignation or termination of the Trustee and provided with a list of candidates for the office of successor Trustee.

Section 8.9. Concerning Any Successor Trusteee. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Issuer an instrument in writing accepting such appointment hereunder, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor; but such predecessor shall, nevertheless, on the written request of the Issuer, or of the successor Trustee, execute and deliver an instrument transferring to such successor Trustee all the estates, properties, rights, powers and trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all securities and moneys held by it as Trustee hereunder to its successor. Should any instrument in writing from the Issuer be required by any successor Trustee for more fully and certainly vesting in such successor the estates, rights, powers and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Issuer. The resignation of any Trustee and the instrument or instruments removing any Trustee and appointing a successor hereunder, together with all other instruments provided for in this Article shall be filed or recorded by the successor Trustee in each recording office, if any, where the Indenture shall have been filed or recorded.

Section 8.10. Trustee Protected in Relying Upon Indenture, Etc. The indentures, opinions, certificates and other instruments provided for herein may be accepted by the Trustee as conclusive evidence of the facts and conclusions stated therein and shall be full warrant, protection and authority to the Trustee for the release of property and the withdrawal of cash hereunder.

Section 8.11. Successor Trustee as Trustee of Funds; Paying Agent and Bond Registrar. In the event of a change in the office of Trustee, the predecessor Trustee which has resigned or been removed shall cease to be trustee of the Construction Fund, Bond Fund, Debt Service Reserve Fund, Reserve Instrument Fund and any other Funds provided hereunder and Registrar for the Bonds and Paying Agent for Principal of, premium, if any, and interest on the Bonds, and the successor Trustee shall become such Trustee, Registrar and Paying Agent for the Bonds.

Section 8.12. Trust Estate May Be Vested in Separate or Co-Trustee. It is the purpose of this Indenture that there shall be no violation of any law of any jurisdiction (including particularly the laws of the State) denying or restricting the right of banking corporations or associations to transact business as Trustee in such jurisdiction. It is recognized that in case of litigation hereunder, and in particular in case of the enforcement of remedies on Event of Default, or in case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights, or remedies herein granted to the Trustee or hold title to the trust estate, as herein granted, or take any other action which may be desirable or necessary in connection therewith, it may be necessary that the Trustee appoint an additional individual or institution as a separate or co-trustee. The following provisions of this Section are adapted to these ends.

In the event that the Trustee appoints an additional individual or institution as a separate or co-trustee, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended hereby to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vested in such separate or co-trustee, but only to the extent necessary to enable the separate or co-trustee to exercise such powers, rights and remedies, and every covenant and obligation necessary to the exercise thereof by such separate or co-trustee shall run to and be enforceable by either of them.

Should any deed, conveyance or instrument in writing from the Issuer be required by the separate trustee or co-trustee so appointed by the Trustee for more fully and certainly vesting in and confirming to it such properties, rights, powers, trusts, duties and obligations, any and all such deeds, conveyances and instruments in writing shall, on request of such trustee or co-trustee, be executed, acknowledged and delivered by the Issuer. In case any separate trustee or co-trustee or a successor to either, shall die, become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate trustee or co-trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new trustee or successor to such separate trustee or co-trustee.

Section 8.13. Annual Accounting. The Trustee shall prepare an annual accounting for each Fiscal Year by the end of the month following each such Fiscal Year showing in reasonable detail all financial transactions relating to the funds and accounts held by the Trustee hereunder during the accounting period and the balance in any funds or accounts created hereby as of the beginning and close of such accounting period, and shall mail the same to the Issuer, and the University, and to the underwriter of each Series of Bonds and each Security Instrument Issuer and Reserve Instrument Provider requesting the same. The Trustee shall also make available for inspection by any Registered Owner a copy of said annual accounting (with the names and addresses of Registered Owners receiving payment of debt service on the Bonds deleted therefrom) and shall mail the same if requested in writing to do so by Registered Owners of at least 25% in aggregate Principal amount of Bonds then Outstanding to the designee of said Owners specified in said written request at the address therein designated. On or before the end of the month following each Fiscal Year, the Trustee shall, upon written request, provide to the University and the University's independent auditor representations as to the accuracy of the facts contained in the financial reports that were delivered by the Trustee during the Fiscal Year just ended.

Section 8.14. Indemnification. Subject to the provisions of Section 8.1(a) of this Indenture, the Issuer shall indemnify and save Trustee harmless against any liabilities it may incur in the exercise and performance of its powers and duties hereunder, other than those due to its own negligence or willful misconduct.

Section 8.15. Trustee's Right to Own and Deal in Bonds. The bank or trust company acting as Trustee under this Indenture, and its directors, officers, employees or agents, may in good faith buy, sell, own, hold and deal in any of the Bonds issued hereunder and secured by this Indenture, and may join in any action which any Bondholder may be entitled to take with like effect as if such bank or trust company were not the Trustee under this Indenture.

ARTICLE IX

SUPPLEMENTAL INDENTURES

Section 9.1. Supplemental Indentures Not Requiring Consent of Registered Owners, Security Instrument Issuers and Reserve Instrument Providers. Except as otherwise provided in Section 9.2, the Issuer and the Trustee may, without the consent of, or notice to, any of the Registered Owners or Reserve Instrument Providers, but with notice to any Security Instrument Issuer, enter into Supplemental Indentures not inconsistent with the terms and provisions hereof, for any one or more of the following purposes:

(a) to provide for the issuance of Additional Bonds in accordance with the provisions of Section 2.15 hereof;

(b) to cure any ambiguity or formal defect or omission herein which will not materially adversely affect the Owners of the Bonds;

(c) to grant to or confer upon the Trustee for the benefit of the Registered Owners, any Security Instrument Issuers and any Reserve Instrument Providers any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Registered Owners, any Security Instrument Issuers and any Reserve Instrument Providers or any of them;

(d) to subject to this Indenture additional revenues or other revenues, properties, collateral or security;

(e) to make any other change hereto which, in the judgment of the Trustee, is not materially prejudicial to the interests of the Registered Owners, the Trustee, any Security Instrument Issuer or any Reserve Instrument Provider;

(f) to make any change necessary (i) to establish or maintain the exemption from federal income taxation of interest on any Series of Bonds as a result of any modifications or amendments to Section 148 of the Code (or any successor provision of law) or interpretations thereof by the Internal Revenue Service, or (ii) to comply with the provisions of Section 148(f) of the Code (or any successor provision of law), including provisions for the payment of all or a portion of the investment earnings of any of the funds established hereunder to the United States of America;

(g) if the Bonds affected by such change are rated by a Rating Agency, to make any change which does not result in a reduction of the rating applicable to any of the Bonds so affected; *provided* that if any of the Bonds so affected are secured by a Security Instrument, such change must be approved in writing by the related Security Instrument Issuer;

(h) if the Bonds affected by such change are secured by a Security Instrument, to make any change approved in writing by the related Security Instrument Issuer; *provided* that if any of the Bonds so affected are rated by a Rating Agency, such change shall not result in a reduction of the rating applicable to any of the Bonds so affected; and

(i) to provide for the appointment of a successor Trustee, Paying Agent, separate or co-trustee or Remarketing Agent.

No modification or amendment shall be permitted pursuant to paragraph (g) or (h) unless the Issuer delivers to the Trustee an opinion of nationally recognized bond counsel to the effect that such modification or amendment will not adversely affect the tax-exempt status or validity of any Bonds affected by such modification or amendment.

Section 9.2. Supplemental Indentures Requiring Consent of Registered Owners and Reserve Instrument Providers; Waivers and Consents by Registered Owners. Exclusive of Supplemental Indentures covered by Section 9.1 hereof and subject to the terms and provisions contained in this Section and not otherwise, the Registered Owners of 66 2/3 % in aggregate Principal amount of the Bonds then Outstanding shall have the right, from time to time, anything contained herein to the contrary notwithstanding, to (a) consent to and approve the execution by the Issuer and the Trustee of such other Supplemental Indentures as shall be deemed necessary and desirable by the Issuer for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained herein or in any Supplemental Indenture, or (b) waive or consent to the taking by the Issuer of any action prohibited, or the omission by the Issuer of the taking of any action required, by any of the provisions hereof or of any Supplemental Indenture; *provided, however,* that nothing in this Section contained shall permit or be construed as permitting (i) an extension of the stated maturity or reduction in the Principal amount of, or reduction in the rate of or extension of the time of paying of interest on, or reduction of any premium payable on the redemption of, any

Bond, without the consent of the Registered Owner of such Bond, (ii) a reduction in the amount or extension of the time of any payment required by any Fund established hereunder applicable to any Bonds without the consent of the Registered Owners of all the Bonds which would be affected by the action to be taken or (iii) any change which otherwise adversely affects the rights of the Registered Owners of less than all Bonds then Outstanding, without the consent of the Registered Owners of all the Bonds at the time Outstanding which would be adversely affected by the action to be taken. In addition, no Supplemental Indenture shall modify the rights, duties or immunities of the Trustee, without the written consent of the Trustee.

ARTICLE X

DISCHARGE OF INDENTURE

If the University shall pay or cause to be paid or provision for payment is otherwise made (a) to or for all Registered Owners of the Bonds with respect to all of the Principal or redemption price of and interest due or to become due thereon at the times and in the manner stipulated therein, (b) all necessary and proper fees, compensation and expenses of the Trustee and any Paying Agent and all sums of moneys due or to become due to the Trustee and any Paying Agent according to the provisions hereof, and (c) to all Security Instrument Issuers and all Reserve Instrument Providers all sums of money due or to become due accordingly to the provisions of any Security Instrument Agreements and Reserve Instrument Agreements, as applicable, then the presents of this Indenture and the estate and rights hereby granted shall cease, terminate and be void, whereupon the Trustee shall cancel and discharge the lien hereof, and release, assign and deliver to the Issuer any and all the estate, right, title and interest in and to any and all rights assigned or pledged to the Trustee, held by the Trustee or otherwise subject to the lien hereof, except moneys or securities held by the Trustee for the payment of the Principal of and interest on the Bonds, the payment of amounts pursuant to any Security Instrument Agreements or the payment of amounts pursuant to any Reserve Instrument Agreements. If the University shall pay or cause to be paid, or there shall otherwise be paid, to the Owners of any Outstanding Bonds 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 Indenture, such Bonds shall cease to be entitled to any lien, benefit or security under the Indenture, and all covenants, agreements and obligations of the Issuer and the University to the Owners of such Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

Subject to any further conditions in a Supplemental Indenture with respect to a Series of Bonds, all or any portion of the Bonds of any Series or maturity shall, prior to the maturity or redemption date thereof, be deemed to have been paid within the meaning and with the effect expressed in this Section if:

(a) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Government Obligations the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee 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;

(b) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Issuer shall have given or caused to be given to the Trustee in form satisfactory to it irrevocable instructions to mail as provided herein notice of redemption of such Bonds on said date;

(c) in the event said Bonds do not mature, are not redeemable or are not to be redeemed, in each case within the next succeeding 90 days, the Issuer 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 that the deposit required by (b) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this Article 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, on said Bonds.

Any moneys deposited with the Trustee as provided in this Article may at the direction of the Issuer also be invested and reinvested in Government Obligations, maturing in the amounts and times as hereinbefore set forth, and all income from all Government Obligations in the hands of the Trustee pursuant to this Article which is not required for the payment of the Bonds and interest thereon with respect to which such moneys shall have been so deposited shall be deposited in the Bond Fund as and when realized and collected for use and application as are other moneys deposited in that fund.

Notwithstanding any provision of any other Article hereof which may be contrary to the provisions of this Article, all moneys or Government Obligations set aside and held in trust pursuant to the provisions of this Article for the payment of Bonds (including interest thereon) shall be applied to and used solely for the payment of the particular Bonds (including interest thereon) with respect to which such moneys or Government Obligations have been so set aside in trust.

Amounts paid by any Security Instrument Issuer under a Security Instrument Agreement shall not be deemed paid for purposes of the Indenture and shall remain Outstanding and continue to be due and owing until paid by the Issuer in accordance with the Indenture.

ARTICLE XI

MISCELLANEOUS

Section 11.1. Consents, Etc. of Registered Owners. Any consent, request, direction, approval, objection or other instrument required hereby to be executed by the Registered Owners, Security Instrument Issuers or Reserve Instrument Providers may be in any number of concurrent writings of similar tenor and may be executed by such Registered Owners, Security Instrument Issuers or Reserve Instrument Providers in person or by agent appointed in writing. Proof of the execution of any such consent, request, direction, approval, objection or other instrument or of the writing appointing any such agent and of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes hereof, and shall be conclusive in favor of the Trustee with regard to any action taken under such request or other instrument, namely, the fact and date of the execution by any person of any such writing may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such writing acknowledged before him the execution thereof, or by affidavit of any witness to such execution.

Section 11.2. Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Indenture or the Bonds is intended or shall be construed to give to any person other than the parties hereto, the Registered Owners of the Bonds, any Security Instrument Issuer and any Reserve Instrument Provider, any legal or equitable right, remedy or claim under or in respect hereto or any covenants, conditions and provisions herein contained, this Indenture and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto, the Registered Owners of the Bonds, any Security Instrument Issuer and the Reserve Instrument Providers as herein provided.

Section 11.3. Severability. If any provision hereof shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever. The invalidity of any one or more phrases, sentences, clauses or Sections herein contained, shall not affect the remaining portions hereof, or any part thereof.

Section 11.4. Notices. It shall be sufficient service of any notice, request, complaint, demand or other paper on the Issuer if the same shall be duly mailed by registered or certified mail addressed to it at State Board of Regents of the State of Utah, The Gateway, 60 South 400 West, Salt Lake City, Utah 84101, Attention: Commissioner of Higher Education, or to such address as the Issuer may from time to time file with the Trustee; and if to the University, Dixie State University, 225 South 700 East, St. George, Utah 84770, Attention: Vice President for Administrative Services. It shall be sufficient service of any notice or other paper on the Trustee if the same shall be duly mailed by registered or certified mail addressed to it at One South Main Street, 12th Floor, Salt Lake City, Utah 84133, Attention: Corporate Trust Services, or to such other address as the Trustee may from time to time file with the Issuer or the University.

Section 11.5. Trustee as Paying Agent and Registrar. Trustee is hereby designated and agrees to act as principal Paying Agent and Bond Registrar for and in respect to the Bonds.

Section 11.6. Counterparts. This Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 11.7. Applicable Law. This Indenture shall be governed exclusively by the applicable laws of the State.

Section 11.8. Immunity of Officers and Directors. No recourse shall be had for the payment of the Principal of or premium or interest on any of the Bonds or for any claim based

thereon or upon any obligation, covenant or agreement herein contained against any past, present or future officer, or other public official, employee, or agent of the Issuer or the University.

Section 11.9. Payment Due on Non-Business Day. If any date for the payment of Principal of or interest on the Bonds is not a Business Day, then such payment shall be due on the first day thereafter which is a Business Day and no interest shall accrue for the period between such payment date and such first Business Day thereafter.

Section 11.10. Effective Date. This Indenture shall become effective immediately.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be executed as of the day and year first above written.

STATE BOARD OF REGENTS OF THE STATE OF UTAH, as Issuer

By ____________________________
Chair

ATTEST:

By ____________________________
Secretary

DIXIE STATE UNIVERSITY

By ____________________________
Vice President for Administrative Services

ZIONS FIRST NATIONAL BANK,
as Trustee

By ____________________________
Vice President

ATTEST:

By ____________________________
Trust Officer

EXHIBIT A

REQUISITION

Zions First National Bank
One South Main Street, 12th Floor
Salt Lake City, Utah 84133

RE: $__________ State Board of Regents of the State of Utah, Dixie State University General Revenue Bonds, Series _____

REQUISITION
NUMBER: __

DATE: ____________________

You are hereby authorized to disburse from the applicable account of the Construction Fund with regard to the above-referenced bond issue the following:

SEE ATTACHED PAYMENT SCHEDULE

In connection with such payment and disbursement, the undersigned hereby certifies that:

1. Each obligation, item of cost or expense mentioned herein has been properly incurred, is a proper charge against the applicable account of the Construction Fund and has not been the basis for a previous withdrawal. Each of the amounts set forth on the attached payment schedule is justly due and owing and constitutes a Cost of the Project based upon itemized claims substantiated in support thereof.

2. The amount remaining in the applicable account of the Construction Fund after such disbursement is made, together with the amount of unencumbered General Revenues, if any, which the Issuer reasonably estimates will be deposited in the applicable account of the Construction Fund during the period of construction of the Project from the investment of moneys on deposit in the applicable account of the Construction Fund, will, together with any other moneys lawfully available for payment of the Cost of the Project and after payment of the amount requested in said requisition, be sufficient to pay the remaining Costs of the Project in accordance with the plans and specifications therefor then in effect, it being understood that no moneys from the Construction Fund may be expended unless, after giving effect thereto, the funds remaining in the applicable account of the Construction Fund, together with such other funds and income and lawfully available moneys, are sufficient to pay the remaining Costs of the Project.

3. The amount requested hereby has been approved by the State of Utah Division of Facilities Construction and Management as provided in Section 53B-21-104(5) Utah Code Annotated 1953, as amended.

Dated as of the day and year first above written.

____
Authorized Representative

PAYMENT SCHEDULE

PERSON OR FIRM	AMOUNT	PURPOSE

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APPENDIX B

FINANCIAL REPORT OF DIXIE STATE UNIVERSITY FOR FISCAL YEAR 2018

The financial report of the University for Fiscal Year 2018 are contained herein.

The University's financial reports for Fiscal Year 2019 must be completed under State law by December 31, 2019.

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ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
JUNE 30, 2018

DSU
DIXIE STATE UNIVERSITY
A Component Unit of the State of Utah

TABLE OF CONTENTS

A MESSAGE FROM PRESIDENT RICHARD B. WILLIAMS

An undeniable sense of continuing momentum is alive and well here at Dixie State University. Throughout the course of the past year, it has been incredible to see significant growth take place. In fact, we are one of the fastest-growing institutions within the Utah System of Higher Education, and our enrollment has increased by 16 percent in the last three years and more than 54 percent in the last decade.

We are three years into our strategic plan, Dixie 2020: Status to Stature, and well ahead of schedule in achieving our goals. This has been possible thanks to the wonderful faculty and staff members at Dixie State, our community, and policymakers. This past year, DSU added four additional bachelor's degrees, including one in mechanical engineering, and four more bachelor's degrees are planned for the upcoming year. The addition of these degrees is just one of the many ways DSU has grown, and we look forward to accomplishing so much more as we remain true to our Trailblazer name.

DSU reached a milestone this year in adding our first graduate degree program, a Master of Accountancy. This was a wonderful accomplishment, taking into consideration that DSU became a university less than five years ago. We continue to work toward growing our graduate degree offerings, with five additional graduate degree programs on the near horizon. I'm thankful to members of the faculty, staff, and administration who are committed to providing a higher level of education, additional pathways to success for our students, and programs that help decrease workforce shortages in our region and state.

We look forward to opening our state-of-the-art Human Performance Center next fall, which will serve our students, staff, and community with educational programs in exercise science and allied health as well as terrific recreational options, including the only Olympic-sized swimming pool south of Provo to offer a 750-seat spectator gallery. The project is the very definition of community and state support.

Recently, DSU was recognized nationally by U.S. News & World Report as the 7th best Regional Public College in the West and 26th Overall Regional College in the West. We are proud that the collective, excellent work of our campus is being recognized across the country.

The University's firm financial footing has afforded us this opportunity to grow and excel. Without the expertise and assistance of the University's Business Office, our success would not be possible. Consequently, I appreciate and fully support the work they are doing and the report that follows. I am grateful for Dixie State University's tradition of excellence and enthusiastic for our continued momentum in the future.

Sincerely,

Richard B Williams

Richard B. Williams, PhD, ATC
President

INDEPENDENT STATE AUDITOR'S REPORT

To the Board of Trustees, Audit Committee
and
Dr. Richard B. Williams, President
Dixie State University

Report on the Financial Statements

We have audited the accompanying financial statements of Dixie State University (the University) and its discretely presented component unit foundation, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents. The University is a component unit of the State of Utah.

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 opinions on these financial statements based on our audit. We did not audit the financial statements of Dixie College Foundation (Foundation), a discretely presented component unit. 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 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. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards.*

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 opinions.

Opinions

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 respective financial position of the University and its foundation, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the University's Schedule of Proportionate Share of the Net Pension Liability and Schedule of Defined Benefit 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 opinions on the financial statements that collectively comprise the University's basic financial statements. The President's Message has 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 it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2018 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 State Auditor

Office of the State Auditor
December 11, 2018

MANAGEMENT'S DISCUSSION & ANALYSIS

INTRODUCTION

The following discussion and analysis provides an overview of the financial position and activities of Dixie State University and its component unit for the year ended June 30, 2018, with selected comparative information for the prior fiscal year. This discussion has been prepared by management and should be read in conjunction with the financial statements and the notes to the financial statements, which follow this discussion and analysis.

The University's financial statements include revenues, expenses, assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position for the entire University entity, including the balances and activities of its component unit: the Dixie College Foundation. More information about this entity and its inclusion in the financial statements may be found in Note 1—*Summary of Significant Accounting Policies—Reporting Entity.*

ABOUT DIXIE STATE UNIVERSITY

Dixie State University, located in Saint George, Utah, was established in 1911 as Saint George Academy and became known as Dixie Academy. Originally operated by The Church of Jesus Christ of Latter-day Saints, the College was turned over to the State of Utah in 1933. It was known officially as Dixie Junior College until 1971, when the Utah State Legislature changed the name to Dixie College. In January 2000, the name was changed to Dixie State College when it became eligible to offer four-year degree programs. In February of 2013, the name was changed again to Dixie State University.

The University is a component unit of the State of Utah. The University offers over 40 baccalaureate programs in selected high demand areas and in core or foundational areas consistent with four-year universities. Its approximate 10,000 students and 1,300 employees come from across the United States and the world.

The University is committed to accountability and creativity in delivering quality higher educational opportunities within its service area. The University is a cooperative and conscientious partner with other public and higher education institutions, ensuring quality undergraduate programs are available to its students.

The financial statements that follow provide additional information on the resources available to the University to accomplish its mission and achieve its goals and objectives.

For more information about the University and its programs and initiatives, please visit www.dixie.edu.

OVERVIEW AND ANALYSIS OF THE FINANCIAL STATEMENTS

The financial statements are prepared in accordance with Governmental Accounting Standards Board (GASB) principles. Three financial statements are presented: the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows.

The notes to the financial statements are an integral part of the statements and provide additional details and information important to an understanding of the University's financial position and results of operations. This discussion and analysis focuses on the University's primary institution operations. The University's discretely presented component unit, the Dixie College Foundation (Foundation), issues separately audited financial statements. These statements can be obtained directly from the Foundation's administrative office.

The Statement of Net Position presents the financial position of the University at the end of the fiscal year and includes all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the University. Net position is one indicator of the current financial condition of the University. Assets, deferred outflows of resources, liabilities, and deferred inflows of resources are generally measured using current values, except for capital assets, which are stated at aquisition cost less accumulated depreciation.

The Statement of Revenues, Expenses, and Changes in Net Position presents the University's results of operations for the fiscal year. The net difference between revenues and expenses, and other changes, is the increase (or decrease) in net position for the year. The change in net position is an indicator of whether the overall financial condition has improved or worsened during the year.

The Statement of Cash Flows provides additional information about the University's financial results by reporting the major sources and uses of cash by type of activity, as well as providing a reconciliation to the net operating loss.

The results of operations reflect the University's focus on maintaining its standards academically in a competitive environment. At the same time, the University is addressing constrained base state appropriations, rising health care, regulatory, and facility costs with productivity gains to help preserve access to affordable higher education.

STATEMENT OF NET POSITION

A Condensed Statement of Net Position for the current and prior fiscal years is shown in ***Table a1***.

Table a1: Condensed Statement of Net Position			
as of June 30	2018	2017	Increase (Decrease)
Current Assets	$ 27,840,304	$ 21,643,863	$ 6,196,441
Noncurrent Assets			
Capital Assets, Net	164,259,623	152,027,720	12,231,903
Other Noncurrent Assets	37,803,808	24,786,350	13,017,458
Total Assets	229,903,735	198,457,933	31,445,802
Deferred Outflows of Resources	2,409,925	2,396,535	13,390
Current Liabilities	11,688,486	8,773,868	2,914,618
Noncurrent Liabilities	52,813,680	32,926,532	19,887,148
Total Liabilities	64,502,166	41,700,400	22,801,766
Deferred Inflows of Resources	2,499,272	958,812	1,540,460
Net Investment in Capital Assets	130,207,393	125,023,908	5,183,485
Restricted - Nonexpendable	12,770,627	12,724,877	45,750
Restricted - Expendable	11,728,270	7,398,705	4,329,565
Unrestricted	10,605,932	13,047,766	(2,441,834)
Total Net Position	**$ 165,312,222**	**$ 158,195,256**	**$ 7,116,966**

Total net position increased slightly from the prior year due to steady growth in most of the operating revenue categories. These increases indicate steady improvement in financial condition, reflecting the University's prudent management of its resources, despite funding challenges. Funds have been reinvested within the University to add to the margin of educational excellence, upgrade the University's facilities, and provide a prudent reserve for contingencies.

Total assets increased from the prior year primarily as a result of new construction, including the East Stadium Grandstand and the Health and Human Performance Center (HPC) projects less funds paid for construction. These projects also required financing through the issuance of bonds, resulting in an increase to current and long-term liabilities. A portion of the bond proceeds were unspent at June 30, 2018 resulting in an increase to other noncurrent assets.Additionally, pension related activity resulted in an increase in both deferred outflows and inflows of resources.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

The results of the University's operations for the fiscal year are shown in the Statement of Revenues, Expenses, and Changes in Net Position. A Condensed Statement of Revenues, Expenses, and Change in Net Position for the current and prior fiscal years is shown in ***Table b1** (pg. 12)*.

Operating and Non-operating Revenue: The increase in tuition and fees and in auxiliaries reflects increases in enrollment as well as increases in tuition and room and board rates.

As a public university, Dixie State University receives funds from a variety of sources in support of its operations. While the Statement of Revenues, Expenses, and Changes in Net Position classifies certain funds as

Table b1: Condensed Statement of Revenues, Expenses, and Changes in Net Position			
for the years ended June 30	**2018**	**2017**	**Increase (Decrease)**
Operating Revenues			
Tuition and Fees, net	$ 43,424,564	$ 38,456,228	$ 4,968,336
Grants and Contracts	85,185	103,033	(17,848)
Auxiliary Enterprises, net	10,283,384	9,353,201	930,183
Other Revenues	1,157,378	987,416	169,962
Total Operating Revenues	**54,950,511**	**48,899,878**	**6,050,633**
Operating Expenses	110,566,971	104,671,595	5,895,376
Operating Loss	(55,616,460)	(55,771,717)	155,257
Nonoperating Revenues			
Appropriations, Grants & Contracts	55,766,838	53,329,205	2,437,633
Gifts	1,387,196	1,285,548	101,648
Investment Income	1,337,373	1,307,212	30,161
Other Net Nonoperating Revenue (Expense)	(1,703,421)	(1,022,702)	(680,719)
Total Nonoperating Revenues	**56,787,986**	**54,899,263**	**1,888,723**
Income Before Capital and Permanent Endowment Additions	1,171,526	(872,454)	2,043,980
Capital and Permanent Endowment Additions	5,945,440	1,941,876	4,003,564
Increase in Net Position	7,116,966	1,069,422	6,047,544
Net Position - Beginning of Year	**158,195,256**	**157,125,834**	**1,069,422**
Net Position - End of Year	**$ 165,312,222**	**$ 158,195,256**	**$ 7,116,966**

"non-operating" for the purposes of financial reporting, such funds do, in fact, support the University's operations by covering costs such as salaries and benefits, travel, research expenses, and student aid.

In total, non-operating revenue increased for fiscal year 2018 compared to fiscal year 2017. The increase was a result of increases in state appropriations, federal grants, and donor gifts. State appropriations increased from prior year for modest salary increases, performance-based funding, and funds for strategic plan initiatives.

Investment income fluctuates from year to year and reflects the impact of market performance. For fiscal year 2018, investment income increased slightly due to continued positive market performance and increased economic growth throughout the year.

Other non-operating expenses increased as a result of interest payments made for outstanding bond obligations.

The increase in capital appropriations was due to a number of state-funded campus projects by the Division of Facilities and Construction Management (DFCM) and a Washington County gift to help fund construction of the HPC. Additionally, capital gifts increased as a result of donor desires to contribute to the HPC. ***Chart b2*** and ***Table b2*** *(pg 13)* summarize the University's revenues for the year ended June 30, 2018.

Operating and Non-operating Expenses: Increases in operating expenditures from prior year were primarily due to increases in compensation and benefits, scholarships, and capital asset depreciation along with a

Chart b2: Sources of Revenue in Support of Operations
For the Year Ended June 30, 2018

	Tuition and Fees	**$ 43,424,564**
	State and Captial Appropriations	**39,276,213**
	Grants and Contracts	**18,720,462**
	Auxiliaries	**10,283,384**
	Gifts	**5,187,984**
	Investment Income	**1,337,373**
	Other Revenue	**881,080**

Table b2: Sources of Revenue in Support of Operations

for the years ended June 30		**2018**		**2017**
Operating Revenues				
Student Tuition and Fees, net	$	43,424,564	$	38,456,228
Grants and Contracts		85,185		103,033
Auxiliary Enterprises, net		10,283,384		9,353,201
Other Operating Revenues		1,157,378		987,416
Total Operating Revenues		**54,950,511**		**48,899,878**
Nonoperating Revenues				
State Appropriations		37,131,561		36,661,705
Federal Grants		17,538,644		15,618,112
State and Local Grants		1,096,633		1,046,678
Non-governmental Grants		-		2,710
Gifts		1,387,196		1,285,548
Investment Income and Other		1,061,075		1,358,458
Total Nonoperating Revenues		**58,215,109**		**55,973,211**
Other Revenues				
Capital Appropriations		2,144,652		1,467,876
Capital Grants and Gifts		3,669,281		192,299
Additions to Permanent Endowments		131,507		281,701
Total Other Revenues		**5,945,440**		**1,941,876**
Total Revenues	**$**	**119,111,060**	**$**	**106,814,965**

decrease in pension related expenses. While any change in compensation and benefits can have a significant impact on operating expenses, salaries have generally been held in check due to funding constraints; however, recruitment and retention of University professors does require competitive salaries.

Increases in scholarships are a result of additional funds available to provide aid to various students. Depreciation expense increased primarily as a result of the new housing facility completed in the prior year. Other notable increases include professional services and travel. These increases are a direct result of a growing campus and support for initiatives related to the University's strategic plan. The increases were offset by a decrease in capital and equipment expense as there were fewer capital projects in progress and fewer equipment needs during the year. More detail on operating expenses appears in ***Chart b3*** and ***Table b3***.

Chart b3: Operating Expenses
For the Year Ended June 30, 2018

Compensation and Benefits	**$ 60,082,793**
Scholarships	**16,238,908**
Utilities	**2,035,302**
Cost of Goods Sold	**4,113,309**
Depreciation	**6,684,305**
Actuarial Calculated Pension	**951,778**
Capital and Equipment Expense	**4,085,512**
Purchased Services	**4,366,826**
Supplies	**2,635,149**
Travel	**5,316,050**
Other	**4,057,039**

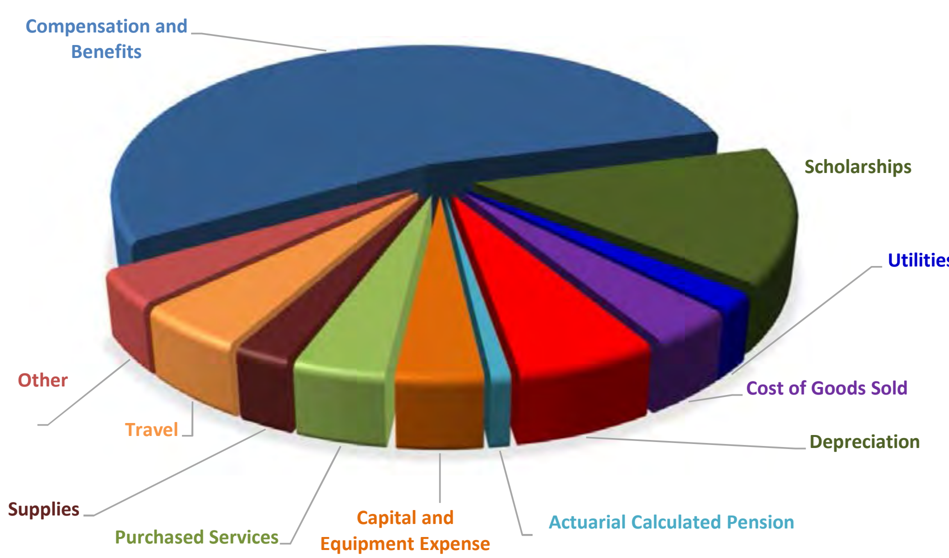


Table b3: Operating and Nonoperating Expenses				
for the years ended June 30		**2018**		**2017**
Operating Expenses				
Compensation and Benefits	$	60,082,793	$	56,369,642
Scholarships and Fellowships		16,238,908		14,515,249
Utilities		2,035,302		2,051,585
Cost of Goods Sold		4,113,309		3,904,404
Depreciation		6,684,305		6,117,520
Actuarial Calculated Pension		951,778		1,277,146
Total Operating Expenses before Other		**90,106,395**		**84,235,546**
Other Operating Expenses				
Advertising, Awards, Luncheons, Publications		1,575,510		1,208,230
Bad Debt Expense		301,636		312,648
Capital and Equipment Expense		4,085,512		6,364,397
Licenses, Fees, Taxes, and Insurance		1,078,262		1,070,483
Office Supplies		489,654		294,893
Professional Services		4,366,826		3,371,238
Rental of Equipment and Space		287,743		422,757
Repairs and Maintenance		385,911		471,231
Supplies		2,145,495		1,921,091
Telephone, Postage and Freight		427,977		335,411
Travel		5,316,050		4,663,670
Total Other Operating Expenses		**20,460,576**		**20,436,049**
Total Operating Expenses		**110,566,971**		**104,671,595**
Nonoperating Expenses				
Interest Expense		1,427,123		1,073,948
Total Nonoperating Expenses		**1,427,123**		**1,073,948**
Total Expenses	**$**	**111,994,094**	**$**	**105,745,543**

STATEMENT OF CASH FLOWS

Cash flows from operating activities primarily consist of tuition and fees, grants and contracts, and auxiliaries. Significant sources of cash provided by noncapital financing activities, as defined by GASB, include state appropriations, Federal Pell Grants and private gift funds.

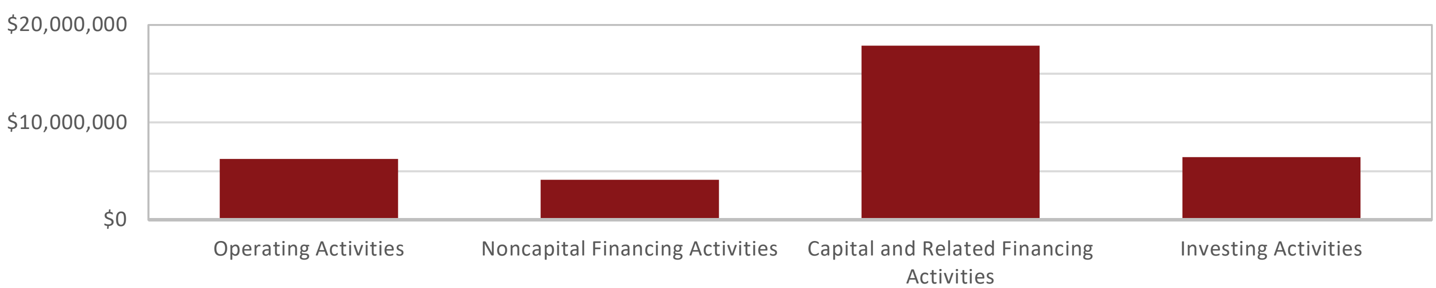
Table c1 *(pg. 16)* is a condensed version of the Statement of Cash Flows. ***Chart c1*** *(pg.16)* shows a graphical representation of cash flow changes.

The University actively manages its investment portfolio by balancing returns and liquidity, which may cause changes in cash balances. Cash and cash equivalents are held to the minimum needed to support operations with any excess invested with varying maturity dates.

An increase of overall liquidity resulted, when compared to the prior year. Cash flows from Operating Activities increased as a result of increases in tuition and fees from higher enrollment and increased rates. Also, increases to auxiliary enterprises resulted from the new housing facility operations along with increased

Table c1: Condensed Statement of Cash Flows				
For the years ended June 30		**2018**	**2017**	**Change in Inflows (Outflows)**
Cash Provided (Used) by:				
Operating Activities	$	(46,398,528)	$ (52,665,412)	$ 6,266,884
Noncapital Financing Activities		57,120,851	53,010,970	4,109,881
Capital and Related Financing Activities		7,392,219	(10,490,291)	17,882,510
Investing Activities		3,536,862	(2,910,442)	6,447,304
Net Increase (Decrease) in Cash		21,651,404	(13,055,175)	34,706,579
Cash - Beginning of Year		**14,640,749**	**27,695,924**	**(13,055,175)**
Cash - End of Year	**$**	**36,292,153**	**$ 14,640,749**	**$ 21,651,404**

Chart c1: University Cash Flow Changes



rates. These inflows were offset by increased outflows in compensation and benefits and scholarships. Compensation and benefits changes are a result of campus growth and strategic initiatives to remain competitive in the marketplace. Growth and a positive economy has also allowed for additional cash to be used for student aid. Cash flow from Noncapital Financing Activities improved as a result of increased state appropriations and federal student financial aid. Capital and related financing activities increased as the University issued additional bonding to facilitate the construction of the East Stadium Grandstand and Health and Human Performance Center (HPC) projects. Finally, investing activities had a net inflow resulting from more proceeds from investment sales and fewer purchases of investments compared to the prior year.

CAPITAL AND DEBT ACTIVITIES

Capital Assets: Investment in capital assets includes land, land improvements, buildings, equipment, library books, and construction-in-progress.

During the year, the University acquired property adjacent to the main campus resulting in an increase in land. Additionally, land improvements increased as the Trailblazer stadium track and field project and several parking lot projects were completed. Construction-in-progress increased compared to the prior fiscal year. This increase was primarily related to the construction of the HPC building that began during the year. Capitalized buildings increased during the year in part by the completion of the East Stadium Grandstand project and renovations to the Innovation Plaza.

Additional information about the University's capital assets can be found in Note 10 to the financial statements.

Chart d1: Changes in Capital Assets

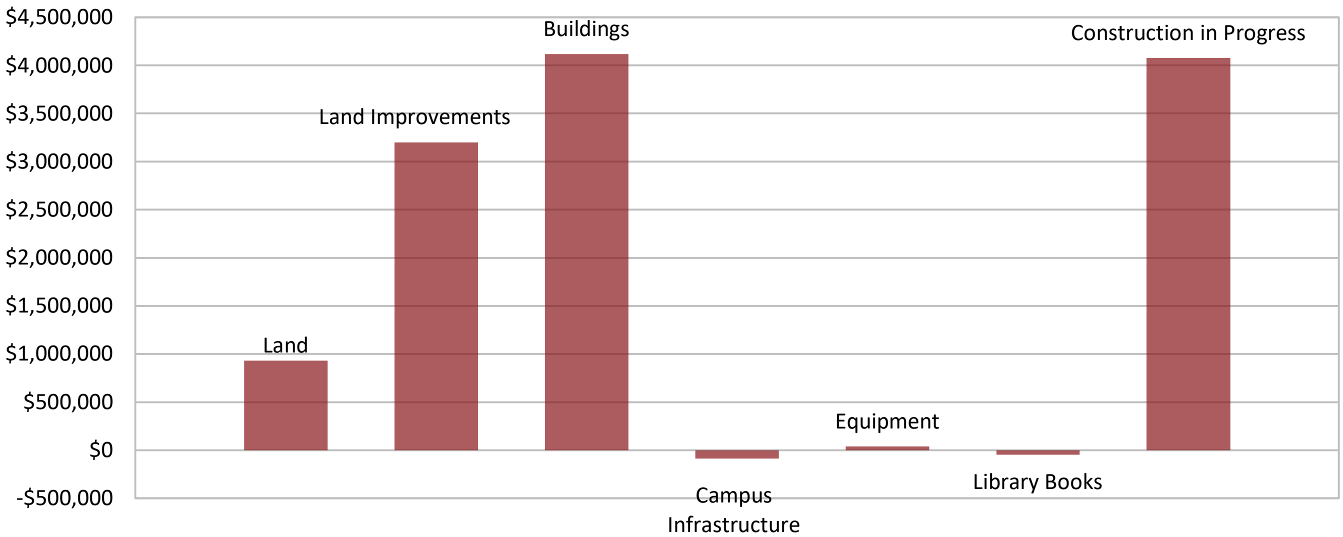


Chart d1 summarizes the University's changes in capital assets between June 30, 2017, and 2018.

Debt Activities: Strong debt ratings carry substantial advantages for the University, such as continued and wider access to capital markets when the University issues debt, lower interest rates on bonds, and the ability to negotiate favorable bond terms.

The University's Administration takes its role of financial stewardship seriously and works hard to manage its financial resources effectively. Continued high debt ratings, currently Aaa according to Moody's and AAA according to S&P, for our General Revenue Bond System are important indicators of the University's success in this area.

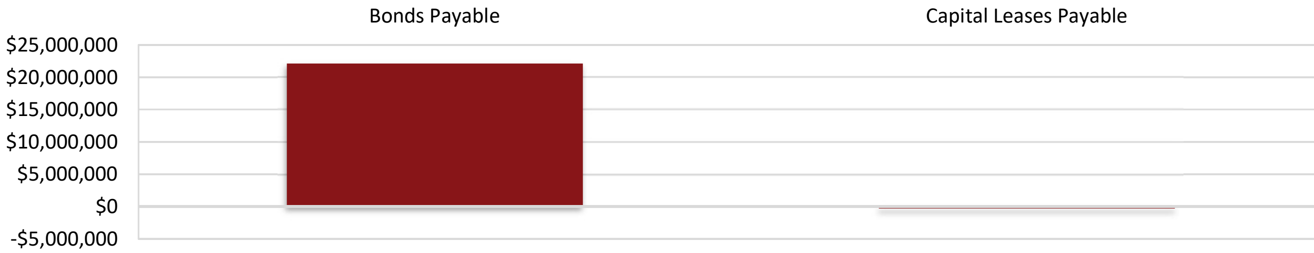
The University debt increased in fiscal year 2018 due to the issuance of bonding to facilitate the construction of the East Stadium Grandstand and Health and Human Performance Center projects. Additional information related to the University's liabilities is presented in Note 11 of the financial statements.

Table d2 and ***Chart d2*** summarize outstanding University debt at June 30, 2017 and 2018.

Table d2: University Debt

Liability Type	2018	2017	Increase (Decrease)
Bonds Payable	$ 43,028,505	$ 20,900,000	$ 22,128,505
Capital Leases Payable	5,784,360	6,095,621	(311,261)
Total Debt	**$ 48,812,865**	**$ 26,995,621**	**$ 21,817,244**

Chart d2: Changes in University Debt



OUTLOOK FOR THE COMING FISCAL YEAR

The University's enrollment for Fall 2018 is up slightly (3%) from Fall 2017. The University is seeing the success of a change in recruiting efforts across the State. Enrollment at the undergraduate level is dependent on two factors, pool and participation, that are both heavily influenced by factors within the State. The available pool of potential students age 18 through 29 is projected to climb steadily through 2023. Enrollment increases should stabilize and steadily increase based on the pool of potential Utah public school students.

During the 2018 legislative session, the University's recurring budget for 2018-2019 was increased by 13.4%, compared to 2017–2018, which included funding to increase salaries, performance-based funding, and ongoing support for market-demand programs.

Economic growth in Utah is expected to continue during 2018 with job growth forecast to increase at 3.3% for the year. Unemployment in Utah was 3.0% at the end of June 2018, as compared to 4.0% nationally. We are optimistic that the 2019 legislative session will continue to provide additional increases in funding.

During fiscal year 2018, the University raised approximately $2.6 million from annual giving from private sources, including corporate funding, building donations, endowments, and gift funding. The University continues to benefit from the generosity of its donors and supporters, and the number of active donors continues to increase.

The University exercises a prudent approach to the issuance of debt. With the addition of the East Stadium Grandstands and the Health and Human Performance Center there is a need to issue debt to support construction. In addition, the University evaluates existing debt versus current interest rates to identify opportunities to refinance at better rates.

The University's endowment funds are available for mission critical programs and initiatives, now and into the future. The University has invested in a portfolio of equity, fixed income and alternative assets with valuations that are impacted by market conditions,

sometimes negatively in the short term. However, we believe our portfolio will provide solid financial footing for the University's endowments over the long term. With the change to university status, continued growth of the St. George area, and the completion of an extensive strategic planning initiative, the University is now experiencing the highest student growth rate in the Utah System of Higher Education.

Overall, the University is in a sound financial position. The institution has strong strategic leadership and prudent financial management that work together to ensure its mission is met in the future.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Dixie State University's finances. The report is for all those with an interest in the University's finances and to show the University's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Dixie State University, Business Services, 225 S University Blvd. St. George, Utah 84770.

FINANCIAL STATEMENTS

DIXIE STATE UNIVERSITY |

Statement of Net Position as of June 30, 2018

		Primary Institution		Component Unit Foundation
ASSETS				
Current Assets				
Cash and Cash Equivalents (Note 2)	$	19,950,357	$	2,246,674
Investments (Note 3)		3,372,065		4,774,630
Accounts and Notes Receivable, Net (Note 5)		2,057,369		327,465
Accounts Receivable - Primary Government/Related Parties (Note 5)		1,415,484		28,151
Inventories (Note 7)		614,936		-
Student Loans Receivable, Net (Note 5)		218,753		-
Prepaid Expenses		211,340		-
Total Current Assets		27,840,304		7,376,920
Noncurrent Assets				
Restricted Cash and Cash Equivalents (Note 2)		16,341,796		198,808
Investments (Note 3)		18,673,010		9,106,203
Accounts and Notes Receivable, Net (Note 5)		2,165,710		556,460
Student Loans Receivable, Net (Note 5)		622,828		-
Net Pension Asset (Note 13)		464		-
Investments in Real Estate		-		551,198
Capital Assets, Net (Note 10)		164,259,623		880,939
Total Noncurrent Assets		202,063,431		11,293,608
Total Assets		229,903,735		18,670,528
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows Relating to Pensions (Note 13)		2,409,925		-
Total Deferred Outflows of Resources		2,409,925		-
LIABILITIES				
Current Liabilities				
Accounts Payable (Note 5)		2,065,013		-
Accounts Payable - Primary Government/Related Parties		3,420,950		-
Accrued Liabilities		1,015,587		-
Compensated Absences and Termination Benefits (Note 11)		1,852,523		-
Deposits		560,553		-
Unearned Revenue		1,499,940		-
Bonds, Notes, and Capital Leases Payable (Note 11)		1,273,920		62,982
Total Current Liabilities		11,688,486		62,982
Noncurrent Liabilities				
Compensated Absences and Termination Benefits (Note 11)		1,048,069		-
Bonds, Notes, and Capital Leases Payable (Note 11)		47,538,945		763,806
Net Pension Liability (Note 13)		4,226,666		-
Total Noncurrent Liabilities		52,813,680		763,806
Total Liabilities	$	64,502,166	$	826,788

Continued on next page...

The accompanying notes are an integral part of these financial statements

Statement of Net Position as of June 30, 2018

		Primary Institution		Component Unit Foundation
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows Relating to Pensions (Note 13)	$	2,499,272	$	-
Total Deferred Inflows of Resources		2,499,272		-
NET POSITION				
Net Investment in Capital Assets		130,207,393		-
Restricted For				
Nonexpendable				
Scholarships and Fellowships		10,193,873		-
Other		2,576,754		-
Foundation		-		9,106,203
Expendable				
Scholarships and Fellowships		3,871,464		-
Loans		940,506		-
Capital Projects		5,821,792		-
Other		1,094,508		
Foundation		-		7,865,521
Unrestricted		10,605,932		872,016
Total Net Position	$	165,312,222	$	17,843,740

The accompanying notes are an integral part of these financial statements

DIXIE STATE UNIVERSITY |

Statement of Revenues, Expenses, and Changes in Net Position for the Year Ended June 30, 2018

	Primary Institution	Component Unit Foundation
OPERATING REVENUES AND EXPENSES		
Revenues		
Student Tuition and Fees, net (Note 1)	$ 43,424,564	$ -
Federal Grants and Contracts	85,185	-
Auxiliary Enterprises, net (Note 1)	10,283,384	62,982
Foundation Contributions Received	-	1,000,826
Other Operating Revenues	1,157,378	844
Total Operating Revenues	54,950,511	1,064,652
Expenses		
Salaries and Wages	44,293,474	-
Employee Benefits	15,789,319	-
Actuarial Calculated Pension Expense (Note 13)	951,778	-
Student Financial Aid	16,238,908	-
Donation to the College	-	317,186
Utilities	2,035,302	-
Cost of Goods Sold	4,113,309	-
Depreciation	6,684,305	-
Other Operating Expenses	20,460,576	443,552
Total Operating Expenses	110,566,971	760,738
Operating Income (Loss)	(55,616,460)	303,914
NONOPERATING REVENUES (EXPENSES)		
State Appropriations	37,131,561	-
Federal Grants and Contracts	17,538,644	-
State Grants and Contracts	1,046,633	-
Local Grants and Contracts	50,000	-
Gifts	1,387,196	-
Investment Income	1,337,373	412,044
Interest	(1,427,123)	-
Other Revenues (Expenses)	(276,298)	488,375
Total Nonoperating Revenues (Expenses)	56,787,986	900,419
Income Before Capital and Permanent Endowment Additions	1,171,526	1,204,333
CAPITAL AND PERMANENT ENDOWMENT ADDITIONS		
Capital Appropriations	2,144,652	-
Capital Grants and Gifts	3,669,281	-
Additions to Permanent Endowments	131,507	80
Total Capital and Permanent Endowment Additions	5,945,440	80
Increase (Decrease) in Net Position	7,116,966	1,204,413
NET POSITION		
Net Position - Beginning of Year	158,195,256	16,639,327
Net Position - End of Year	165,312,222	17,843,740

The accompanying notes are an integral part of these financial statements

Statement of Cash Flows for the Year Ended June 30, 2018

		Primary Institution
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Tuition and Fees	$	43,628,523
Receipts from Grants and Contracts		85,185
Receipts from Auxiliary Enterprises		11,321,956
Payments for Compensation and Benefits		(61,576,658)
Payments to Vendors and Suppliers		(23,757,346)
Payments for Scholarships and Fellowships		(16,678,746)
Receipt of Student Loan Proceeds		625,680
Loans Issued to Students		(47,122)
Net Cash Provided (Used) by Operating Activities		(46,398,528)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Appropriations		36,392,761
State Grants		1,046,633
Federal Student Financial Aid		17,538,644
Other Grants		170,850
Gifts and Endowments		1,442,534
Receipts from Federal Direct Student Loan		17,761,052
Payments for Federal Direct Student Loan		(17,723,303)
Other		491,680
Net Cash Provided (Used) by Noncapital Financing Activities		57,120,851
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital Grants		2,650,840
Capital gifts received		275,000
Proceeds from Capital Debt		22,637,580
Acquisition and Construction of Capital Assets		(15,841,862)
Principal Paid on Capital Debt and Leases		(1,349,085)
Interest Paid on Capital Debt and Leases		(980,254)
Net Cash Provided (Used) by Capital and Related Financing Activities		7,392,219
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sales and Maturities of Investments		3,603,298
Interest and Dividends		1,264,612
Purchase of Investments and Related Fees		(1,331,048)
Net Cash Provided (Used) by Investing Activities		3,536,862
Net Increase (Decrease) in Cash and Cash Equivalents		21,651,404
Cash and Cash Equivalents - Beginning of Year		14,640,749
Cash and Cash Equivalents - End of Year	$	36,292,153

Continued on next page…

The accompanying notes are an integral part of these financial statements

Statement of Cash Flows for the Year Ended June 30, 2018

		Primary Institution
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss)	$	(55,616,460)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation Expense		6,684,305
Difference between Actuarial Calculated Pension Expense and Actual Contributions		(277,404)
Provision for Uncollectible Loans and Writeoffs		158,221
Changes in Assets and Liabilities:		
Receivables, Net		(209,697)
Inventories		78,501
Prepaid Items		(105,474)
Notes Receivable, Net		138,720
Accounts Payable and Accrued Liabilities		(393,663)
Accounts Payable - Primary Government/Related Parties		2,659,956
Unearned Revenue		294,850
Compensated Absences		189,617
Total Adjustments		9,217,932
Net Cash Provided (Used) by Operating Activities	$	(46,398,528)
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Completed Construction Projects Transferred from the State of Utah		2,144,652
Assets Acquired Through a Capital Lease		528,749
Acquired Through a Gift		18,441
Change in Fair Value of Investments		57,534
Capital Asset Write-Offs		1,282,380
Total Noncash Investing, Capital, and Financing Activities		4,031,756

The accompanying notes are an integral part of these financial statements

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The financial statements report the financial activity of Dixie State University, including the Dixie College Foundation (Foundation) shown as a discretely presented component unit. The University is a component unit of the State of Utah.

Component units are entities that are legally separate from the University, but are financially accountable to the University, or whose relationships with the University are such that exclusion would cause the University's financial statements to be misleading or incomplete.

The Foundation is a legally separate, but affiliated, self-sustaining not-for-profit organization. Since the Foundation was established to receive gifts almost entirely for the benefit of the University, it is considered a discretely presented component unit and is included in the University's audited financial statements under the heading "Component Unit Foundation." Independent auditors have audited the Foundation, and a separate report has been issued, thereon, and is available at the Foundation's administrative office.

B. BASIS OF ACCOUNTING

For financial reporting purposes, Dixie State 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.

Operating activities include all revenues and expenses derived on an exchange basis used to support the instructional, research and public service efforts, and other University priorities.

Significant recurring sources of the University's revenues are considered non-operating, as defined by GASB Statement No. 34, B*asic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, and required by GASB Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities*.

Operating revenues include tuition and fees, grants and contracts, and revenue from various auxiliary and public service functions. Non-operating revenues include state appropriations, Pell grants and certain government grants, gifts, and investment income.

Operating expenses include compensation and benefits, student aid, supplies, repairs and maintenance, utilities, etc. Non-operating expenses primarily include interest on debt obligations.

The Foundation follows FASB pronouncements and has adopted Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for Profit Organizations*. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications are required to the discretely presented component unit's financial information when included in the University's financial report.

When both restricted and unrestricted resources are available, such resources are tracked and spent at the discretion of the department, subject to donor restrictions, where applicable.

In accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*, the University recognizes gifts, grants, appropriations, and the estimated net realizable value of pledges as revenue as soon as all eligibility requirements imposed by the provider have been met.

C. INVESTMENTS

Investments are recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income. The University distributes earnings from pooled investments based on the average daily investment of each participating account, or for endowments, distributes according to the University's spending policy.

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. See Note 4 for more information regarding these investments and the University's outstanding commitments under the terms of the partnership agreements.

The University values these investments based on the partnerships' 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 calls and distributions.

D. ALLOWANCES

In accordance with GASB Statement No. 34, certain expenses are netted against revenues as allowances. Certain governmental grants, such as Pell grants and other federal, state, or nongovernmental programs, are recorded as either operating or non-operating revenues in the University's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the University has recorded allowances against student tuition and fees and auxiliary enterprises revenue.

The following schedule in ***Table 1*** presents scholarship revenue allowance for the year ended June 30, 2018.

Table 1: Scholarship Revenue Allowances		
Tuition and Fees	$	14,244,662
Auxiliary		99,223

E. COMPENSATED ABSENCES & TERMINATION BENEFITS

Employee vacation leave is accrued at a rate of eight hours each month for the first three years and increases to a rate of 14.66 hours each month after eleven years of service. There is no requirement to use vacation leave, but a maximum of thirty-five days may be carried forward at the beginning of each calendar year. Eligible employees are reimbursed for unused vacation leave upon termination, and vacation leave is expended when used or reimbursed. The liability for vacation leave at June 30, 2018, was approximately $1.82 million.

Employees earn sick leave at a rate of eight hours each month. The University does not reimburse employees for unused sick leave. Each year, eligible employees may convert up to four days of unused sick leave to vacation leave based on their use of sick leave during the year. Sick leave is expended when used.

In addition, the University may provide early retirement benefits, if approved by the Administration and by the Board of Trustees, for certain employees who have attained the age of 57 with at least five years of continuous service and whose age and years of service add to at least 75.

The University pays each early retiree an annual amount equal to the lesser of 20% of the retiree's final salary or their predicted social security benefit at full retirement age. This incentive is paid to the eligible employee until the earlier of five years or full retirement age. The employee is also eligible to receive the same coverage of medical insurance and dental insurance the employee was receiving at the early retirement date, which coverage continues for a maximum period of five years or to age 65, whichever comes first. These benefits are deducted from the early retirement incentive the employee receives on the same basis as non-retired employees.

In accordance with GASB Statement No. 47, *Accounting for Termination Benefits*, the amount recognized on the financial statements was calculated at the discounted present value of the projected future costs, which includes an estimated annual increase of 3.0%. A discount rate of 5.0% was used and is based on the average rate earned by the University on investments for the fiscal year.

As of June 30, 2018, 16 eligible employees have elected to participate in the early retirement program. The funding for these termination benefits is provided on a pay-as-you-go basis. For the year ended June 30, 2018, the stipend and benefits expense for the early retirement program totaled $253,438 and $191,374, respectively, and the calculated remaining termination benefits liability is $1,009,258.

F. CONSTRUCTION

The Utah State Division of Facilities Construction and Management (DFCM) administers most of the construction of facilities for state institutions, maintains records, and furnishes cost information for recording plant assets on the books of the University. Construction projects administered by DFCM are not recorded on the books of the University until the facility is available for occupancy.

G. DEFERRED OUTFLOWS AND INFLOWS

In accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, deferred outflows and deferred inflows of resources related to pensions have been recorded. Deferred outflows of resources represent a consumption of net position that applies to the future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. Further information regarding pension reporting can be found in Note 13.

H. PENSIONS

For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems Pension Plan (URS), and additions to/deductions from URS's fiduciary net position have been determined on the same basis as they are reported by URS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

I. 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 outstanding debt 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 Net Position, nonexpendable: Non-expendable restricted net position consists of endowment and similar type funds in which donors or other outside sources have stipulated as a condition of the gift instrument that the principal is to be maintained inviolate and in perpetuity and invested for the purpose of producing present and future income, which may either be expended or added to principal.

Restricted Net Position, 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 Net Position: Unrestricted net position represents resources derived from student tuition and fees, state appropriations, and sales and services of educational departments and auxiliary enterprises. 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 for students, faculty, and staff.

2. CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents consist of cash and short-term, liquid investments with an original maturity of three months or less. Cash, depending on source of receipts, is pooled except for cash and cash equivalents where legal requirements dictate the use of separate accounts. The cash balances 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.

Table 2 shows the University's cash and cash equivalents at June 30, 2018.

Table 2: **Cash and Cash Equivalents**		
Cash	$	674,822
Money Market Mutual Funds		16,787,069
Utah Public Treasurers' Investment Fund		18,830,262
Total (fair value)	**$**	**36,292,153**

The Utah State Treasurer's Office operates the Utah Public Treasurers' Investment Fund (PTIF), which is managed in accordance with the State of Utah Money

Management Act (Act) and is available for investment of funds administered by any Utah public treasurer.

3. 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 fair value on the date of receipt. 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 Uniform Prudent Management of Institutional Funds Act (UPMIFA), Section 51-8 of the *Utah Code*, the institution may appropriate for expenditure or accumulate so much of an endowment fund as the University determines to be prudent for uses, benefits, purposes, and duration for which the endowment was established.

The endowment income spending practice at June 30, 2018, was 4% of the twelve-quarter moving average of the market value of the endowment pool. The spending practice is reviewed periodically and any necessary changes are made.

The amount of net appreciation on investments of donor-restricted endowments available for authorization for expenditure at June 30, 2018, was $2,404,612. The net appreciation is a component of restricted expendable net position.

At June 30, 2018, the investment portfolio composition was as follows in ***Table 3***.

Table 3: Investments at Fair Value		
Common & Preferred Stock	$	20,609
Corporate Notes & Bonds		3,290,025
Mutual Funds		14,048,515
U.S. Agencies		4,685,926
Total	**$**	**22,045,075**

4. DEPOSITS AND INVESTMENTS

The State of Utah Money Management Council has the responsibility to advise the State Treasurer about investment policies, promote measures and rules that will assist in strengthening the banking and credit structure of the State, and review the rules adopted under the authority of the Act that relate to the deposit and investment of public funds.

Except for endowment funds, the University follows the requirements of the Act (*Utah Code*, Section 51, Chapter 7), in handling its depository and investment transactions. The Act requires the depositing of University funds in a qualified depository. The Act defines a qualified depository as any financial institution whose deposits are insured by an agency of the Federal Government and, which has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and, adhering to the rules of the Utah Money Management Council.

For endowment funds, the University follows the requirements of the UPMIFA, the State Board of Regents' Rule 541, *Management and Reporting of Institutional Investments* and the University's investment policy and endowment guidelines.

A. DEPOSITS

Custodial Credit Risk: Custodial credit risk for deposits is the risk that in the event of a bank failure the University's deposits may not be returned.

At June 30, 2018, the carrying amount of the University's deposits and bank balances is $1,432,083. The Federal Deposit Insurance Corporation (FDIC) provides deposit insurance coverage up to $250,000 for demand deposits and $250,000 for time and savings deposits at each banking institution. As a result, the bank balances of the University were insured for $250,000 by the FDIC. The bank balances in excess of $250,000 were uninsured and uncollateralized, leaving $1,182,083 exposed to custodial credit risk. The University's policy for reducing this risk of loss is to deposit all such balances in qualified depositories as defined and required by the Act.

B. INVESTMENTS

The 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. These statutes authorize the University to invest within the following guidelines:

- negotiable or nonnegotiable deposits of qualified or permitted negotiable depositories;
- re-purchase and reverse re-purchase 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), and Federal National Mortgage Association (Fannie 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; and
- shares or certificates in a money market mutual fund as defined in the Act and The Utah State Public Treasurers' Investment Fund (PTIF).

The Utah State Public Treasurers' Investment Fund (PTIF) is available for investment of funds administered by any Utah public treasurer and is not registered with the Securities and Exchange Commission (SEC) as an investment company. The PTIF is authorized and regulated by the Act.

The Act established the 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 UPMIFA and State Board of Regents Rule 541, *Management and Reporting of Institutional Investments* (Rule 541), allows the University to invest endowment funds including gifts, devises, or bequests of property of any kind from any source in any of the above investments or any of the following, subject to satisfying certain criteria:

- mutual funds registered with the SEC, investments sponsored by the Common Fund;
- any investment made in accordance with the donor's directions in a written instrument;
- investments in corporate stock listed on a major exchange (direct ownership); and
- any alternative investment funds that derive returns primarily from high yield and distressed debt (hedged or non-hedged), private capital including venture capital and private equity, natural resources, and private real estate assets or absolute return and long/short hedge funds.

UPMIFA also permits institutions within the Utah System of Higher Education to accept and invest funds on behalf of other institutions. Dixie State University and the University of Utah maintain an agreement that Dixie State University will transfer funds to the University of Utah to invest in its unitized endowment pool (Pool).

The Pool is not registered with the SEC as an investment company and is not rated. The University of Utah invests funds in accordance with UPMIFA, Rule 541, and University of Utah investment policies, as approved by the Board of Regents. Deposits in the Pool are not insured or otherwise guaranteed by the University of Utah, and participants share proportionately in any realized gains or losses on investments.

The Pool operates and reports to participants on a fair market value basis. The income, gains and losses, net of administration fees are allocated monthly on the ratio of Dixie State University's ending monthly balance to the total funds in the Pool.

C. FAIR VALUE OF INVESTMENTS

The University measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered, fair value hierarchy:

- *Level 1*: Quoted prices for identical investments in active markets;
- *Level 2*: Observable inputs other than quoted market prices; and,
- *Level 3*: Unobservable inputs.

Debt and equity securities classified in *Level 1* are valued using prices quoted in active markets for those securities.

Debt and equity securities classified in *Level 2* are valued using the following approaches:

- U.S. Agencies: quoted prices for identical securities in markets that are not active.
- Corporate Notes and Bonds: quoted prices for similar securities in active markets.
- Money Market, Bond, and Equity Mutual Funds: published fair value per share (unit) for each fund.

- Utah Public Treasurers' Investment Fund: application of the June 30, fair value factor as calculated by the Utah State Treasurer to the University's balance in the Fund at June 30.

- University of Utah Endowment Pool: application of the June 30, 2018, fair value factor as calculated by the University of Utah to the University's average quarterly balance in the Fund.

Table 4a, below, shows the fair value measurements along with their respective tier classification.

Debt and equity securities classified as *Level 3* may include common and preferred equity securities, partnership interests and ownership in similar entities, and, other privately issued securities. Many of these investments are considered "alternative investments" and, unlike more traditional investments, generally do not have readily obtainable market values and may be limited partnerships. When observable prices are not available for these securities or identical assets, the University uses the net asset value (NAV) per share (or its equivalent) technique, for which sufficient and reliable data is available.

The University values these investments based on the partnerships' audited financial statements. If June 30 financial 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 calls and distributions.

Table 4a: Fair Value Measurements by Tier

	June 30, 2018	Level 1	Level 2	Level 3
Investment by Fair Value Level				
Debt Securities				
U.S. Agencies	$ 4,685,926	$ -	$ 4,685,926	$ -
Corporate Notes & Bonds	3,290,025	-	3,290,025	-
Money Market Mutual Funds	16,787,069	-	16,787,069	-
Bond Mutual Funds	570,893	-	570,893	-
Utah Public Treasurers' Investment Fund	18,830,262	-	18,830,262	-
Total Debt Securities	44,164,175	-	44,164,175	-
Equity Securities				
Common and Preferred Stock	20,609	20,609	-	-
Equity Mutual Funds	1,313,068	-	1,313,068	-
University of Utah Endowment Pool	12,031,935	-	12,031,935	-
Total Equity Securities	13,365,612	20,609	13,345,003	-
Total Investments by Fair Value Level	**$ 57,529,787**	**$ 20,609**	**$ 57,509,178**	**$ -**
Investments Measured at the Net Asset Value (NAV)				
Private Equity Partnerships	132,619			
Total Investments Measured at NAV	132,619			
Total Investments Measured at Fair Value	**$ 57,662,406**			

Table 4b: Investments Measured at Net Asset Value (NAV)				
Investment Class	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Morgan Stanley Private Equity Access Fund II Limited Partnerships (MSPE ACCESS II LP)	$ 82,771	$ 14,843	Initial 10 year, with five 1-year extensions	60 Days
Managed Futures Strategic Alternatives (CERES TACTICAL SYSMTIC CL D)	49,848	-	Monthly	10 Days
Total Investment Measured at NAV	**$ 132,619**	**$ 14,843**		

Table 4b presents the unfunded commitments, redemption frequency, if currently eligible, and the redemption notice period for the University's alternative investments measured at NAV.

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 Act or the UPMIFA and Rule 541, as applicable. For non-endowment funds, Section 51-7-11 of the 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 less. The Act further limits the remaining term to maturity on all investments in obligations of the United States Treasury; obligations issued by U.S. government sponsored enterprises; and bonds, notes, and other evidence of indebtedness of political subdivisions of the State to 10 years for institutions of higher education. 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, Rule 541 is more general, requiring 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.

Table 4c shows the University's investment maturities as of June 30, 2018.

Table 4c: Maturities				
		Investment Maturities (in years)		
Investment Type	Fair Value	Less than 1	1-5	6-10
Money Market Mutual Funds	$ 16,787,069	$ 16,787,069	$ -	$ -
Bond Mutual Funds	570,893	4,540	334,403	231,950
Corporate Notes & Bonds	3,290,025	2,476,343	813,682	-
U.S. Agencies	4,685,926	895,722	3,790,204	-
Utah Public Treasurers' Investment Fund	18,830,262	18,830,262	-	-
Totals	**$ 44,164,175**	**$ 38,993,936**	**$ 4,938,289**	**$ 231,950**

Table 4d: Investment Ratings						
		Quality Ratings				
Investment Type	Fair Value	AAA	AA	A	BBB	Unrated
Money Market Mutual Funds	$ 16,787,069	$ 16,684,936	$ -	$ -	$ -	$ 102,133
Bond Mutual Funds	570,893	-	-	-	-	570,893
Corporate Notes & Bonds	3,290,025	-	351,274	2,562,583	376,168	-
U.S. Agencies	4,685,926	-	4,685,926	-	-	-
Utah Public Treasurers' Investment Fund	18,830,262	-	-	-	-	18,830,262
Totals	**$ 44,164,175**	**$ 16,684,936**	**$ 5,037,200**	**$ 2,562,583**	**$ 376,168**	**$ 19,503,288**

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The University's policy for reducing its exposure to credit risk is to comply with the Money Management Act, the UPMIFA, and Rule 541, as previously discussed.

The University's investments quality ratings at June 30, 2018 are shown in ***Table 4d****, above.*

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 its investments or collateral securities that are in the possession of an outside party.

The University's policy for reducing its exposure to custodial credit risk is to comply with applicable provisions of the Act. As required by the Act, all applicable securities purchased were delivered versus payment and held in safekeeping by a bank. Also, as required, the ownership of book-entry-only securities, such as U.S. Treasury or Agency securities, by the University's custodial bank was reflected in the book-entry records of the issuer and the University's ownership was represented by a receipt, confirmation, or statement issued by the custodial bank.

At June 30, 2018, the University had $132,619 in alternative investments, $20,609 in equity securities, $3,290,025 in bond and corporate debt, and $4,685,926 in U.S. agencies, which were held by the counterparty and 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. The University's policy for reducing this risk of loss is to comply with the Rules of the Money Management Council or the UPMIFA and Rule 541, as applicable. Rule 17 of the Money Management Council limits non-endowment fund investments in a single issuer of commercial paper and corporate obligations to 5-10% depending upon the total dollar amount held in the portfolio at the time of purchase.

For endowment funds, the University follows Rule 541, which requires that an institution's overall endowment portfolio be invested in accordance with the allocation ranges as shown in ***Table 4e***.

Table 4e: Allocation Ranges	
Fixed Income and Cash Equivalents	25-100%
Equity Investments*	0-75%
Alternative Investments	0-30%
**Corporate stock (direct ownership) can be a maximum of 3% of total equity investments*	

D. DIXIE FOUNDATION DEPOSITS AND INVESTMENTS

At June 30, 2018, the Foundation had the following cash and cash equivalents shown in ***Table 4f***.

Table 4f: Cash and Cash Equivalents		**Balance**
Cash on Hand	$	62
Cash in Bank		1,499,286
Certificate of Deposit		632,578
Money Market Funds (Held by Equity Managers)		114,748
Total	$	2,246,674

Deposits: Custodial Credit Risk: Cash in Bank is insured by the Federal Deposit Insurance Corporation. Money Market Funds are covered against broker theft by the Securities Investors Protection Corporation. Cash and cash equivalents have the general characteristics of demand deposits so that funds may be withdrawn at any time without prior notice. $649,981 of cash in bank is insured by the Federal Deposit Insurance Corporation.

Credit Risks: Investments with a market value of $13,880,833 represent a risk factor subject to loss due to the volatility of the stock and bond markets.

Investments: Investments are governed by Financial Accounting Standards Board Statement No. 157, *Fair Value Measurements* (FASB 157) on the Foundation's financial statements.

FASB 157 establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (*Level 1* measurements) and the lowest priority to unobservable in inputs (*Level 3* measurements).

Governmental Accounting Standards Board Statement No. 72, *Fair Value Measurement and Application* (GASB 72), establishes the framework for measuring fair value for governmental entities. Except for alternative investments, GASB 72 reflects the same fair value measurement framework as FASB 157.

The fair value measurement of Foundation investments at June 30, 2018, are shown in ***Table 4g***.

Table 4g: Investments		
Investment Type		**Estimated Market Value**
Alternative Funds	$	810,753
Fixed Income Bond Funds		3,625,473
Corporations and Agencies		2,422,962
Corporate Securities - Domestic		5,085,917
Corporate Securities - International		1,935,228
Other		500
Total	$	13,880,833

Table 4h shows the net return of Foundation investments for the year ended June 30, 2018.

Table 4h: Net Return on Investments		
Income Type		**Estimated Market Value**
Interest and Dividend	$	526,203
Realized Gains (Losses)		276,224
Unrealized Gains (Losses)		259,618
Total	$	1,062,045

Fair Value of Investments: ***Table 4j*** sets forth by level, within the fair value hierarchy, the Foundation's investments at fair value as of June 30, 2018.

Table 4i: Fair Value Measurements Using			
	Level 1	Level 2	Level 3
Investment by Fair Value Level			
Alternative Funds	$ 810,753	$ -	$ -
Fixed Income Bond Funds	3,625,473	-	-
Obligations of Corporations and Agencies	2,422,962	-	-
Corporate Securities - Domestic	5,085,917	-	-
Corporate Securities - International	1,935,228	-	-
Other	500	-	-
Total	$ 13,880,833	$ -	$ -

5. RECEIVABLES AND ACCOUNTS PAYABLE

Accounts, pledges, and interest receivable include tuition and fees, and auxiliary enterprise and services. Loans receivable predominantly consist of student loans. Accounts receivable also include amounts due from the federal, state, and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the University's grants and contracts.

Allowances for doubtful accounts are established by charges to operations to cover anticipated losses from accounts receivable generated by sales and services and student loans. Such accounts are charged to the allowance when collection appears doubtful. Any subsequent recoveries are credited to the allowance accounts. Allowances are not established for pledges or in those instances where receivables consist of amounts due from governmental units or where receivables are not material in amount.

Table 5a presents receivables at June 30, 2018, including approximately $2.1 million of noncurrent accounts and notes and approximately $600,000 of noncurrent student loans.

Table 5a: Receivables

Type of Receivable	Year Ended June 30, 2018
Student Loans	$ 1,258,456
Student Tuition and Fees	2,588,952
Auxiliary Enterprises and Other	847,555
Contracts and Grants	224,055
Pledges	1,925,000
Primary Government / Related Parties	1,415,484
Total Receivables	8,259,502
Less Allowances for Doubtful Accounts	(1,779,358)
Receivables, Net	**$ 6,480,144**

Table 5b presents the major components of accounts payable at June 30, 2018.

Table 5b: Accounts Payable

Vendors	$ 1,337,447
Interest	623,765
Student Refunds	103,801
Total Accounts Payable	**$ 2,065,013**

Aggregated noncurrent notes receivables for the Foundation at June 30, 2018, were $906,460. These receivables are net of allowance for doubtful of accounts of $350,000.

6. UNEARNED REVENUE

Unearned revenue consists of summer session tuition and fees, advance payments on grants and contracts, advance ticket sales for various athletic and cultural events, and results of normal operations of auxiliary enterprises and service units.

7. INVENTORIES

Inventories consist primarily of books and merchandise held in the Campus Store (Bookstore). Other inventories include food products and fuel. The University uses internal testing of inventory counts to verify inventory amounts.

The University Bookstore's inventories are valued using the retail inventory method. All other inventories are stated at the lower of cost or market using the first in, first-out method or, on a basis that approximates cost, determined on the first-in, first-out method.

Table 7 presents the components of inventories at June 30, 2018.

Table 7: Inventories

Organization		**Year Ended June 30, 2018**
Bookstore	$	469,264
Dining Services		100,379
IT Services		15,345
Fuel Services		29,948
Total Inventories	**$**	**614,936**

8. INCOME TAXES

The University is a political subdivision of the State for federal income tax purposes. The University is an Internal Revenue Code (IRC) Section 115 organization. This status exempts the University from paying federal income tax on revenue generated by activities that are directly related to the University's mission. This exemption does not apply to unrelated business activities. On these activities, the University is required to report and pay federal and state income tax.

9. RISK MANAGEMENT AND INSURANCE COVERAGE

The University maintains insurance coverage for commercial general liability, automobile, errors and omissions, and property (building and equipment) through policies administered by the Utah State Division of Risk Management. This insurance coverage provides for repair or replacement of damaged property at a replacement cost basis subject to a $1,000 per occurrence deductible. Additionally, Employees of the University and authorized volunteers are covered by workers compensation and employees' liability through the Workers Compensation Fund.

Table 9: Estimated Dental Self-Insurance Claim Liability		
		Year Ended June 30, 2018
Estimated Claims Liability - Beginning of Year	$	-
Current Year Contributions & Changes in Estimates		506,484
Claim Payments, Including Related Legal & Administrative Expenses		(418,529)
Estimated Claims Liability - End of Year	**$**	**87,955**

On July 1, 2017, the University established a self-insurance fund for employee dental care that is administered through Educators Mutual Insurance Company. GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, requires a liability for claims be reported if information prior to the issuance of the financial statements indicates it is probable a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The University's estimated self-insurance claims liability at June 30, 2018 is shown above in ***Table 9***.

The University has recorded the investments of the dental care funds at June 30, 2018 and the estimated liability for self-insurance claims at that date in the Statement of Net Assets. The income and expenses related to the administration of the self-insurance and estimated provision for the claims liability for the year then ended are recorded in the Statement of Revenues, Expenses, and Changes in Net Assets.

10. CAPITAL ASSETS

Buildings, infrastructure and improvements, which include roads, curb and gutter, streets and sidewalks, and lighting systems, land, equipment, library materials, and intangible assets (primarily software) are valued at historical cost or at acquisition value at the date of donation. Buildings, infrastructure and improvements, and additions to existing assets are capitalized when acquisition cost equals or exceeds $100,000 for the University. Equipment is capitalized when acquisition costs exceed $5,000. All costs incurred in the acquisition of library materials are capitalized. Purchased software is capitalized when acquisition costs are $100,000 or greater. Land acquisitions have been valued at original cost or fair market value at the date of donation in the case of gifts. Buildings, improvements, land, and equipment of component unit have been valued at cost at the date of acquisition.

The University has certain works of art that are not capitalized, nor depreciated. These assets are held for public exhibition, education, or research rather than financial gain. These assets are also protected, unencumbered, and preserved and are subject to policies requiring the proceeds from sales of collection items to be used to acquire other collection items. The University's assets of this nature include Native American artifacts, photographs, prints, paintings, monuments, statues, and other historical documents.

Capital assets of the University and its component unit are depreciated on a straight-line basis over their estimated useful lives. The estimated useful lives of University assets extends to forty years on buildings, up to thirty years for building improvements, forty to fifty years on infrastructure and improvements, five to twenty years for land improvements, twenty years on library books, from three to twenty years on equipment, and from three to ten years on software. Land, art and special collections, and construction in progress are not depreciated.

Capital assets at June 30, 2018, are shown in ***Table 10a***.

Table 10a: Changes in Capital Assets

	Balance June 30, 2017	Increases	Decreases	Balance June 30, 2018
Capital Assets, Non-depreciable:				
Land and Permanent Easements	$ 14,251,205	$ 1,133,585	$ 199,818	$ 15,184,972
Construction in Progress	2,604,636	6,667,338	2,591,986	6,679,988
Total Capital Assets, Non-depreciable	16,855,841	7,800,923	2,791,804	21,864,960
Capital Assets, Depreciable:				
Buildings	172,385,486	9,164,653	203,622	181,346,517
Machinery and Equipment	14,359,392	1,223,334	567,206	15,015,520
Art, Literature, and Artifacts	2,427,002	65,652	119,225	2,373,429
Land Improvements	12,984,657	3,734,231	192,510	16,526,378
General Infrastructure	4,343,451	-	-	4,343,451
Total Before Depreciation	206,499,988	14,187,870	1,082,563	219,605,295
Less Accumulated Depreciation For:				
Buildings	52,790,152	4,878,133	35,637	57,632,648
Machinery and Equipment	10,280,945	1,118,710	500,635	10,899,020
Art, Literature, and Artifacts	1,496,010	99,688	108,115	1,487,583
Land Improvements	6,380,523	498,332	157,395	6,721,460
General Infrastructure	380,479	89,442	-	469,921
Total Accumulated Depreciation	71,328,109	6,684,305	801,782	77,210,632
Total Capital Assets, Depreciable, Net	135,171,879	7,503,565	280,781	142,394,663
Total Capital Assets, Net	**$ 152,027,720**	**$ 15,304,488**	**$ 3,072,585**	**$ 164,259,623**

Table 10b: Changes in Capital Assets

Assets	Balance June 30, 2017	Additions	Retirements/ Adjustments	Balance June 30, 2018
Capital Assets, Non-depreciable:				
Land	$ 1,255,106	$ -	$ 1,074,106	$ 181,000
Collectible Art - Foundation	9,200	-	-	9,200
Total Capital Assets, Non-depreciable	1,264,306	-	1,074,106	190,200
Capital Assets, Depreciable:				
Buildings	1,235,794	-	511,794	724,000
Building Improvements	-	-	-	-
Total Before Depreciation	1,235,794	-	511,794	724,000
Accumulated Depreciation	(91,466)	(18,564)	(76,769)	(33,261)
Total Capital Assets, Depreciable, Net	1,144,328	(18,564)	435,025	690,739
Total Capital Assets, Net	**$ 2,408,634**	**$ (18,564)**	**$ 1,509,131**	**$ 880,939**

The University is committed to the completion of all projects that are under construction. At June 30, 2018, the University had outstanding commitments of $25,976,709.

Dixie Foundation Capital Assets: Capital Assets of the Foundation at June 30, 2018, are shown in ***Table 10b*** *(pg. 41)*.

11. BONDS PAYABLE AND OTHER LONG-TERM LIABILITIES

The long-term debt of the University consists of bonds payable, capital lease obligations, compensated absences, net pension liability, and other obligations.

The State Board of Regents issues revenue bonds to provide funds for the construction and renovation of major capital facilities and the acquisition of capital equipment for the University.

The revenue bonds are special limited obligations of the University. The obligation for repayment is solely that of the University and payable from the net revenues of auxiliary enterprise, student building fees, Road Scholar, travel study, and parking fees. Neither the full faith and credit, nor the taxing power of the State or any other political subdivision of the State is pledged to the payment of the bonds, the distributions, or other costs associated with the bonds.

In July 2017, the University issued a new general revenue bond in the amount of $20,770,000 to finance the construction of the East Stadium Grandstands and the Health and Human Performance Center (HPC). Construction was substantially complete on the East Grandstands in May 2018. The HPC is currently under construction.

***Table 11a**, below,* lists the outstanding bonds payable of the University at June 30, 2018.

The University is currently paying on a 2006 lease revenue bond that was entered into through the Utah State Board of Regents to acquire Avenna Center and other buildings. For financial statement purposes, the 2006 bond issue is considered a capital lease with Zions Bank. Capital leased building assets for fiscal year 2018, and their accumulated depreciation amounts are $5,267,722 and $4,373,480, respectively.

Over a number of years, the University has entered into capital lease agreements to acquire equipment. Equipment currently financed under a capital lease and its accumulated depreciation amounts are $1,161,244 and $379,015, respectively.

Table 11a **: Bonds Payable**

Issue	Date Issued	Maturity Date	Interest Rate	Original Issue	Current Liability	Balance June 30, 2018*
Series 2015-Revenue	6/24/2015	6/1/2046	2%-5%	$ 21,315,000	$ 437,988	$ 20,555,677
Series 2017-Revenue	7/18/2017	6/1/2049	2%-5%	20,770,000	81,087	22,472,828
Total Bonds Payable				$ 42,085,000	$ 519,075	$ 43,028,505

**Includes unamortized bond premiums.*

Table 11b lists the outstanding notes and capital leases payable along with their principal balance at June 30, 2018.

Table 11b: Notes and Capital Leases Payable				
Financial Institution	**Term**	**Interest Rate**		**Balance**
Bank of America Public Capital Corp	2011-2028	4.50%	$	2,813,462
US Bancorp Government Leasing and Finance, Inc.	2014-2024	3.02%		316,706
Zions Bank	2006-2028	2.47%-4.65%		2,281,492
JPMorgan Chase Bank	2016-2023	1.74%		372,700
Total Notes and Capital Leases Payable			**$**	**5,784,360**

Table 11c summarizes the changes in long-term liabilities for the year ended June 30, 2018.

Table 11c: Long Term Liabilities					
Liability Type	**Beginning Balance**	**Additions**	**Reductions**	**Ending Balance**	**Current Portion**
Bonds, Notes, and Capital Leases Payable					
Bonds Payable	$ 20,900,000	$ 22,637,580	$ 509,075	$ 43,028,505	$ 519,075
Capital Leases Payable	6,095,621	528,749	840,010	5,784,360	754,845
Total Long-Term Debt	26,995,621	23,166,329	1,349,085	48,812,865	1,273,920
Net Pension Liability	6,031,021	-	1,804,355	4,226,666	-
Compensated Absences	1,717,087	1,430,024	1,255,777	1,891,334	1,427,620
Termination Benefits	991,145	432,550	414,437	1,009,258	424,903
Total Long-Term Liabilities	**$ 35,734,874**	**$ 25,028,903**	**$ 4,823,654**	**$ 55,940,123**	**$ 3,126,443**

Table 11d shows maturities of principal and interest requirements for long-term debt payable as follows.

Table 11d **: Maturities of Long Term Debt Principal and Interest**					
Year Ending June 30	Capital Leases	Bonds Principal	Total Principal	Total Interest	Total Principal and Interest
2019	$ 754,845	$ 435,000	$ 1,189,845	$ 1,891,143	$ 3,080,988
2020	791,860	815,000	1,606,860	1,853,155	3,460,015
2021	830,071	840,000	1,670,071	1,800,594	3,470,665
2022	879,534	870,000	1,749,534	1,740,234	3,489,768
2023	575,318	900,000	1,475,318	1,675,657	3,150,975
2024-2028	1,952,732	4,995,000	6,947,732	7,590,362	14,538,094
2029-2033	-	6,175,000	6,175,000	6,154,088	12,329,088
2034-2038	-	7,440,000	7,440,000	4,895,213	12,335,213
2039-2043	-	9,050,000	9,050,000	3,282,725	12,332,725
2044-2048	-	8,540,000	8,540,000	1,352,875	9,892,875
2049-2054	-	1,185,000	1,185,000	59,250	1,244,250
Totals	**$ 5,784,360**	**$ 41,245,000**	**$ 47,029,360**	**$ 32,295,297**	**$ 79,324,657**

Dixie Foundation Bonds Payable and Other Long-Term Liabilities: The Foundation has entered into Charitable Gift Annuity Agreements wherein donors (the annuitants) conveyed to the Foundation assets in exchange for annual payments to the annuitants during the annuitants' joint lifetimes and for the life of the surviving annuitant. The liability is calculated at the date of donation by figuring the present value of the annual payments over the expected remaining life of the annuitants. Contributions revenue, which is the fair market value of the contribution less its corresponding liability, is included in the Statement of Revenues, Expenses, and Changes in Net Position for the year of contribution.

Future principal and interest payments for the Annuity are shown in ***Table 11e***.

Table 11e: Charitable Annuity Liability
Year Ending June 30

Year	Principal	Interest	Totals
2019	$ 62,982	$ 10,076	$ 73,058
2020	63,822	9,236	73,058
2021	64,675	8,383	73,058
2022	65,541	7,517	73,058
2023	66,420	6,638	73,058
Thereafter	400,841	93,727	494,568
Totals	**$ 724,281**	**$ 135,577**	**$ 859,858**

12. PLEDGED BOND REVENUE

The University issues revenue bonds to provide funds for the construction and renovation of major capital facilities and the acquisition of capital equipment for the University. Investors in these bonds rely solely on the net revenue pledged by the general revenue of the University for the retirement of outstanding bonds payable.

Table 12 presents the net revenue pledged and the principal and interest paid and accrued for the year ended June 30, 2018.

Table 12: **Pledged Bond Revenue**		
Revenues		
Operating Revenue	$	15,467,148
Nonoperating Revenue		508,345
Total Revenues		15,975,493
Expenses		
Operating Expenses		13,175,850
Nonoperating Expenses		-
Total Expenses		13,175,850
Net Pledged Revenue		2,799,643
Principal & Interest Payments		
Total Principal & Interest Paid and Accrued		1,220,138
Less Principal & Interest Paid w/ Dedicated Bond Proceeds		330
Net Principal & Interest to be Covered by Pledged Revenues	**$**	**1,219,808**

13. PENSION PLANS AND RETIREMENT BENEFITS

As required by State law, eligible nonexempt employees (as defined by the U.S. Fair Labor Standards Act) of the University are covered by defined benefit plans sponsored by the Utah Retirement Systems (URS), and eligible exempt employees (as defined by the U.S. Fair Labor Standards Act) are covered by defined contribution plans, such as the Teachers Insurance and Annuity Association Fund (TIAA), 401(k), 403(b), 457(b), or Roth IRA plans.

DEFINED BENEFIT PLANS

Eligible plan participants are provided with pensions through the following systems:

- Public Employee Noncontributory Retirement System (Noncontributory-System) and the Public Employee Contributory Retirement System (Contributory System), which are multiple employer, cost sharing, public employee retirement systems.
- The Public Safety Retirement System (Public Safety), which is a cost-sharing, multiple-employer, public employee retirement system.
- Tier 2 Public Employee Contributory Retirement System (Tier 2 Public Employee System); and the Tier 2 Public Safety and Firefighter Contributory Retirement System (Tier 2 Public Safety and Firefighter System), which are multiple employers, cost-sharing, public employee retirement systems.

The Tier 2 Public Employees System and the Tier 2 Public Safety and Firefighter System were created July 1, 2011. All eligible employees who have no previous service credit with any of the Utah Retirement Systems prior to that date are members of the Tier 2 Retirement Systems.

The Systems are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The URS's 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 Utah Retirement Systems and Plans under the direction of the Utah State Retirement Board (Board) whose members are appointed by the Governor. The URS are fiduciary funds defined as pension (and other employee benefits) trust funds and 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 URS issues a publicly available financial report that includes financial statements and required supplementary information for the Systems. A copy of the report may be obtained by writing to the Utah Retirement Systems at 560 East 200 South, Salt Lake City, Utah 84102, or visiting the website: www.urs.org.

The URS provides retirement benefits as summarized in ***Table 13a***.

Table 13a: Summary of Benefits by System

System	Final Average Salary	Years of Service Required and/or Age Eligible for Benefits	Benefit Percent per Year of Service	COLA**
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%
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%
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% or 4% depending upon 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%
Tier 2 Public Safety and Firefighter System	Highest 5 years	25 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.*

Table 13b: Contribution Rates

	Rates Paid by Employee	Rates Paid by DSU for Employee	DSU Contribution Rates	DSU Rates for 401(k) plan
Noncontributory System				
State and School Division Tier 1	-	-	22.19%	1.50%
Contributory System				
Public Employees Tier 1	-	6.00%	17.70%	-
Public Employees Tier 2	-	-	18.44%	1.58%
Public Safety Retirement System				
Public Safety	-	-	41.35%	-
Public Safety and Firefighter	-	-	29.28%	1.26%

Tier 2 rates include a statutory required contribution to finance the unfunded accrued liabilities of the Tier 1 plans.

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 Utah State Retirement Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable), are 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 as of June 30, 2018, are are shown in ***Table 13b*** *(pg. 46)*.

For the year ended June 30, 2018, employer and employee contributions to the Systems were as follows in, ***Table 13c***.

Table 13c: Employer and Employee Contributions

System	Employer	Employee
Noncontributory	$ 1,018,373	-
Contributory	8,330	$ 2,824
Public Safety	59,318	-
Tier 2 Public Employees	122,315	-
Tier 2 Public Safety and Firefighter	16,961	-
Total Contributions	$ 1,225,297	$ 2,824

Contributions reported are the URS Board approved required contributions by System. Contributions in the Tier 2 Systems are used to finance the unfunded liabilities in the Tier 1 Systems.

At June 30, 2018, the University's net pension asset and liability were as follows in ***Table 13d*** *(pg.48)*.

The net pension asset and liability were measured as of December 31, 2017, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January

1, 2017, and rolled forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended June 30, 2018, pension expense of $951,778 was recorded. At June 30, 2018, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources in ***Table 13e*** *(pg. 48)*.

The amount of $614,777 was reported as deferred outflows of resources related to pension results from contributions made by the University prior to its fiscal year end, but subsequent to the measurement date of December 31, 2017. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year.

Table 13d: Net Pension Assets and Liability

System	Net Pension Asset (Measurement Date: December 31,2017)	Net Pension Liability (Measurement Date: December 31,2017)	Proportionate Share	Proportionate Share December 31, 2016	Change (Decrease)
Noncontributory	$ -	$ 3,935,651	0.1609435%	0.1701404%	(0.0091969%)
Contributory	-	13,480	0.2048447%	0.1684310%	0.0364137%
Public Safety	-	271,370	0.1560612%	0.1942121%	(0.0381509%)
Tier 2 Public Employees System	-	6,165	0.0699292%	0.0840620%	(0.0141328%)
Tier 2 Public Safety and Firefighter	464	-	0.0400736%	0.0396935%	0.0003801%
Total Net Pension Asset / Liability	$ 464	$ 4,226,666			

Table 13e: Pensions Deferred Inflows and Outflows

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 4,388	$ 240,768
Changes in assumptions	1,058,208	31,181
Net difference between projected and actual earnings on pension plan investments	722,451	1,822,506
Changes in proportion and differences between contributions and proportionate share of contributions	10,101	404,817
Contributions subsequent to the measurement date	614,777	-
Total	$ 2,409,925	$ 2,499,272

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows in ***Table 13f***.

Table 13f: Other Deferred Resources

Year Ending December 31	Deferred Outflows (Inflows) of Resources
2018	$ (28,671)
2019	64,902
2020	(350,622)
2021	(396,183)
2022	(1,368)
Thereafter	7,816

The total pension liability in the December 31, 2017, actuarial valuation was determined using the actuarial assumptions shown in ***Table 13g*** applied to all periods included in the measurement.

Table 13g: Acturial Assumptions

Inflation	2.50 Percent
Salary Increases	3.25 - 9.75 Percent, Average, including Inflation
Investment Rate of Return	6.95 Percent, net of pension plan investment expense, including inflation

Mortality rates were developed from actual experience and mortality tables, based on gender, occupation and age, as appropriate, with adjustments for future improvement in mortality based on Scale AA, a model developed by the Society of Actuaries.

The actuarial assumptions used in the January 1, 2017, valuation were based on the results of an actuarial experience study for the five-year period ending December 31, 2016.

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 and is applied consistently to each defined benefit pension plan. 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 ***Table 13h****, below*.

The 6.95% assumed investment rate of return is comprised of an inflation rate of 2.50%, a real return of 4.45% that is net of investment expense. The discount rate used to measure the total pension liability was 6.95%. 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 URS 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. 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 discount rate does not use the Municipal Bond Index Rate. The discount rate was reduced to 6.95% from 7.20% from the prior measurement period.

Table 13i *(pg. 50)* presents the proportionate share of the net pension liability calculated using the discount rate of 6.95%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.95%) or one percentage point higher (7.95%) than the current rate.

Detailed information about the pension plan's fiduciary net position is available in the separately issued URS financial report.

Table 13h: **Expected Return Arithmetic Basis**

Asset Class	**Target Asset Allocation**	**Real Return Arithmetic Basis**	**Long-Term Expected Portfolio Real Rate of Return**
Equity Securities	40%	6.15%	2.46%
Debt Securities	20%	0.40%	0.08%
Real Assets	15%	5.75%	0.86%
Private Equity	9%	9.95%	0.89%
Absolute Return	16%	2.85%	0.46%
Cash & Cash Equivalents	0%	0.00%	0.00%
Totals	100%		4.75%
	Inflation		2.50%
	Expected Arithmetic Nominal Return		7.25%

Table 13i: Sensitivity of Proportionate Share of Net Pension (Asset)/Liability			
System	1% Decrease (5.95%)	Discount Rate (6.95%)	1% Increase (7.95%)
Noncontributory System	$ 8,593,192	$ 3,935,651	$ 42,885
Contributory System	177,646	13,480	(126,284)
Public Safety System	563,901	271,370	31,125
Tier 2 Public Employees System	72,595	6,165	(45,062)
Tier 2 Public Safety and Firefighter System	4,106	(464)	(3,955)
Total	**$ 9,411,440**	**$ 4,226,202**	**$ (101,291)**

DEFINED CONTRIBUTION SAVINGS PLANS

TIAA provides individual retirement fund contracts with each participating employee. Employees may allocate contributions by the University to any of all of the providers, and the contributions to the employee's contract(s) 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 the individual contracts and the estimated life expectancy of the employee at retirement. For the year ended June 30, 2018, the University's contribution to these defined contribution pension plans was 14.20% of the employees' annual salaries. Additional contributions are made by the University based on employee contracts. The University has no further liability once contributions are made.

Employees of the University may also contribute to the 457(b), 403(b), Roth IRA, or 401(k) plans. For employees participating in the Noncontributory, Tier 2 Public Employee, or Tier 2 Public Safety and Firefighter Systems, the University is also required to contribute 1.50%, 1.58%, or 1.26%, respectively, of the employee's salary into a 401(k) plan.

For employees participating in the Tier 2 Public Employee defined contribution plan and Tier 2 Public Safety and Firefighter defined contribution plan, the University is required to contribute 20.02% and 30.54% respectively, of the employees' salary, of which 10% and 12% respectively, is paid into a 401(k)/457 plan while the remainder is contributed to the Employees Contributory System, as required by law.

Defined Contribution Plans are administered by the Utah Retirement Systems Board and are generally supplemental plans to the basic retirement benefits of the Retirement Systems, but may also be used as a primary retirement plan. These plans are voluntary tax-advantaged retirement savings programs authorized under sections 401(k), 457(b) and 408 of the Internal Revenue code. Detailed information regarding plan provisions is available in the separately issued URS financial report.

For the year ended June 30, 2018, the University's contributions to the defined contribution plans were equal to the required amounts, as shown in ***Table 13j***.

Table 13j: Employer and Employee Contributions		
Defined Contribution Plan	University's Contributions	Employee Contributions
TIAA	$ 3,972,014	$ -
401(k) Plans	83,768	84,147
403(b) Plans	-	488,197
457 Plans	-	108,233
Roth IRA	-	2,400
Total Contributions	$ 4,055,782	$ 682,977

14. CONTINGENT LIABILITIES

The current economic climate has created a budget shortfall for the construction of the Health and Human Performance Center. There are several economic factors that have created the difference, including construction labor shortages and tariffs on building materials. The University has taken measures to cut costs where possible and raise funds to cover the shortfall. The estimated unfunded shortfall is approximately $2 million.

Additionally, the University is involved in various legal actions arising in the ordinary course of business. The University is contesting these matters, but as of this date it is not possible to reasonably estimate the outcome of these proceedings. It is the opinion of management that these matters will not have an adverse effect on the University's financial position.

15. SUBSEQUENT EVENTS

In March 2017, the University created a component unit foundation called the Dixie State University Innovation Foundation (Innovation Foundation). The Innovation Foundation was created to foster and facilitate an educational environment for individuals who desire to develop products and businesses. No activity occurred until July 2018, when it received donations of approximately $3 million as seed money.

REQUIRED SUPPLEMENTARY INFORMATION

Table RSI1: Proportionate Share of the Net Pension Liability for the Utah Retirement Systems

	December 31,			
Noncontributory System	**2017**	**2016**	**2015**	**2014**
Proportion of Net Pension Liability (Asset)	0.16094350%	0.17014040%	0.18031080%	0.18064140%
Proportionate Share of Net Pension Liability (Asset)	$ 3,935,651	$ 5,514,109	$ 5,664,079	$ 4,538,667
Covered Payroll	$ 4,866,617	$ 5,047,851	$ 5,341,127	$ 5,245,808
Proportionate Share of Net Pension Liability (Asset) as a Percentage of Covered Payroll	80.87%	109.24%	106.05%	86.50%
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	89.20%	84.90%	84.50%	87.20%
Contributory System	**2017**	**2016**	**2015**	**2014**
Proportion of Net Pension Liability (Asset)	0.20484470%	0.16843100%	0.28094420%	0.28692570%
Proportionate Share of Net Pension Liability (Asset)	$ 13,480	$ 92,293	$ 176,054	$ 31,461
Covered Payroll	$ 46,608	$ 45,151	$ 88,995	$ 103,443
Proportionate Share of Net Pension Liability (Asset) as a Percentage of Covered Payroll	28.92%	204.41%	197.82%	30.40%
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	99.20%	93.40%	92.40%	98.70%
Public Safety System	**2017**	**2016**	**2015**	**2014**
Proportion of Net Pension Liability (Asset)	0.15606120%	0.19421210%	0.19371590%	0.18916470%
Proportionate Share of Net Pension Liability (Asset)	$ 271,370	$ 415,242	$ 417,044	$ 351,513
Covered Payroll	$ 169,787	$ 223,944	$ 212,317	$ 204,903
Proportionate Share of Net Pension Liability (Asset) as a Percentage of Covered Payroll	159.83%	185.42%	196.42%	171.60%
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	87.40%	83.50%	82.30%	84.30%
Tier 2 Public Employees System	**2017**	**2016**	**2015**	**2014**
Proportion of Net Pension Liability (Asset)	0.06992920%	0.08406200%	0.09876360%	0.10467660%
Proportionate Share of Net Pension Liability (Asset)	$ 6,165	$ 9,377	$ (216)	$ (3,172)
Covered Payroll	$ 685,025	$ 689,380	$ 638,190	$ 513,385
Proportionate Share of Net Pension Liability (Asset) as a Percentage of Covered Payroll	0.90%	1.36%	-0.03%	-0.60%
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	97.40%	95.10%	100.20%	103.50%
Tier 2 Public Safety and Firefighter System	**2017**	**2016**	**2015**	**2014**
Proportion of Net Pension Liability (Asset)	0.04007360%	0.03969350%	0.05173510%	0.07165880%
Proportionate Share of Net Pension Liability (Asset)	$ (464)	$ (345)	$ (756)	$ (1,060)
Covered Payroll	$ 42,282	$ 32,795	$ 30,780	$ 29,601
Proportionate Share of Net Pension Liability (Asset) as a Percentage of Covered Payroll	-1.10%	-1.05%	-2.46%	-3.60%
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	103.00%	103.60%	110.70%	120.50%

The University implemented GASB Statement No. 68 in fiscal year 2015. Information on the University's portion of the plans' net pension liabilities (assets) is not available for periods prior to fiscal year 2015.

Table RSI2: Schedule of Pension Contributions to the Utah Retirement Systems for the Last 10 Fiscal Years ending June 30

Noncontributory System	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Contractually Required Contribution	$ 1,018,373	$ 1,002,286	$ 1,078,513	$ 1,132,464	$ 1,009,059	$ 973,112	$ 881,179	$ 812,533	$ 714,128	$ 715,859
Contributions in Relation to the Contractually Required Contribution	(1,018,373)	(1,002,286)	(1,078,513)	(1,132,464)	(1,009,059)	(973,112)	(881,179)	(812,533)	(714,128)	(715,859)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 5,041,252	$ 4,849,980	$ 5,274,072	$ 5,240,619	$ 5,294,042	$ 5,385,984	$ 5,374,032	$ 4,993,110	$ 5,021,993	$ 5,034,167
Contributions as a Percentage of Covered Payroll	20.20%	20.67%	20.45%	21.61%	19.06%	18.07%	16.40%	16.27%	14.22%	14.22%

Contributory System	2018	2017	2016	2015	2014*	2013*	2012*	2011*	2010	2009
Contractually Required Contribution	$ 8,330	$ 8,031	$ 10,704	$ 18,102	$ 16,659	$ 47,609	$ 21,902	$ 11,125	$ 8,845	$ 8,758
Contributions in Relation to the Contractually Required Contribution	(8,330)	(8,031)	(10,704)	(18,102)	(16,659)	(47,609)	(21,902)	(11,125)	(8,845)	(8,758)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 47,062	$ 45,375	$ 60,473	$ 102,272	$ 104,314	$ 486,900	$ 222,788	$ 94,045	$ 90,907	$ 90,007
Contributions as a Percentage of Covered Payroll	17.70%	17.70%	17.70%	17.70%	15.97%	9.78%	9.83%	11.83%	9.73%	9.73%

* Contractually Required Contributions, Contributions, and Covered Payroll include information for Tier 2 Employees. The Tier 2 Public Employees System was created in fiscal year 2011. Prior to the implementation of GASB Statement No. 68, Tier 2 information was not separately available.

Public Safety System	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Contractually Required Contribution	$ 59,318	$ 88,037	$ 90,450	$ 91,062	$ 79,124	$ 81,729	$ 68,166	$ 62,557	$ 59,032	$ 51,899
Contributions in Relation to the Contractually Required Contribution	(59,318)	(88,037)	(90,450)	(91,062)	(79,124)	(81,729)	(68,166)	(62,557)	(59,032)	(51,899)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 143,452	$ 212,907	$ 218,742	$ 206,738	$ 201,282	$ 219,171	$ 199,782	$ 191,015	$ 195,598	$ 183,776
Contributions as a Percentage of Covered Payroll	41.35%	41.35%	41.35%	44.05%	39.31%	37.29%	34.12%	32.75%	30.18%	28.24%

*Tier 2 Public Employees System **	2018	2017	2016	2015	2014*	2013*	2012*	2011*	2010*	2009*
Contractually Required Contribution	$ 122,315	$ 126,881	$ 129,774	$ 44,354	$ 79,924	N/A	N/A	N/A	N/A	N/A
Contributions in Relation to the Contractually Required Contribution	(122,315)	(126,881)	(129,774)	(44,354)	(79,924)					
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -					
Covered Payroll	$ 663,313	$ 695,619	$ 711,479	$ 532,459	$ 477,160					
Contributions as a Percentage of Covered Payroll	18.44%	18.24%	18.24%	8.33%	16.75%					

*Tier 2 Public Safety and Firefighter System **	2018	2017	2016	2015	2014	2013*	2012*	2011*	2010*	2009*
Contractually Required Contribution	$ 16,961	$ 9,987	$ 9,159	$ 3,262	$ 6,589	N/A	N/A	N/A	N/A	N/A
Contributions in Relation to the Contractually Required Contribution	(16,961)	(9,987)	(9,159)	(3,262)	(6,589)					
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -					
Covered Payroll	$ 57,927	$ 34,190	$ 31,357	$ 30,203	$ 24,046					
Contributions as a Percentage of Covered Payroll	29.28%	29.21%	29.21%	10.80%	27.40%					

* Contributions in Tier 2 include an amortization rate to help fund the unfunded liabilities in the Contributory System. Tier 2 systems were created effective July 1, 2011.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Changes in Assumptions: As a result of an experience study conducted as of December 31, 2016, the Board adopted recommended changes to several economic and demographic assumptions that are used in the actuarial valuation. The assumption changes that had the largest impact on the Total Pension Liability (and actuarial accrued liability) include a decrease in the investment return assumption from 7.20% to 6.95%, a reduction in the price inflation assumption from 2.60% to 2.50% (which also resulted in a corresponding decrease in the cost-of-living-adjustment assumption for the funds with a 4.00% annual COLA max), and the adoption of an updated retiree mortality table that is developed using URS's actual retiree mortality experience. There were changes to several other demographic assumptions, but those changes had a minimal impact on the Total Pension Liability (and actuarial accrued liability).

APPENDIX C

PROPOSED FORM OF OPINION OF BOND COUNSEL

Upon the delivery of the 2019 Bonds, Chapman and Cutler LLP, Bond Counsel, proposes to issue their final approving opinion in substantially the following form:

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[TO BE DATED CLOSING DATE]

Re: $42,040,000
State Board of Regents of the State of Utah
Dixie State University
General Revenue Bonds
Series 2019

We hereby certify that we have examined certified copy of the proceedings of the State Board of Regents of the State of Utah (the *"Board"*), including certified copy of the resolution adopted by the Board on November 15, 2019, authorizing the issuance by the Board, on behalf of Dixie State University, an institution of higher education and a body politic and corporate of the State of Utah (the *"University"*), of its Dixie State University General Revenue Bonds, Series 2019, in the aggregate principal amount of $42,040,000 (the *"2019 Bonds"*). The 2019 Bonds are issued and secured under the General Indenture of Trust, dated as of June 1, 2015, as heretofore supplemented (the *"General Indenture"*), and as further supplemented by the Third Supplemental Indenture of Trust, dated as of December 1, 2019 (the *"Third Supplemental Indenture"*), each between the Board, acting on behalf of the University and Zions Bancorporation, National Association, as successor trustee. The General Indenture and the Third Supplemental Indenture are collectively referred to herein as the *"Indenture."* Initially-capitalized terms used and not defined herein have the meanings assigned to such terms in the Indenture.

The 2019 Bonds are dated as of the date hereof and mature on June 1 of each of the years and in the amounts and bear interest as follows:

Maturity Date (June 1)	Principal Amount	Interest Rate
2022	$ 740,000	5.000%
2023	800,000	5.000
2024	825,000	5.000
2025	875,000	5.000
2026	925,000	5.000
2027	950,000	5.000
2028	1,000,000	5.000
2029	1,050,000	5.000
2030	1,100,000	5.000
2031	1,175,000	4.000
2032	1,200,000	4.000
2033	1,250,000	3.000
2034	1,300,000	3.000
2035	1,325,000	3.000
2036	1,375,000	3.000
2037	1,425,000	3.000

Maturity Date (June 1)	Principal Amount	Interest Rate
2038	$1,450,000	2.550%
2039	1,500,000	2.625
2044	8,125,000	3.000
2049	9,450,000	3.000
2051	4,200,000	3.000

The 2019 Bonds are subject to redemption prior to maturity at the times, in the manner and upon the terms set forth in each of the 2019 Bonds and in the Indenture. The 2019 Bonds are issuable as fully registered bonds, without coupons, in the denomination of $5,000 or any whole multiple thereof.

The 2019 Bonds are being issued under the authority of Title 53B, Chapter 21, Utah Code Annotated 1953, as amended (the *"Utah Code"*), Section 63B-29-102(7), Utah Code, and the Utah Registered Public Obligations Act, Title 15, Chapter 7, Utah Code (collectively, the *"Act"*), for the purpose of providing funds to finance a portion of constructing a student housing facility, provide for the Series 2019 Debt Service Reserve Requirement and pay the costs of issuance of the 2019 Bonds.

Based on such examination, we are of the opinion that such proceedings show lawful authority for the issuance of the 2019 Bonds under the laws of the State of Utah (the *"State"*) now in force and that:

(1) The Board has the power under the Act to enter into the Indenture and to issue the 2019 Bonds on behalf of the University, and the Indenture has been duly and lawfully authorized, executed and delivered by the Board and the University, is in full force and effect and is valid and binding upon the Board and the University and is enforceable in accordance with its terms, except (i) as enforcement may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights generally or usual equity principles in the event equitable remedies are sought and (ii) to the extent that the obligations of the Board and the University under the Indenture are subject to the exercise in the future by the State and its governmental bodies of the police power inherent in the sovereignty of the State and to the exercise by the United States of America of the power delegated to it by the federal constitution, and no other authorization for the Indenture is required.

(2) The Indenture creates the valid pledge that it purports to create of the Revenues, moneys, securities and funds held or set aside under the Indenture, subject to the application thereof to the purposes and on the conditions permitted by the Indenture.

(3) The 2019 Bonds are valid and binding special obligations of the Board, enforceable in accordance with their terms (except as enforcement may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights generally or usual equity principles in the event equitable remedies are sought) and the terms of the Indenture, and the 2019 Bonds are entitled to the benefits of the Indenture and the Act, and the 2019 Bonds have been duly and validly authorized and issued in accordance with law and the Indenture.

(4) The Indenture grants to the owners of the 2019 Bonds and to the owners of any obligations heretofore or hereafter issued on a parity with the 2019 Bonds in accordance with the provisions of the Indenture, a first lien on and pledge of Revenues.

(5) All actions, conditions and things required by the Constitution and laws of the State to happen, exist and be performed precedent to the issuance and sale of the 2019 Bonds have been complied with.

(6) Subject to the Board's and the University's compliance with certain covenants under present law, interest on the 2019 Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the alternative minimum tax for individuals under the Internal Revenue Code of 1986, as amended. Failure to comply with certain of such Board and University covenants could cause interest on the 2019 Bonds to be includable in gross income for federal income tax purposes retroactively to the date of issuance of the 2019 Bonds. Ownership of the 2019 Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the 2019 Bonds.

(7) Under the laws of the State of Utah as presently enacted and construed, interest on the 2019 Bonds is exempt from taxes imposed by the Utah Individual Income Tax Act. No opinion is expressed with respect to any other taxes imposed by the State or any political subdivision thereof. Ownership of the 2019 Bonds may result in other State tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the 2019 Bonds.

We further certify that we have examined the form of the 2019 Bonds prescribed by the Indenture and find the same in due form of law.

We express no opinion herein as to the accuracy, adequacy or completeness of the official statement relating to the 2019 Bonds.

In rendering this opinion, we have relied upon certifications of the Board and the University with respect to certain material facts solely within their knowledge. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

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APPENDIX D

PROPOSED FORM OF CONTINUING DISCLOSURE UNDERTAKING

CONTINUING DISCLOSURE UNDERTAKING

FOR THE PURPOSE OF PROVIDING
CONTINUING DISCLOSURE INFORMATION
UNDER PARAGRAPH (b)(5) OF RULE 15C2-12

[TO BE DATED CLOSING DATE]

This Continuing Disclosure Undertaking (this *"Agreement"*), is executed and delivered by the State Board of Regents of the State of Utah (the *"Issuer"*) and Dixie State University (the *"University"*) in connection with the issuance by the Issuer of its Dixie State University General Revenue Bonds, Series 2019, in the aggregate principal amount of $42,040,000 (the *"2019 Bonds"*). The 2019 Bonds are being issued pursuant to a General Indenture of Trust, dated as of June 1, 2015, as heretofore supplemented (the *"General Indenture"*), and as further supplemented by a Third Supplemental Indenture of Trust, dated as of December 1, 2019 (the *"Third Supplemental Indenture"* and together with the General Indenture, the *"Indenture"*), each between the Issuer, the University and Zions Bancorporation, National Association, as successor trustee (the *"Trustee"*).

In consideration of the issuance of the 2019 Bonds by the Issuer and the purchase of such 2019 Bonds by the beneficial owners thereof, the Issuer and the University covenant and agree as follows:

1. PURPOSE OF THIS AGREEMENT. This Agreement is executed and delivered by the Issuer and the University as of the date set forth above for the benefit of the beneficial owners of the 2019 Bonds and in order to assist the Participating Underwriters in complying with the requirements of the Rule (as defined below). The Issuer and the University represent that they will be the only obligated persons with respect to the 2019 Bonds at the time the 2019 Bonds are delivered to the Participating Underwriters and that no other person is expected to become so committed at any time after issuance of the 2019 Bonds.

2. DEFINITIONS. The terms set forth below shall have the following meanings in this Agreement, unless the context clearly otherwise requires.

"Annual Financial Information" means the financial information and operating data described in *Exhibit I*.

"Annual Financial Information Disclosure" means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

"Audited Financial Statements" means the audited financial statements of the University prepared pursuant to the standards and as described in *Exhibit I*.

"Commission" means the Securities and Exchange Commission.

"Dissemination Agent" means any agent designated as such in writing by the Issuer and the University and which has filed with the Issuer and the University a written acceptance of such designation, and such agent's successors and assigns.

“*EMMA*” means the MSRB through its Electronic Municipal Market Access system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule.

“*Exchange Act*” means the Securities Exchange Act of 1934, as amended.

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

“*MSRB*” means the Municipal Securities Rulemaking Board.

“*Participating Underwriter*” means each broker, dealer or municipal securities dealer acting as an underwriter in the primary offering of the 2019 Bonds.

“*Reportable Event*” means the occurrence of any of the Events with respect to the 2019 Bonds set forth in *Exhibit II*.

“*Reportable Events Disclosure*” means dissemination of a notice of a Reportable Event as set forth in Section 5.

“*Rule*” means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

“*State*” means the State of Utah.

“*Undertaking*” means the obligations of the Issuer and the University pursuant to Sections 4 and 5.

3. CUSIP NUMBER/FINAL OFFICIAL STATEMENT. The CUSIP Numbers of the 2019 Bonds is are as follows:

MATURITY (JUNE 1)	CUSIP NUMBER (91754R)	MATURITY (JUNE 1)	CUSIP NUMBER (91754R)
2022	J32	2033	K63
2023	J40	2034	K71
2024	J57	2035	K89
2025	J65	2036	K97
2026	J73	2037	L21
2027	J81	2038	L39
2028	J99	2039	L47
2029	K22	2044	L96
2030	K30	2049	M61
2031	K48	2051	M87
2032	K55		

The Final Official Statement relating to the 2019 Bonds is dated December 5, 2019 (the “*Final Official Statement*”). The University will include the CUSIP Number in all disclosure described in Sections 4 and 5 of this Agreement.

4. ANNUAL FINANCIAL INFORMATION DISCLOSURE. Subject to Section 8 of this Agreement, the University hereby covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements (in the form and by the dates set forth in *Exhibit I*) to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information and by such time so that such entities receive the information by the dates specified. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the University will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment or waiver is made to this Agreement, the Annual Financial Information for the year in which such amendment or waiver is made (or in any notice or supplement provided to EMMA) shall contain a narrative description of the reasons for such amendment or waiver and its impact on the type of information being provided.

5. REPORTABLE EVENTS DISCLOSURE. Subject to Section 8 of this Agreement, the University hereby covenants that it will disseminate in a timely manner (not in excess of ten business days after the occurrence of the Reportable Event) Reportable Events Disclosure to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. References to "material" in *Exhibit II* refer to materiality as it is interpreted under the Exchange Act. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any 2019 Bonds or defeasance of any 2019 Bonds need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the Bondholders pursuant to the Indenture.

6. CONSEQUENCES OF FAILURE OF THE UNIVERSITY TO PROVIDE INFORMATION. The University shall give notice in a timely manner to EMMA of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the Issuer or the University to comply with any provision of this Agreement, the beneficial owner of any 2019 Bond may seek mandamus or specific performance by court order, to cause the Issuer or the University to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed a default under the Indenture, and the sole remedy under this Agreement in the event of any failure of the Issuer or the University to comply with this Agreement shall be an action to compel performance.

7. AMENDMENTS; WAIVER. Notwithstanding any other provision of this Agreement, the Issuer and the University by resolution authorizing such amendment or waiver, may amend this Agreement, and any provision of this Agreement may be waived, if:

(a) (i) the amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, including without limitation, pursuant to a "no-action" letter issued by the Commission, a change in law, or a change in the identity, nature, or status of the Issuer or the University, or type of business conducted; or

(ii) this 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

(b) the amendment or waiver does not materially impair the interests of the beneficial owners of the 2019 Bonds, as determined either by parties unaffiliated with the Issuer and the University (such as bond counsel).

In the event that the Commission or the MSRB or other regulatory authority shall approve or require Annual Financial Information Disclosure or Reportable Events Disclosure to be made to a central post office, governmental agency or similar entity other than EMMA or in lieu of EMMA, the University shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending this Agreement.

8. TERMINATION OF UNDERTAKING. The Undertaking of the Issuer and the University shall be terminated hereunder if the Issuer shall no longer have any legal liability for any obligation on or relating to repayment of the 2019 Bonds under the Indenture. The University shall give notice to EMMA in a timely manner if this Section is applicable.

9. DISSEMINATION AGENT. The Issuer and the University may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

10. ADDITIONAL INFORMATION. Nothing in this Agreement shall be deemed to prevent the Issuer or the University from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Reportable Event, in addition to that which is required by this Agreement. If the Issuer or the University chooses to include any information from any document or notice of occurrence of a Reportable Event in addition to that which is specifically required by this Agreement, the Issuer and the University shall have no obligation under this Agreement to update such information or include it in any future disclosure or notice of occurrence of a Reportable Event. If the Issuer or the University is changed, the University shall disseminate such information to EMMA.

11. BENEFICIARIES. This Agreement has been executed in order to assist the Participating Underwriters in complying with the Rule; however, this Agreement shall inure solely to the benefit of the Issuer, the University, the Dissemination Agent, if any, and the beneficial owners of the 2019 Bonds, and shall create no rights in any other person or entity.

12. RECORDKEEPING. The University shall maintain records of all Annual Financial Information Disclosure and Reportable Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

13. ASSIGNMENT. The Issuer shall not transfer its obligations under the Indenture unless the transferee agrees to assume all obligations of the Issuer under this Agreement or to execute an Undertaking under the Rule.

14. GOVERNING LAW. This Agreement shall be governed by the laws of the State.

15. COUNTERPARTS. This 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 as of the date first above written.

STATE BOARD OF REGENTS OF THE STATE OF UTAH

By __ ____________________________________
Vice Chair

[SEAL]

ATTEST:

By______________________________________
Secretary

DIXIE STATE UNIVERSITY

By ______________________________________
Vice President of Administrative Affairs

EXHIBIT I

ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED FINANCIAL STATEMENTS

"Annual Financial Information" means financial information and operating data of the type contained in the tables in the Official Statement under the following captions: (i) "HISTORICAL AND PROJECTED GENERAL REVENUES AVAILABLE FOR DEBT SERVICE (as the same became historically available);" (ii) "DIXIE STATE UNIVERSITY—Student Enrollment" and "—State Appropriations To The University—State Appropriations to the University;" (iii) "DEBT STRUCTURE OF DIXIE STATE UNIVERSITY—Outstanding Debt Of The University" and "—Debt Service Schedule Of Outstanding Debt Of The University By Fiscal Year" and (iv) "FINANCIAL INFORMATION REGARDING DIXIE STATE UNIVERSITY—Financial Summaries."

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted to EMMA or filed with the Commission. If the information included by reference is contained in a Final Official Statement, the Final Official Statement must be available on EMMA; the Final Official Statement need not be available from the Commission. The University shall clearly identify each such item of information included by reference.

Annual Financial Information exclusive of Audited Financial Statements will be submitted to EMMA on or before January 31 of each year (not later than seven months after the end of each fiscal year of the University (currently June 30)), commencing with the fiscal year ending June 30, 2019. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included, if available.

Audited Financial Statements will be prepared in accordance with Generally Accepted Accounting Principles. Audited Financial Statements will be submitted to EMMA within 30 days after availability to the University.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Agreement, the University will disseminate a notice of such change as required by Section 4.

EXHIBIT II

EVENTS WITH RESPECT TO THE 2019 BONDS FOR WHICH REPORTABLE EVENTS DISCLOSURE IS REQUIRED

1. Principal and interest payment delinquencies
2. Non-payment related defaults, if material
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security
7. Modifications to the rights of security holders, if material
8. Bond calls, if material, and tender offers
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities, if material
11. Rating changes
12. Bankruptcy, insolvency, receivership or similar event of the obligated person*
13. The consummation of a merger, consolidation, or acquisition involving the University or the sale of all or substantially all of the assets of the University, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material
15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties

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* This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the State in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the State, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the State.

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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 2019 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2019 Bonds on DTC's records. The ownership interest of each actual purchaser of each 2019 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 2019 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 2019 Bonds, except if use of the book–entry system for the 2019 Bonds is discontinued.

To facilitate subsequent transfers, all 2019 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 2019 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 2019 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2019 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 2019 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2019 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of 2019 Bonds may wish to ascertain that the nominee holding the 2019 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 the 2019 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 2019 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 University 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 2019 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the 2019 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 University 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 University, 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 University 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 2019 Bonds at any time by giving reasonable notice to the University or the Trustee. Under such circumstances, if a successor depository is not obtained, 2019 Bond certificates are required to be printed and delivered.

The University may decide to discontinue use of the system of book–entry–only transfers through DTC (or a successor securities depository). In that event, 2019 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 University believes to be reliable, but the University takes no responsibility for the accuracy thereof.

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DSU

DIXIE STATE UNIVERSITY

ST. GEORGE, UTAH