

# LEHMAN BROTHERS

## MEMORANDUM

### CONFIDENTIAL

**TO:** Jerry Rizzieri  
Ronald A. Stack

**FROM:** Matthew Cooney

**DATE:** August 25, 2008

**RE:** Closing Memorandum

**\$53,130,000**

**IDAHO STATE BUILDING AUTHORITY  
STATE BUILDING REFUNDING VARIABLE RATE REVENUE BONDS, SERIES 2008A  
(PRISON FACILITIES PROJECT)**

#### I. General Information

CORE Number: 63230.29  
CUSIP Number: 451443UH6  
Deal Code: ID ST BLDG08A  
Pricing Date: June 26, 2008  
Purchase Contract Signed: June 26, 2008  
Bonds Dated: June 27, 2008  
Closing Date: June 27, 2008  
Underwriter's Counsel: Hawley Troxell Ennis & Hawley LLP  
(Nick Miller, 208-388-4849)  
Co-Bond & Disclosure Counsel: Ballard Spahr Andrews & Ingersoll LLP  
(Randy Larsen, 801-531-3031)  
Skinner Fawcett  
(Rick Skinner, 208-345-2663)

Ratings:  
Moody's: VMIG 1 (based on SBPA from Wells Fargo, Aa3 long-term underlying)  
S&P: A-1+ (based on SBPA from Wells Fargo, AA- long-term underlying)  
Fitch: Not rated

Advance Refunding: No (current refunding)  
NIC: Variable  
TIC: Variable  
Arbitrage Yield: Variable  
Average Life: 11.084 years  
Use of Proceeds: To current refund ISBA's series 1998A bonds for net debt service savings.

Book-running Manager: Lehman Brothers  
Co-Manager: None  
Financial Advisor: Seattle-Northwest Securities Corporation, Boise, Idaho  
LB Bankers: Senior & Lead: Bob Campbell  
Team: Sean Keatts, Matt Cooney

Group/Regional Participation: North Pacific Region (P&L 26856)  
Credit Enhancement: SPBA provided by Wells Fargo Bank N.A. through June 26, 2011 for 35 bp per annum of the average principal amount outstanding.

## II. Spread and Revenues

	<u>Per Bond</u>	<u>Amount</u>
Management Fee	\$1.000	\$53,130.00
Net to Underwriting	0.000	0.00
Average Takedown	0.750	39,847.50
Expenses	0.383	20,338.78
Clearance	<u>0.000</u>	<u>0.00</u>
<b>Total</b>	<b><u>\$2.133</u></b>	<b><u>\$113,316.28</u></b>

Management Fee Breakdown: 100% to Lehman Brothers

Remarketing Fees: 6 bp per annum (\$31,878 annually while all bonds are outstanding)

### Sales Information:

Participation:	100%	
Total Sales:	\$53,130,000	(Actual)
Sales Credits:	\$39,848	(Actual)

Expense breakdown (see attached checklist).

### Net Revenues:

Management Fee	\$53,130
Sales Credits	<u>39,848</u>
Total	<u>\$92,978</u>

cc: Arthur Chan (745 Seventh Avenue, 19<sup>th</sup> Floor)  
Carmine Padovano (745 Seventh Avenue, 19<sup>th</sup> Floor)  
Matt Foley (1301 Avenue of the Americas, 12<sup>th</sup> Floor)  
Gary Fox (1301 Avenue of the Americas, 12<sup>th</sup> Floor)  
Aik Pinellis (1301 Avenue of the Americas, 12<sup>th</sup> Floor)  
Jorge Guerron (1301 Avenue of the Americas, 8<sup>th</sup> Floor)  
Peter Fountaine (1301 Avenue of the Americas, 8<sup>th</sup> Floor)  
Scott Lechner (745 7<sup>th</sup> Avenue, 28<sup>th</sup> Floor)  
Edmond Papantonio (745 7<sup>th</sup> Avenue, 19<sup>th</sup> Floor)  
Gary Rosen (745 7<sup>th</sup> Avenue, 19<sup>th</sup> Floor)  
Katie Chan (1301 Avenue of the Americas, 12<sup>th</sup> Floor)  
Robert H. Campbell (Seattle)  
Sean Keatts (Seattle)  
Darlene Turner (Seattle)

MAC

## CHECKLIST OF MANAGEMENT EXPENSES

Issue: Idaho State Building Authority  
State Building Refunding Variable Rate Revenue Bonds, Series 2008A  
(Prison Facilities Project)  
Amount: \$53,130,000  
CORE Number: 63230.29

### Budgeted

### Un-Budgeted

#### Professional Fees:

Underwriter's Counsel (Hawley Troxell Ennis & Hawley): \$12,500  
RIBS/SAVRS Counsel:  
Blue Sky Survey & Fees:  
Legal Investment Survey:  
Feasibility Consultant (if any):  
Other:

#### Advertising (List Publications):

Pre-sale:  
Final:  
Production Costs:  
Mementos:

#### Creative Services:

#### Printing:

Offering Circulars:  
Official Statements:  
Bond Printing:  
Signature Company (unless paid by issuer):  
Other:

#### Stationery, Printing & Postage (Internal):

Air Express:  
Postage (mailing of underwriting  
documents and official statements):  
Messenger Services:

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#### Data Processing & Outside Services:

Public Finance:  
\*\*Dalcomp Computer:  
(\$.06 per \$1,000 par amount)  
\*\*MSS - wire chg.  
(\$30 per underwriter/selling group member)  
\*\*Dalcomp -Mgrs. Branch Copies  
(\$15/branch = \$15 x 3 branches = \$45)  
\*\*Dalcomp Electronic Order Entry Charges – Dealer  
\*\*Dalcomp Electronic Order Entry Charges – Issuer  
(\$0.15 per \$1,000 par amount)

	<u>Budgeted</u>	<u>Un-Budgeted</u>
Travel & Entertainment:	\$2,406	
Public Finance:		
Other Divisions:		
Taxis (Bankers, associates, word processors & secretaries):	40	
Closing Costs:		
Airline:		
Hotel:		
Entertainment:		
Food:		
Transportation Services:		
Other:		
Overtime:		
Temporary Personnel:		
Creative Services/Word Processing:		
Communications:		
Telephone, Telex, Conference Calls:		
Telegrams:		
Syndicate Closing:		
Graphic Scanning:		
Other:		
Loans:		
Day Loan:	1,107	
Interest on Good Faith Check:		
Miscellaneous Expenses:		
MSRB fee:		\$1,594
SIFMA fee:	1,594	
CUSIP:	138	
Ratings:		
Insurance:		
Miscellaneous State Fees:		
Document Retention Fee:		
DTC Charges:		
Co-Manager's Expenses:		
Finder's Fee:		
Structuring Fee		
Other:		
Reserve for Unallocated Expenses:	<u>2,516</u>	<u>0</u>
Total	<u>\$20,339</u>	<u>\$1,594</u>

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