

Addendum, Dated October 30, 2019

To

**Preliminary Official Statement Sale (dated October 25, 2019)
relating to**

Joint School District No. 251, Jefferson and Madison Counties, State of Idaho

\$14,645,000* General Obligation Refunding Bonds (Sales Tax Guaranty Program), Series 2019

PLEASE BE ADVISED that the above-referenced **PRELIMINARY OFFICIAL STATEMENT** has been supplemented to revise the following information:

Under the section “**LEGAL MATTERS—Litigation**” (page 38 of the Preliminary Official Statement), the Joint School District No. 251, Jefferson and Madison Counties, Idaho (the “Issuer”) hereby amends the section labeled *Pending Class Action Lawsuit* based on a ruling on the Zeyen Case, defined herein, that occurred October 23, 2019:

Pending Class Action Lawsuit. On May 9, 2018, parents of children in two other Idaho school districts filed a class action lawsuit (the “Federal Lawsuit”) in the United States District Court for the District of Idaho against every school district and charter school in the State, including the District. The Federal Lawsuit alleges violations of the Fifth and Fourteenth Amendments to the Constitution of the United States of America, and of Article I, Section 14 of the Idaho Constitution. The Federal Lawsuit plaintiffs requested a declaratory judgment that certain fees and other costs school districts require students to pay violate Article IX, Section 1 of the Constitution of the State of Idaho and constitute a taking of private property without just compensation. The Federal Lawsuit also alleges damages of at least \$20 million per year since October 1, 2012.

Legal counsel bringing this case also represents parents in two specific school districts in a case brought in State of Idaho District Court alleging that the activity fees violate state law (the “Zeyen Case”). The trial court in the Zeyen Case held that Idaho law bars monetary recovery for fees paid. The plaintiffs then sought to amend the complaint to add a claim for a Due Process violation, but the trial court denied that amendment on the basis that it came too late in the litigation. Plaintiffs appealed the rulings of the trial court to the Idaho Supreme Court.

On November 20, 2018, the District, along with all other named defendant districts, filed a motion to dismiss the Federal Lawsuit on a number of procedural grounds including that plaintiffs lack standing to sue the districts, that class certification was inappropriate because the claims asserted were not common to all plaintiffs, and that plaintiffs failed to state a claim under the Takings Clause of the Fifth

* Preliminary; subject to change.

Amendment of the United States Constitution. On January 30, 2019, the Federal Court issued an order staying the Federal Lawsuit and the determination of class certification until the Idaho Supreme Court decides in the Zeyen Case whether claims for relief exist under State law.

On October 23, 2019, the Idaho Supreme Court issued a decision in the Zeyen Case affirming the District Court's decisions. As a result, the District has limited future exposure to a case like the Zeyen case because plaintiffs residing in the District would need to file suit and such person could sue for prospective relief only under Idaho law. However, because the Idaho Supreme Court did not address the merits of a Due Process violation, but only that the Zeyen's efforts to assert such claims was not timely made, potential Due Process claims remain unresolved.

The District expects that the plaintiffs will seek to resume the Federal Lawsuit to pursue claims based on Due Process theories and to certify a class. If so, the District nonetheless believes it has various defenses to such claims. In addition, under Idaho Law, the District may certify a special ad valorem tax levy without voter approval to discharge a judgment, and the amount permitted to be certified is not legally limited. If a judgment were to be entered against the District in a significant sum, the District would be able to pay the judgment from the special tax levy.

Accordingly, regardless of the outcome of the Federal Lawsuit, the District does not expect the Federal Lawsuit to have a material adverse effect on the on-going operations of the District, nor its ability to pay principal and interest on the 2019 Bonds which are paid from a separate dedicated tax levy.