

Approved by the Board of Trustees,
January 20, 2005

Board Meeting
January 20, 2005

ROLL CALL

CERTIFICATES OF PARTICIPATION (COLLEGE OF MEDICINE RESEARCH BUILDING PROJECT) SERIES 2005

Action: Approve Issuance of Certificates of Participation (College of Medicine Research Building Project) Series 2005

Funding: Proceeds of the Certificates

The board, at its meeting on November 11, 2004, authorized a number of actions leading toward the issuance of Certificates of Participation (College of Medicine Research Building Project) Series 2005 evidencing proportionate interests in installment payments to be made by the board (the "Series 2005 Certificates"). Those actions included retaining Loop Capital Markets, LLC, as managing underwriter and the retention of additional co-managers and selling team members as needed. Subsequently, Loop Capital Markets, LLC, has asked not to serve as managing underwriter. Therefore, it is proposed that A. G. Edwards & Sons, Inc., serve as managing underwriter and Samuel A. Ramirez & Co., Inc., serve as co-manager. The other such authorized actions have been completed and now it is requested that the board authorize the issuance of the Series 2005 Certificates in an amount not to exceed \$22.0 million (not including original issue discount or premium) with a final maturity of not more than 20 years to fund the

College of Medicine Research Building Project, including capitalized interest plus necessary issuance costs.

The average annual payments to the certificate holders are estimated to approximate \$1.7 million over the 20-year life of the Series 2005 Certificates. The Series 2005 Certificates are subject to redemption at such times and at such redemption prices (but not in excess of 115%) as the comptroller determines are necessary or helpful in marketing the Series 2005 Certificates.

The Series 2005 Certificates will be fully registered and the obligation to make the installment payments will constitute a current operating expense of the board and neither the Installment Purchase Contract nor the Series 2005 Certificates will constitute an indebtedness of the State of Illinois. It has been determined that interest payable on the Certificates will not be exempt from federal or State income taxes. The board will pledge to the payment of the installment payments such moneys as may be lawfully appropriated by the General Assembly for such purposes and legally available non-appropriated funds on an annual basis, e.g., tuition and indirect cost recoveries.

All legal matters incidental to the authorization and issuance of the Series 2005 Certificates, the form of the Preliminary Official Statement, the Indenture of Trust (the “ Indenture”), the Certificate Purchase Agreement, the Installment Purchase Contract, the Acquisition Agreement, and the Continuing Disclosure Agreement have been approved by Chapman and Cutler LLP, Special Counsel, Chicago, Illinois.

The Vice President for Administration recommends:

1. Retention of A. G. Edwards & Sons, Inc., to serve as senior managing underwriter; and retention of Samuel A. Ramirez & Co., Inc., to serve as co-manager.
2. Approval of the Preliminary Official Statement and approval of the Final Official Statement with the addition of the final terms of the Series 2005 Certificates.¹
3. Approval of the form of the Certificate Purchase Agreement¹ with A. G. Edwards & Sons, Inc., as underwriter, wherein the underwriter agrees to purchase from the board not less than all of the Series 2005 Certificates in an aggregate original principal amount not exceeding \$22.0 million. The price at which the Series 2005 Certificates will be purchased from the board by the underwriter, exclusive of original issue discount, will not be less than 98 percent of the par amount thereof and the true interest cost of borrowing for the Series 2005 Certificates will not exceed 6.0 percent.
4. Approval of the forms of the Acquisition Agreement and the Installment Purchase Contract.¹
5. Approval of the form of the Indenture.¹
6. Approval of the form of the Continuing Disclosure Agreement by the board with respect to the Series 2005 Certificates.¹
7. Ratification and confirmation of all actions taken or to be taken by the officers and members of the board in connection with the sale and delivery of the Series 2005 Certificates to the underwriter.
8. The comptroller and other authorized officers of the board be and they are hereby authorized and empowered to do and perform such other acts and things; and to make, execute, and deliver all such other instruments and documents on behalf of the board as may be by them

¹A copy is filed with the Secretary of the Board for record and the appropriate officers of the board are hereby authorized and directed to execute the same in the name of and on behalf of the board in substantially the form presented to this meeting, or with such changes as may be approved by the officer or officers of the board executing the same, his/her or their execution thereof to constitute conclusive evidence of the board's approval of all changes from the form thereof presented to this meeting; provided, however, that if any such changes constitute a substantial change in the form thereof presented to this meeting they shall first be approved by the Executive Committee of the Board to which authority for such approval is delegated by the board.

deemed necessary or appropriate in connection with the provisions of the Official Statement, the Indenture, the Certificate Purchase Agreement, the Installment Purchase Contract, the Acquisition Agreement, the Continuing Disclosure Agreement, and all acts and things whether heretofore or hereafter done or performed by and of the officers of the board which are in conformity with the intents and purposes of these resolutions shall be and the same are hereby in all respects, ratified, confirmed, and approved.

The board action recommended in this item complies in all material respects with applicable State and federal laws, University of Illinois *Statutes, The General Rules Concerning University Organization and Procedure*, and Board of Trustees policies and directives.

The President of the University concurs.