
THE BOARD OF TRUSTEES
OF
THE UNIVERSITY OF ILLINOIS

RESOLUTION AUTHORIZING
APPLICATION OF EXCESS FUNDS IN
HEALTH SERVICES FACILITIES SYSTEM REVENUE FUND

Approved March 12, 2020

A RESOLUTION AUTHORIZING THE APPLICATION OF EXCESS FUNDS IN THE HEALTH SERVICES FACILITIES SYSTEM REVENUE FUND, AND SUPPLEMENTING RESOLUTIONS DULY ADOPTED BY THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ILLINOIS DATED JANUARY 22, 1997, MAY 17, 2007, MAY 22, 2008 AND JULY 25, 2013.

WHEREAS, The Board of Trustees of the University of Illinois (the “*Board*”) on January 22, 1997, did duly adopt a resolution entitled:

A RESOLUTION AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF REVENUE BONDS FOR THE PURPOSE OF PAYING THE COST OF ACQUIRING, CONSTRUCTING, EQUIPPING AND IMPROVING CERTAIN HEALTH SERVICES FACILITIES, PAYING CERTAIN EXPENSES OF CREATING A HEALTH SERVICES FACILITIES SYSTEM, INCLUDING EXPENSES RELATING TO ISSUANCE OF THE BONDS, SETTING FORTH THE TERMS UNDER WHICH REVENUE BONDS ARE TO BE ISSUED, PROVIDING FOR THE RIGHTS OF THE OWNERS THEREOF AND PROVIDING FOR THE MANAGEMENT, MAINTENANCE, IMPROVEMENT AND OPERATION OF THE HEALTH SERVICES FACILITIES SYSTEM.

(the “*Original Resolution*” and as supplemented, modified or amended by any supplemental resolution adopted pursuant to its terms, including by this Fourth Supplemental Resolution, the “*HSFS Bond Resolution*”); and

WHEREAS, all capitalized terms used herein without definition shall have the meanings assigned to such terms in the HSFS Bond Resolution; and

WHEREAS, the System consists of the health services facilities and other revenue producing buildings and facilities of the Board described in *Exhibit A-2*, including the System Core Facilities described in *Exhibit A-1*; and

WHEREAS, pursuant to the HSFS Resolution the Board has issued its (i) University of Illinois Health Services Facilities System Revenue Bonds, Series 1997A, which are no longer outstanding, (ii) University of Illinois Health Services Facilities System Revenue Bonds, Series 1997B, which are currently outstanding in the aggregate principal amount of \$9,200,000 (the “*Series 1997B Bonds*”), (iii) University of Illinois Variable Rate Demand Health Services Facilities System Revenue Refunding Bonds, Series 2007, which are no longer outstanding, (iv) University of Illinois Variable Rate Demand Health Services Facilities System Revenue Refunding Bonds, Series 2008, which are currently outstanding in the aggregate principal amount of \$21,400,000 (the “*Series 2008 Bonds*”) and (v) University of Illinois Health Services Facilities System Revenue Bonds, Series 2013, which are currently outstanding in the aggregate principal amount of \$70,785,000 (the “*Series 2013 Bonds*” and, together with the Series 1997B Bonds, the Series 2008 Bonds and any additional Bonds to be issued and outstanding from time to time pursuant to the HSFS Bond Resolution, the “*HSFS Revenue Bonds*”); and

WHEREAS, Section 7.01 of the Original Resolution establishes a special fund for the collection, deposit and application of the Operating Revenues of the System designated as the Health Services Facilities System Revenue Fund (the “*HSFS Revenue Fund*”); and

WHEREAS, said Section 7.01 provides in its final paragraph for the application of certain Operating Revenues that from time to time become available in the HSFS Revenue Fund, as follows:

Surplus Revenues. At the close of each Fiscal Year and after all transfers and maximum deposits shall have been made, and after any deficiencies in any such transfers and deposits which may exist from any previous Fiscal Year shall have been remedied and after providing for the then current month’s deposit requirement, the balance of any excess funds in the Revenue Fund then remaining may be retained in the Revenue Fund or used by the Board (i) to redeem, on the next interest payment date, from such maturities of such series of the Bonds then outstanding, which are subject to redemption prior to maturity, as shall be determined by the Board; or (ii) for any expenditures incurred in improving or restoring portions of the System, or for additional facilities to the System; ***or (iii) for any other lawful purpose, as shall be expressed by resolution duly adopted by the Board and filed with the Comptroller.*** [emphasis added]

(such Operating Revenues as described above being referred to as “*HSFS Surplus Revenues*”)

WHEREAS, pursuant to Board Item 21 (“*Board Item 21*”), the Board has approved the development and acquisition by lease of an approximately 200,000 square foot Outpatient Surgery Center and Specialty Clinics Facility (the “*Project*”). The Project will be a six-story building containing multi-specialty floors to accommodate an anticipated five percent growth rate demand for outpatient surgeries and will be connected to the main inpatient Hospital facility by multiple bridges; and

WHEREAS, the Project will be acquired by the Board on a lease to own basis as described in Board Item 21 (the documents to be executed and delivered by the Board pursuant to the authorization contained in Board Item 21 being referred to as the “*Acquisition Documentation*”); and

WHEREAS, the Project will be added to the System Core Facilities as provided in the HSFS Bond Resolution upon acquisition pursuant to the Acquisition Documentation; and

WHEREAS, the Board, on due consideration and investigation, does now find and determine that it is advisable and necessary and required for the good and benefit of the University of Illinois (the “*University*”) and the best interests of its students and faculty to apply certain of such HSFS Surplus Revenues as may be available from time to time to pay the costs of acquiring the Project by making such lease and other payments as may be due from the Board from time to time pursuant to the Acquisition Documentation (the “*Acquisition Payments*”):

NOW, THEREFORE, BE IT RESOLVED by The Board of Trustees of the University of Illinois:

Section 1. Application of HSFS Surplus Revenues. As provided in the final paragraph of Section 7.01 of the Original Resolution, the Board hereby authorizes and approves the application of such of the HSFS Surplus Revenues to the payment of the Acquisition Payments and other payment, funding and deposit obligations provided in the Acquisition Documents (collectively, the “*Acquisition Obligations*”) at such times and in such amounts as shall be approved by the Comptroller and set forth in the Acquisition Documentation.

Section 2. Establishment of Funds and Accounts. The Comptroller is hereby authorized, empowered and directed to create and establish one or more separate funds or accounts to hold the HSFS Surplus Revenues that are to be applied to the satisfaction of Acquisition Obligations, as described above.

Section 3. Authority to Pledge HSFS Surplus Revenues. The Comptroller is hereby authorized to execute and deliver such documentation as shall be necessary to effectuate any pledge by this Board of any or all of such funds and accounts described in Section 2 above or any or all of the HSFS Surplus Revenues to be deposited as set forth in Section 2 above to the payment of the Acquisition Obligations to the extent provided in the Acquisition Documentation heretofore approved.

Section 4. Resolution Effective on Passage. This Fourth Supplemental Resolution shall become effective upon its passage.

Vice President/CFO and Comptroller

ATTEST:

Secretary

(SEAL)

EXHIBIT A-1

THE SYSTEM CORE FACILITIES

The “System Core Facilities” consist of the following:

(i) the following facilities located in Chicago, Illinois:

- Eye and Ear Infirmary
- University of Illinois Hospital
- MRI Building
- Neuropsychiatric Institute
- Ambulatory Care Facility/Outpatient Care Center;

(ii) the 10,800 square foot Medical Office Building located in Rockford, Illinois, described in the Original Resolution; and

(iii) the Project described in *Exhibit B*, as construction of the components thereof is completed

EXHIBIT A-2

THE SYSTEM

The System consists of the System Core Facilities as well as the following facilities of the Board located in Chicago, Illinois:

- Clinical Sciences Building at 840 South Wood Street
- Clinical Sciences North Building at 820 South Wood Street