

ROLL CALL

APPROVE LINE OF CREDIT AGREEMENT BETWEEN THE UNIVERSITY OF  
ILLINOIS AND UI SINGAPORE RESEARCH LLC  
(A UNIVERSITY-RELATED ORGANIZATION)

**Action:** Approve Line of Credit Agreement Between the University of Illinois and UI Singapore Research LLC

**Funding:** Urbana Campus Institutional Funds

At its May 22, 2008 meeting, the Board of Trustees of the University of Illinois authorized the formation of two companies to operate a research program in Singapore. UI Singapore Research, LLC (“the LLC”) is a University-related organization and for-profit Illinois company wholly owned by the University. The LLC’s overseas subsidiary in Singapore is Illinois at Singapore Pte. Ltd. (“the PTE”), which operates a research center called the Advanced Digital Sciences Center (“ADSC”).

The research program began in May 2009 with funding from the Agency for Science, Technology and Research (“A\*STAR”), an agency of the Republic of Singapore. An initial core grant of U.S. \$50.0 million was awarded in January 2009 and a subsequent core grant of U.S. \$16.0 million was awarded in April 2014 to fund the primary research program through April 2017. The PTE also has secured other research funding from other Singapore sponsors, and, together with the A\*STAR grant, they

support the scholarly endeavors of University of Illinois faculty who lead research efforts at the ADSC.

The slow processing of grant payments and reimbursements by the Singapore sponsors has led to a need by the PTE for working capital. The Vice President/Chief Financial Officer and Comptroller recommends that a line of credit be established from the University of Illinois at Urbana-Champaign to the LLC for the purpose of providing working capital to the PTE. The credit line would sustain the PTE's research operations until grant payments are received. Funds drawn on the line of credit by the LLC would be passed to the PTE. No state-appropriated dollars would be used.

The line of credit would be capped at \$2.0 million and would bear interest at the London Interbank Offered Rate (LIBOR). Interest on draws would be paid by the PTE from its non-core grant receipts to the Urbana campus unit funding the loan.

The LLC, the PTE, and the University will enter into one or more loan agreements documenting the transaction, and the Urbana campus unit providing the funding source will document its financial commitment to the University.

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.