

ROLL CALL

AMEND TWENTY-FIFTH SUPPLEMENTAL SYSTEM REVENUE BOND
RESOLUTION AUTHORIZING ISSUANCE OF AUXILIARY FACILITIES SYSTEM
REVENUE BONDS

Action: Amend the Twenty-Fifth Supplemental System Revenue Bond Resolution Authorizing the Issuance of Auxiliary Facilities System Revenue Bonds and Approve Delegation of Authority to the Comptroller to Fund a New Project and Refund Auxiliary Facilities System Revenue Bonds

Funding: Proceeds of the Revenue Bonds

The Board of Trustees of the University of Illinois (the “Board”), from time-to-time, approves the sale and issuance of auxiliary facility system revenue bonds. On March 14, 2019, the Board adopted a resolution providing for the issuance of bonds for new money projects and the refunding and/or restructuring of existing bonds (the “Twenty-Fifth Supplemental System Revenue Bond Resolution”).

Due to the passage of time and a change in financial market conditions, it is now advisable to amend the Twenty-Fifth Supplemental System Revenue Bond Resolution to increase the maximum allowable amount of bonds to be issued from \$91,785,000 in principal to \$180,000,000 to allow for the possibility of refunding and/or restructuring additional series of outstanding bonds if market conditions are advantageous, as determined by the Vice President/CFO and Comptroller (the

“Comptroller”), and to permit the Bonds to be sold on a competitive or negotiated basis as determined by the Comptroller.

The decision as to the size of the refunding issue (or issues) will rest with the Comptroller and will be based upon the trade-off between available refunding savings versus the reasonable expectation of additional refunding savings arising from further market improvement. In no event will the aggregate principal amount of the refunding issue (or issues) exceed \$156,000,000.

The Bonds will be sold via (i) a public competitive bidding process to the bidder or syndicate submitting the offer to purchase one or more series of the Bonds determined by the Comptroller to be in the best financial interest of the Board or (ii) a negotiated sale to the underwriter or underwriters appointed as described below, all as determined by the Comptroller. Depending on market conditions, certain issues of Bonds authorized hereby may be sold competitively, while others may be sold on a negotiated basis.

Following a prior Request for Proposal (the “RFP”) selection process, twelve firms were approved to serve as senior managing underwriter for University debt offerings. Any one or a combination of these firms will be selected by the Comptroller to serve as senior manager on a negotiated sale of these refunding issues. Other co-managing underwriters, previously approved by the same RFP process for such a role, will be assigned to the Bond financing on an issue-by-issue basis.

Accordingly, in order to proceed with the preparation, sale, and issuance of the Bonds, the Comptroller recommends that the Board take the following actions:

1. Authorize an increased amount of the Bonds in an amount not to exceed \$180,000,000.
2. For the Bonds of each series, as applicable, approve the forms of (i) the Official Notice of Sale and Bid Form (the "Notice of Sale") in substantially the form of the Official Notice of Sale and Bid Form used in the most recent issue competitively sold by the Board and (ii) the Preliminary Official Statement in substantially the form of the Preliminary Official Statement used in the most recent fixed rate issue sold by the Board and approval of the final Official Statement in substantially the form of the final Official Statement used in the most recent fixed rate issue sold by the Board, each updated to include current disclosure information respecting the University and its financial condition and the terms of the Bonds.
3. Approve the form of the Bond Purchase Agreement, in substantially the form presented to the Board at the March 14, 2019, board meeting, to be used in connection with a negotiated sale of a series of the Bonds. Whether sold competitively or on a negotiated basis, the Bonds of each series (i) shall be sold to the purchasers thereof at a price, exclusive of net original issue discount or premium, not less than 98 percent of the par amount thereof, (ii) shall have a true interest cost of the Bonds of any series not to exceed 6.25 percent and (iii) shall have coupon interest rates not to exceed 6.50 percent. Any agreement entered into with the purchasers of Bonds sold competitively shall have terms and conditions no less favorable to the Board than those contained in the form of Bond Purchase Agreement.
4. Confirm the delegation to the Comptroller of the authority to determine the number and timing of sales of the Bonds, as well as the principal amount, final terms and terms of the sale of the Bonds within the limits expressed in this Board action and to ratify, approve and confirm any and all changes in the forms of the documents authorized herein necessary or appropriate in connection herewith.
5. Delegate to the Comptroller the authority to (i) determine the particular Outstanding Bonds to be refunded with proceeds of the Bonds, (ii) determine the method of sale of any series, competitive or negotiated, (iii) for a competitive sale, direct the publication of the Notice of Sale in such locations as shall be determined by the Comptroller to provide a competitive sale of Bonds on terms most favorable to the Board and (iv) for a negotiated sale, approve the firm(s) from the pool qualified

under the RFP to serve as senior managing underwriter and appoint co-managers and selling group members from the pool qualified under the RFP to assist in the marketing of the Bonds.

6. Approve the Amended and Restated Twenty-Fifth Supplemental System Revenue Bond Resolution in substantially the form presented to the Board at the March 14, 2019, board meeting, to amend and restate the Twenty-Fifth Supplemental System Revenue Bond Resolution previously approved by the Board at that meeting.
7. Approve the Escrow Agreement (or Escrow Agreements, as applicable), in substantially the form presented to the Board at the March 14, 2019, board meeting for the deposit of proceeds of any series of the Bonds and such other funds of the Board as shall be deemed necessary by the Comptroller to provide for the refunding of a series of Outstanding Bonds.
8. Approve the form of Continuing Disclosure Agreement (or Continuing Disclosure Agreements, as applicable), in substantially the same form as the Continuing Disclosure Agreement entered into by the Board on October 25, 2019, with respect to the Bonds to be executed and delivered in connection with the sale of each series of the Bonds.
9. Ratify and confirm all actions taken or to be taken by the officers and members of the Board in connection with the sale and delivery of the Bonds to the initial purchaser.
10. For the Bonds of each series, as applicable authorize the Comptroller and other authorized officers of the Board 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 deemed necessary or appropriate in connection with the provisions of the Notice of Sale, the Preliminary Official Statement, the Official Statement, the Bond Purchase Agreement, the Amended and Restated Twenty-Fifth Supplemental System Revenue Bond Resolution, the Escrow Agreement and the Continuing Disclosure Agreement, including a Tax Exemption Certificate and Agreement in form satisfactory to Bond Counsel, University Counsel and the Board's Issuer's Counsel, and ratify, approve and confirm all acts and things whether heretofore or hereafter done or performed by any of the officers of the Board which are in conformity with the intents and purposes of these resolutions.

11. Retain Chapman and Cutler LLP to serve as bond counsel.
12. Retain Public Financial Management, Inc., to serve as financial advisor.
13. Retain Katten Muchin Rosenman LLP to serve as issuer's counsel.
14. Retain The Bank of New York Mellon Trust Company, National Association to serve as bond registrar, trustee and escrow agent.
15. Retain Arbitrage Bond Consulting LLC to serve as verification agent, to the extent required.
16. Delegate to the Comptroller the authority to negotiate for credit enhancement, as needed and deemed economically beneficial following consultation with the financial advisor.
17. Take actions to pursue and obtain a credit rating or ratings on the Bonds.

Certain legal matters incidental to the authorization and issuance of the Bonds, the forms of the Notice of Sale and the Preliminary and final Official Statements, and the authorization, execution and delivery of the Amended and Restated Twenty-Fifth Supplemental System Revenue Bond Resolution, the Escrow Agreement, the Bond Purchase Agreement and the Continuing Disclosure Agreement will be approved by Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel, and Katten Muchin Rosenman LLP, Chicago, Illinois, Issuer's Counsel.

The Comptroller shall report to the Board the results of the sale of each series of Bonds authorized hereby.

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.

Funding will be available from the proceeds of the Bonds.

The President of the University concurs.