

Approved by the Board of Trustees
March 11, 2021

Board Meeting
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ROLL CALL

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

Action: Authorize the Amendment of the Twenty-Sixth Supplemental System Revenue Bond Resolution Authorizing the Issuance of Auxiliary Facilities System Revenue Bonds and Approving the Delegation of Authority to the Comptroller to Fund a New Project and Refund Auxiliary Facilities System Revenue Bonds and Authorize the Amendment of the Original Bond Resolution to Allow for Additional Flexibility to Sell, Lease, or Otherwise Dispose of System Facilities

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 (the “Twenty-Sixth Supplemental System Revenue Bond Resolution”) providing for the refunding and/or restructuring of certain outstanding bonds previously issued by the Board.

Due to the passage of time and to permit the Board to better respond to market conditions as they may change from time to time, it is now advisable to amend the Twenty-Sixth Supplemental System Revenue Bond Resolution to, in addition to the refunding component of the Bonds, (i) authorize the issuance of auxiliary facility system revenue bonds for the financing of the renovation and rehabilitation of two parking

garages at Urbana-Champaign (previously approved by the Board on November 14, 2019), (ii) permit the Bonds to be sold on a competitive or negotiated basis as determined by the CFO/Comptroller (the “Comptroller”), and (iii) permit the Board to enter into a purchase agreement for the Bonds providing for a delayed delivery of the Bonds (the “Delayed Delivery Agreement”) if deemed financially advantageous by the Comptroller (the Twenty-Sixth Supplemental System Revenue Bond Resolution as so amended and restated, the “Amended and Restated Twenty-Sixth Supplemental System Revenue Bond Resolution). The Bonds may be issued and sold from time to time in one or more series as described in the Amended and Restated Twenty-Sixth Supplemental System Revenue Bond Resolution presented at this meeting.

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 issues. Other co-managing

underwriters, previously approved by the same RFP process for such a role, will be assigned on an issue-by-issue basis.

Due to the passage of the Tax Cuts and Jobs Act, tax-exempt refunding bonds must be issued no more than 90 days before the call date of the bonds they are refunding. The foregoing notwithstanding, it may be financially advantageous for the Board to price one or more series of refunding Bonds in a negotiated sale prior to the traditional pricing period, although still after the Board's approval of the Amended and Restated Twenty-Sixth Supplemental System Revenue Bond Resolution. In such event, the purchasers may require the Board to enter into one or more agreements detailing the terms of such forward delivery, which may include contingencies that would add additional conditions to the purchasers' obligations to accept delivery of said Bonds. The Amended and Restated Twenty-Sixth Supplemental System Revenue Bond Resolution allows the Board to enter into one or more Delayed Delivery Agreements if determined by the Comptroller to be in the best financial interest of the Board.

Additionally, the Amended and Restated Twenty-Sixth Supplemental System Revenue Bond Resolution includes certain amendments to the Original Bond Resolution that will provide additional flexibility to the Board to sell, lease, or otherwise dispose of System facilities. Such amendments will only be effective upon the consent of the holders of a majority in aggregate principal amount of the bonds outstanding under the Original Bond Resolution.

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 \$168,000,000, consisting of approximately \$26,000,000 for new money issuance purposes and approximately \$142,000,000 for refunding issuance purposes.
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, the terms of the Bonds and, if applicable, the forward delivery provisions.
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. The form of Bond Purchase Agreement described above will form the basis of any Delayed Delivery Agreement to be executed and delivered by the Comptroller.
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, (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, and (v) approve the execution of one or more Delayed Delivery Agreements.
6. Approve the Amended and Restated Twenty-Sixth Supplemental System Revenue Bond Resolution in substantially the form presented to the Board to amend and restate the Twenty-Sixth Supplemental System Revenue Bond Resolution previously approved by the Board at the March 14, 2019, board 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 July 9, 2020, 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 Delayed Delivery Agreement, the Amended and Restated Twenty-Sixth 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. Delegate to the Comptroller the authority to negotiate for credit enhancement, as needed and deemed economically beneficial following consultation with the financial advisor.
16. 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-Sixth Supplemental System Revenue Bond Resolution, the Escrow Agreement, the Bond Purchase Agreement, the Delayed Delivery 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.