

Board Meeting
September 8, 2016

ROLL CALL

CERTIFICATES OF PARTICIPATION (REFUNDING), SERIES 2016

Action: Approve the Resolution Authorizing the Issuance and Sale of University of Illinois Certificates of Participation (Refunding), Series 2016

Funding: Proceeds of the Certificates and Institutional Funds

The Board, at its meeting on July 21, 2016, delegated authority to the Vice President/CFO and Comptroller and authorized a number of actions leading toward the issuance of one or more series of Certificates of Participation (the “Certificates”). The Certificates will refund and/or restructure all or a portion of the Series 2004, Series 2007A, Series 2007B, and Series 2009A certificates of participation. Subject to any modifications deemed necessary or desirable by the Comptroller in connection with the marketing of the Certificates, it is anticipated that the Certificates will be issued in four separate series: the Series 2016A with a final maturity on August 15, 2021; the Series 2016B with a final maturity on October 1, 2027; the Series 2016C with a final maturity on October 1, 2020; and the Series 2016D with a final maturity on October 1, 2027.

Actions leading toward the issuance of the Certificates have been completed including: retention of Katten Muchin Rosenman LLP as bond counsel; retention of Freeborn & Peters LLP as special issuer’s counsel; retention of Public

Financial Management, Inc., as financial advisor; retention of Morgan Stanley & Co. LLC as the managing underwriter; retention of The Bank of New York Mellon Trust Company, N.A. as trustee; and retention of Grant Thornton LLP as verification agent.

Now, the Vice President/Chief Financial Officer and Comptroller recommends that the Board approve the Resolution Authorizing the Issuance and Sale of University of Illinois Certificates of Participation (Refunding), Series 2016 (the “Resolution”)¹ to authorize the issuance of Certificates in an aggregate original principal amount not to exceed \$146.0 million (not including original issue discount or premium). The maximum rate of interest on any of the Certificates shall be 6.50 percent per annum and the true interest cost of any Series of Certificates at the time of issuance shall not exceed 7.00 percent per annum.

All legal matters incidental to the authorization and issuance of the Certificates will be approved by Katten Muchin Rosenman LLP, Chicago, Illinois, bond counsel, and Freeborn & Peters LLP, Chicago, Illinois, special issuer’s counsel.

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.

¹ A 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.

Funding will be available from the proceeds of the Certificates and institutional funds.

The President of the University concurs.