

NEW ISSUE
BOOK-ENTRY ONLY

Ratings: Standard & Poor's:
Insured (See "DESCRIPTION OF RATING," herein)
Underlying

Subject to compliance by the Board of Trustees of Western Illinois University with certain covenants, in the opinion of Bond Counsel, under present law, the interest portion of each Installment Payment made by the Board to the Trustee for the owners of the Certificates is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but such interest portion is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Interest on the Certificates is not exempt from present Illinois income taxes. See "Tax Exemption" herein for a more complete discussion.

\$12,000,000*
Certificates of Participation (Capital Improvement Projects), Series 2011
Evidencing Proportionate Interests in
Installment Payments to be Made by
BOARD OF TRUSTEES OF WESTERN ILLINOIS UNIVERSITY

Dated: Date of Delivery

Due: October 1, as shown below

The Certificates of Participation (Capital Improvement Projects), Series 2011 (the "Certificates") are being issued to finance the acquisition and construction of capital improvements at Western Illinois University (the "University"), as described under "The Improvements" herein. The Certificates are payable solely from (i) an undivided interest in payments (the "Installment Payments") to be made by the Board of Trustees of the University (the "Board") under an Installment Purchase Contract (the "Purchase Contract") with U.S. Bank National Association, as Trustee (the "Trustee"), (ii) certain funds and accounts held under the Indenture (as defined herein), and (iii) proceeds from the exercise of remedies by the Trustee under the Indenture.

The Installment Payments will be payable both from State-appropriated funds and from budgeted legally available funds of the Board derived from sources other than State appropriations on an annual basis ("Legally Available Nonappropriated Funds"). The Board will covenant under the Purchase Contract to include in each of its annual operating budget appropriation requests to the Illinois General Assembly a request for funds sufficient to pay that portion of the Installment Payments and Additional Payments (as defined herein) coming due in the next fiscal year commencing July 1 to be paid from State-appropriated funds. The Board will further covenant to include in each annual budget for the University an amount of Legally Available Nonappropriated Funds which, when combined with any such State-appropriated funds, will be sufficient to make the Installment Payments and Additional Payments when due in each fiscal year.

The term of the Purchase Contract will expire on October 1, 20__, unless earlier terminated in accordance with the Indenture. In the event of a termination of the Purchase Contract where the Board has not prepaid in full all Installment Payments, all further obligations with respect to the Certificates will be payable solely from such moneys, if any, as may be held by the Trustee as described in the Indenture, and any moneys as may be available from the Trustee's sale of its interest in the Improvements, in which case there is no assurance of any payment of the principal of or interest on the Certificates. See "CERTIFICATE OWNERS' RISKS."

The Certificates are subject to redemption prior to maturity as described herein.

THE OBLIGATION TO MAKE INSTALLMENT PAYMENTS WILL CONSTITUTE A CURRENT OPERATING EXPENSE OF THE BOARD. THE BOARD WILL PLEDGE TO THE PAYMENT OF THE INSTALLMENT PAYMENTS SUCH MONEYS AS MAY BE LAWFULLY APPROPRIATED BY THE GENERAL ASSEMBLY FOR SUCH PURPOSE AND LEGALLY AVAILABLE NONAPPROPRIATED FUNDS, INCLUDING MONEYS, IF ANY, HELD BY THE TRUSTEE. THE BOARD HAS NO TAXING POWER.

THE BOARD'S OBLIGATION TO MAKE INSTALLMENT PAYMENTS UNDER THE PURCHASE CONTRACT DOES NOT CONSTITUTE A DEBT OF THE BOARD OR THE STATE OF ILLINOIS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION. THE INSTALLMENT PAYMENTS REQUIRED UNDER THE PURCHASE CONTRACT INCURRED BY THE BOARD ARE NOT SECURED BY THE FULL FAITH AND CREDIT OF THE STATE OF ILLINOIS AND ARE NOT REQUIRED TO BE REPAID AND MAY NOT BE REPAID, DIRECTLY OR INDIRECTLY, FROM TAX REVENUE.

The Certificates are issuable as fully registered Certificates through a book-entry system operated by The Depository Trust Company, New York, New York ("DTC"). Details of payment of the Certificates and the book-entry system are described herein. The Certificates will be issued in the denomination of \$5,000 or any integral multiple thereof. Interest, at the rates set forth below, is payable on October 1, 2011, and on each April 1 and October 1 thereafter.

[The scheduled payment of principal of and interest on the Certificates when due will be guaranteed under a certificate insurance policy to be issued concurrently with the delivery of the Certificates by Assured Guaranty Municipal Corp. (formerly known as Financial Security Assurance Inc.)]

Maturity Amounts, Interest rates, Prices, Yields and CUSIP¹ numbers

<u>Year</u> <u>(October 1)</u>	<u>Principal</u> <u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Price</u>	<u>Yield</u>	<u>CUSIP¹</u>	<u>Year</u> <u>(October 1)</u>	<u>Principal</u> <u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Price</u>	<u>Yield</u>	<u>CUSIP¹</u>
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The Certificates are offered when, as and if issued by the Board and received by the Underwriters, subject to prior sale, withdrawal or modification of the offer without notice, and to the approval of legality of the Certificates by Chapman and Cutler LLP, Chicago, Illinois, Special Counsel, and to certain other conditions. Chapman and Cutler LLP, Chicago, Illinois, will also serve as Disclosure Counsel to the Board. Certain legal matters will be passed upon for the Board by its counsel, Flack, McRaven & Stephens, Macomb, Illinois, and for the Trustee by Sonnenschein Nath & Rosenthal LLP, Chicago, Illinois. John S. Vincent & Company LLC, Chicago, Illinois, is serving as financial advisor to the Board. It is expected that the Certificates will be available for delivery through DTC on or about _____, 2011.

BMO Capital Markets

Stifel, Nicolaus & Co., Inc.

Edward D. Jones & Co., L.P.

The date of this Official Statement is _____, 2011.

* Preliminary, subject to change

¹ CUSIP data herein is provided by Standard & Poor's, CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc.

This Preliminary Official Statement and the information contained herein are subject to completion, amendment or other change without any notice. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

This Official Statement, which includes the cover page and the appendices hereto, does not constitute an offer to sell or the solicitation of any offer to buy, nor shall there be any sale of any of the Certificates by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized by the Board, the Financial Advisor or the Purchaser to give any information or to make any representations other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing.

The information set forth herein has been obtained from the Board and other sources which are believed by the Board to be reliable, but such information is not guaranteed as to accuracy or completeness by, and is not to be construed as a promise or guarantee of, the Trustee or the Purchaser. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Board or the University or the information contained herein since the date hereof.

This Official Statement contains “forward-looking statements” within the meaning of the federal securities laws. These forward-looking statements include, among others, statements concerning expectations, beliefs, opinions, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. The forward-looking statements in this Official Statement are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in or implied by such statements.

IN CONNECTION WITH THIS OFFERING, THE PURCHASER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE CERTIFICATES AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE PURCHASER MAY OFFER AND SELL THE CERTIFICATES TO CERTAIN DEALERS AND DEALER BANKS AND BANKS ACTING AS AGENTS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE COVER PAGE HEREOF AND SUCH PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE PURCHASER.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

THE CERTIFICATES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THE INDENTURE RELATING TO THE CERTIFICATES HAS NOT BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE CERTIFICATES IN ACCORDANCE WITH APPLICABLE PROVISIONS OF LAW OF THE STATES IN WHICH CERTIFICATES HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF.

[Assured Guaranty Municipal Corp. (formerly known as Financial Security Assurance Inc.) (“AGM”) makes no representation regarding the Bonds or the advisability of investing in the Certificates. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading “CERTIFICATE INSURANCE” and “APPENDIX F - Specimen Certificate Insurance Policy”.]

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\$12,000,000*
Certificates of Participation (Capital Improvement Projects), Series 2011
Evidencing Proportionate Interests in
Installment Payments to be Made by
BOARD OF TRUSTEES OF WESTERN ILLINOIS UNIVERSITY

INTRODUCTION

This Official Statement, including the inside cover page hereof and appendices attached hereto, is provided to prospective purchasers in connection with the sale and delivery by the Board of Trustees of Western Illinois University (the “Board”) of \$_____ * principal amount of its Certificates of Participation (Capital Improvement Projects), Series 2011 (the “Certificates”), representing proportionate interests of the registered Owners thereof in payments to be made by the Board as installment purchase payments (the “Installment Payments”), pursuant to the provisions of the Installment Purchase Contract dated as of _____, 20__ (the “Purchase Contract”) between U.S. Bank National Association, as trustee (the “Trustee”), and the Board, as purchaser. The Certificates are being executed and delivered pursuant to an Indenture of Trust dated as of _____, 20__ (the “Indenture”) between the Board and the Trustee.

The Board, as governing body of Western Illinois University (the “University” or “WIU”), will enter into agreements (the “Construction Contracts”) with certain contractors or subcontractors (the “Contractors”), equipment contracts and purchase orders (the “Supply Contracts”) with certain suppliers (the “Suppliers”) and, as applicable, professional services or specialty services contracts (the “Professional and Specialty Services Contracts,” together with the Construction Contracts and the Supply Contracts, referred to as the “Improvement Contracts”) with certain contractors (the “Specialty Contractors,” together with the Contractors and the Suppliers, referred to as the “Improvement Providers”) to acquire and construct various capital improvements described herein (the “Improvements”) at the University. See “THE IMPROVEMENTS” herein. The Certificates are being issued to pay (i) the costs of the Improvements and (ii) certain of the costs of issuing the Certificates.

Pursuant to the Indenture, the Trustee will hold for the benefit of the Certificate Owners (i) its rights in and to the Improvements and the Acquisition Agreement dated as of _____ 1, 2011, between the Trustee and the Board (the “Acquisition Agreement”), (ii) all right, title and interest of the Board in and to the Improvements and the Improvement Contracts between the Board and any Contractor, provided that title to and possession of the Improvements in existence on the date of delivery of the Purchase Contract will automatically thereafter vest in the Board without action by the Trustee, and title to and possession of all Improvements acquired after the date of delivery of the Purchase Contract will automatically so vest in the Board upon acquisition without action by the Trustee, (iii) all right, title and interest of the Board in the Acquisition Agreement and the Purchase

* Preliminary, subject to change.

Contract, but excluding certain rights relating to title, use and enjoyment of the Improvements and the right to receive notices; (iv) the Trustee's right, title and interest in and to the Purchase Contract and the right to receive moneys payable under it and to bring actions and proceedings under it; and (v) the Board's and the Trustee's rights in and to amounts on deposit from time to time in the funds and accounts created pursuant to the Indenture (other than the Rebate Fund).

Under the Acquisition Agreement, the Board's right, title and interest in and to the Improvements and in and to the Improvement Contracts will be assigned to the Trustee; *provided* that the Board will reserve, among other things, the rights to demand, accept and retain all rights in and to all property, data and service which the Contractors are obligated to provide pursuant to the Improvement Contracts and all rights under all warranty and indemnity provisions contained in the Improvement Contracts. In addition, the Certificates are secured by moneys and investments held by the depository of the Board in the Acquisition Fund created under the Indenture and by moneys and investments held by the Trustee under the Indenture, for the benefit of the Certificate Owners, subject to their use and application in accordance with the provisions of the Purchase Contract and the Indenture.

Initially capitalized terms used but not otherwise defined in the body of this Official Statement have the meanings set forth in "APPENDIX C – SUMMARY OF CERTAIN LEGAL DOCUMENTS."

THE BOARD OF TRUSTEES OF WESTERN ILLINOIS UNIVERSITY

The University is governed by the Board of Trustees, which is comprised of seven voting members appointed by the Governor of the State of Illinois with the advice and consent of the Illinois Senate, and one voting student member. The Board is responsible for the general supervision and management of the University's educational program, its lands, buildings and other properties, and the control of the revenues and expenditures in support thereof.

Additional information regarding the Board and the University is set forth in "APPENDIX A – WESTERN ILLINOIS UNIVERSITY."

DESCRIPTION OF THE CERTIFICATES

GENERAL

The Certificates will be dated and will mature on the dates and in the amounts set forth on the cover page of this Official Statement. The Certificates will be issued in fully registered form through a book-entry system in denominations of \$5,000 or any integral multiple thereof.

Each Certificate represents an undivided proportionate interest in the principal portion of the Installment Payments due and payable on the maturity dates of the Certificates and in the interest portion of the Installment Payments due and payable semiannually, to and including such maturity date, at the rates set forth on the cover page of this Official Statement. Interest represented by the Certificates will be payable on April 1 and October 1, commencing October 1, 2011. The principal represented by the Certificates will be payable when due upon presentation and surrender thereof at the designated corporate trust office of the Trustee or in accordance with the procedures described herein under "BOOK-ENTRY ONLY SYSTEM." Interest will be paid by wire transfer under the circumstances described in the Indenture, or by check or draft of the Trustee mailed to the persons in whose names the Certificates are registered (the "Owners") on the registration books maintained by the Trustee as of the close of business on the fifteenth day of the month next preceding the applicable Interest Payment Date (a "Regular Record Date") or, if applicable, a special record date established by the Trustee in accordance with the Indenture.

Each Certificate will accrue interest from the Interest Payment Date to the next date preceding the date of its execution, unless: (i) executed on an Interest Payment Date, in which case interest will accrue from such Interest Payment Date, (ii) executed prior to October 1, 2011, in which case interest accrues from the date of delivery of the Certificates, (iii) executed after a Regular Record Date and before the following Interest Payment Date, in which case interest shall be payable from such Interest Payment Date or (iv) payment of interest is in default, in which case interest is payable from the last Interest Payment Date on which interest has been paid.

REDEMPTION

Redemption Upon Event of Nonappropriation and Termination of Purchase Contract. The Certificates are subject to redemption, in whole, at the price of par (100%), plus accrued interest to the date fixed for redemption, on any date on which the Purchase Contract is terminated by the Board because (i) an Event of Nonappropriation has occurred, (ii) the Board has determined that there are not sufficient Legally Available Nonappropriated Funds to pay the portion of the Installment Payments coming due during the then-current fiscal year and (iii) the Board has exercised its option, pursuant to the Purchase Contract, to prepay the Certificates by the deposit of funds in the Installment Payment Fund sufficient, together with the amounts therein, to redeem such Certificates on such termination date at a price equal to the principal amount thereof plus accrued interest to the redemption date.

The Purchase Contract and the Board's obligations to pay Installment Payments and Additional Payments thereunder are subject to termination 60 days after the Board certifies to the Trustee that the events described in clauses (i) and (ii) of the preceding paragraph have occurred.

Optional Redemption. The Certificates maturing on and after October 1, 20__ are subject to redemption on any date on or after _____, 20__ at the price of 100% of the principal amount

thereof, plus accrued interest to the date fixed for redemption, in whole or in part, and if in part, by lot. Such redemption shall be at the option of the Board, upon at least 35 days' prior written notice from the Board to the Trustee.

Mandatory Redemption of Term Certificates. The Term Certificates maturing on October 1, 20__, and October 1, 20__, are subject to mandatory redemption prior to maturity through the application of sinking fund payments, in integral multiples of \$5,000 selected by lot by the Trustee, at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date fixed for redemption, in the following principal amounts on October 1, in each of the years set forth on the following table.

Term Certificates Due October 1, 20__		Term Certificates Due October 1, 20__	
<u>Date</u>	<u>Principal Amount</u>	<u>Date</u>	<u>Principal Amount</u>
10/01/20__	\$	10/01/20__	\$
10/01/20__ ⁽¹⁾		10/01/20__ ⁽¹⁾	

⁽¹⁾ Final Maturity

The principal amounts of such Term Certificates to be redeemed in each year as set forth in the immediately preceding table may be reduced through the earlier optional redemption thereof, with any partial optional redemptions of such Term Certificates credited against future sinking fund requirements as specified by the Board, or if the Board does not so specify, in inverse order of the sinking fund payment dates. In addition, on or prior to the 60th day preceding any sinking fund payment date, the Trustee may, and if directed by the Board will, purchase Term Certificates of such maturity to be mandatorily redeemed in an amount not exceeding the amount of such Term Certificates required to be retired on such sinking fund payment date and at a price not exceeding par plus accrued interest. Any such Term Certificates so purchased shall be cancelled and the sinking fund redemption price thereof shall be credited against the sinking fund payment required on such next sinking fund payment date.

NOTICE OF REDEMPTION

The Trustee shall give notice of each redemption by mailing a copy of such notice, first class United States mail, postage prepaid, not less than 30 days nor more than 60 days before the redemption date, to all Owners of the Certificates which are to be redeemed at their last addresses appearing upon the Certificate Register. The notice shall identify the Certificates to be redeemed and shall state (i) the redemption date, (ii) the redemption price, (iii) that the Certificates called for redemption must be surrendered to collect the redemption price, (iv) the address at which the Certificates must be surrendered and (v) that interest on the Certificates called for redemption ceases to accrue on the redemption date.

With respect to any optional redemption of the Certificates, unless moneys sufficient to pay the principal of and interest on the Certificates to be redeemed shall have been received by the Trustee prior to the giving of such notice of redemption, such notice shall state that said redemption shall be conditional upon the receipt of such moneys by the Trustee on or prior to the date fixed for redemption. If deposited, such moneys shall be held uninvested or, at the direction of the Board Representative, shall be invested in United States Government Securities which mature on such date

or dates as necessary to provide funds on a timely basis for such redemption. If such moneys are not received by the redemption date, such notice shall be of no force and effect, the Trustee shall not redeem such Certificates, the redemption price shall not be due and payable and the Trustee shall give notice, in the same manner in which the notice of redemption was given, that such moneys were not so received and that such Certificates will not be redeemed.

Failure to give any required notice of redemption or any defect in any notice given as to any particular Certificates shall not affect the sufficiency or validity of the call for redemption of any Certificates in respect of which no such failure or defect has occurred. Any notice mailed as provided in the Certificates shall be conclusively presumed to have been given, whether or not actually received by the addressee Owner.

PARTIAL REDEMPTION

Any partial redemption of Certificates shall be made only in authorized denominations. The portion of Certificates to be redeemed shall be selected by lot by the Trustee from among all Outstanding Certificates (or, so long as the Book-Entry System is in effect, beneficial ownership interests in the Certificates shall be selected for redemption in accordance with the rules and procedures established by the Securities Depository). Each Certificate shall be considered separate Certificates in the minimum authorized denominations for purposes of selecting Certificates to be redeemed.

TRANSFER AND EXCHANGE

See “BOOK-ENTRY ONLY SYSTEM” for a discussion of transfer and exchange of the beneficial ownership interests in the Certificates while they are in the book-entry system described therein.

ESTIMATED PAYMENT OF THE CERTIFICATES

The Purchase Contract requires that semiannual Installment Payments are to be made by the Board to the Trustee. Such Installment Payments are designed to be sufficient to meet the principal and interest payments due with respect to the Certificates during the term of the Purchase Contract. The following table shows the principal and interest payments due with respect to the Certificates during each Fiscal Year. For purposes of the table, interest is estimated at _____%.

[Table to be embedded]

* Principal matures on the October 1 preceding the June 30 Fiscal Year end.

BOOK-ENTRY ONLY SYSTEM

GENERAL PROVISIONS

The following information concerning The Depository Trust Company, New York, New York (“DTC”) and its book-entry system has been furnished for use in this Official Statement by DTC. The Board, the University, the Financial Advisor, the Trustee and the Purchaser take no responsibility for the accuracy or completeness of such information.

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Certificates. The Certificates will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Certificate will be issued for each maturity of the Certificates, each in the aggregate principal amount of each such maturity, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has Standard & Poor’s highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of the Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the Certificates on DTC’s records. The ownership interest of each actual purchaser of each Certificate (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Certificates are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial

Owners will not receive certificates representing their ownership interests in Certificates, except in the event that use of the book-entry system for the Certificates is discontinued.

To facilitate subsequent transfers, all Certificates deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Certificates with DTC and their registration in the name of Cede & Co., or such other DTC nominee, does not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Certificates; DTC's records reflect only the identity of the Direct Participants to whose accounts such Certificates are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Certificates may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Certificates, such as redemptions, tenders, defaults and proposed amendments to the Indenture, Purchase Contract or Acquisition Agreement. For example, Beneficial Owners of the Certificates may wish to ascertain that the nominee holding the Certificates for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of notices be provided directly to them.

While the Certificates are in the book-entry system, redemption notices shall be sent to Cede & Co. If less than all of the Certificates of a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Certificates unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Board as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, principal, and interest payments on the Certificates will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the Board or the Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the Board, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Board or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as Securities Depository with respect to the Certificates at any time by giving reasonable notice to the Board or the Trustee. Under such circumstances, in the event that a successor Securities Depository is not obtained, certificates for the Certificates are required to be printed and delivered.

The Board may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor Securities Depository). In that event, certificates for the Certificates will be printed and delivered to DTC.

The Board will have no responsibility or obligation to any Securities Depository, any Participants in the book-entry system or the Beneficial Owners with respect to (i) the accuracy of any records maintained by the Securities Depository or any Participant; (ii) the payment by the Securities Depository or by any Participant of any amount due to any Beneficial Owner in respect of the principal amount or redemption price of, or interest on, any Certificates; (iii) the delivery of any notice by the Securities Depository or any Participant; (iv) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Certificates; or (v) any other action taken by the Securities Depository or any Participant.

SUCCESSOR SECURITIES DEPOSITORY; DISCONTINUATION OF BOOK-ENTRY SYSTEM

In the event that (i) the Board determines that DTC is incapable of discharging its responsibilities described in the Indenture and in the blanket letter of representations from the Board and accepted by DTC (the “Representation Letter”), (ii) the Representation Letter shall be terminated for any reason or (iii) the Board determines that it is in the best interest of the Beneficial Owners of the Certificates that they be able to obtain certificated Certificates, the Board will notify DTC and the Direct Participants of the availability through DTC of certificated Certificates and the Certificates will no longer be restricted to being registered in the registry maintained by the Trustee in the name of Cede & Co., as nominee of DTC. At that time, the Board may determine that the Certificates shall be registered in the name of and deposited with a successor depository operating a universal book-entry system, as may be acceptable to the Board, or such depository’s agent or designee, or if the Board does not select such an alternate universal book-entry system, then the Certificates may be registered in whatever name or names registered owners of Certificates transferring or exchanging Certificates shall designate, in accordance with the provisions of the Indenture.

[CERTIFICATE INSURANCE

The following information has been supplied by Assured Guaranty Municipal Corp. (the “Bond Insurer”) for inclusion in this Official Statement. No representation is made by the University or the Underwriters as to the accuracy or completeness of the information.

Language to be added, if insurance acquired]

SECURITY FOR THE CERTIFICATES

GENERAL

Each Certificate evidences and represents an undivided proportionate interest in the Installment Payments required under the Purchase Contract to be paid by the Board to the Trustee. The Board has covenanted under the Purchase Contract to include in each of its annual budget appropriation requests to the Illinois General Assembly a request for funds sufficient to pay that portion of the Installment Payments and Additional Payments due and payable during the next occurring fiscal year of the State to be paid from State-appropriated funds. The Board has further covenanted to include in each annual operating budget for the University an amount of Legally Available Nonappropriated Funds which, when combined with any such State-appropriated funds, will be sufficient to make the Installment Payments and Additional Payments when due in each fiscal year.

THE BOARD'S OBLIGATION TO MAKE INSTALLMENT PAYMENTS UNDER THE PURCHASE CONTRACT DOES NOT CONSTITUTE A DEBT OF THE BOARD OR THE STATE OF ILLINOIS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION. THE INSTALLMENT PAYMENTS REQUIRED UNDER THE PURCHASE CONTRACT INCURRED BY THE BOARD ARE NOT SECURED BY THE FULL FAITH AND CREDIT OF THE STATE AND ARE NOT REQUIRED TO BE REPAYED AND MAY NOT BE REPAYED, DIRECTLY OR INDIRECTLY, FROM TAX REVENUE. PAYMENT OF THE PRINCIPAL AND INTEREST REPRESENTED BY THE CERTIFICATES WILL BE MADE BY THE TRUSTEE SOLELY FROM (A) AMOUNTS DERIVED UNDER THE TERMS OF THE PURCHASE CONTRACT, INCLUDING INSTALLMENT PAYMENTS, (B) AMOUNTS FROM TIME TO TIME ON DEPOSIT WITH THE TRUSTEE OR HELD BY THE BOARD UNDER THE TERMS OF THE INDENTURE, AND (C) PROCEEDS FROM THE EXERCISE OF REMEDIES BY THE TRUSTEE UNDER THE INDENTURE.

The Board has the right to terminate the Purchase Contract and its obligation to pay Installment Payments, as described below under “– Termination of Purchase Contract.”

TERMINATION OF PURCHASE CONTRACT

Term of Agreement. The term of the Purchase Contract shall continue until October 1, 20__ (the “Expiration Date”) unless earlier terminated.

Termination of Purchase Contract Upon Nonappropriation and Nonavailability of Funds. The Purchase Contract and the Board's obligation to pay Installment Payments and Additional Payments thereunder is subject to termination 60 days after the Board certifies to the Trustee that the General Assembly of the State has made a determination not to appropriate requested funds necessary to make that portion of the Installment Payments due during the then-current fiscal year payable from State-appropriated funds (an “Event of Nonappropriation”) and the Board has determined that there are not sufficient Legally Available Nonappropriated Funds to fund the portion of the Installment Payments coming due during the then-current fiscal year. The termination of the Purchase Contract would be effective on the date that is 60 days following such certification.

Prepayment Options. The Purchase Contract is subject to termination prior to its Expiration Date to the extent the Indenture is discharged by its terms. Such discharge may require that the

Board exercise its option to prepay the Installment Payments in whole or in part in connection with an optional redemption of the Certificates as described above under the subheading “DESCRIPTION OF THE CERTIFICATES – Redemption – *Optional Redemption.*”

In addition, on or after an Event of Nonappropriation and determination by the Board of the existence of insufficient Legally Available Nonappropriated Funds, the Board may exercise its option to purchase all of the Improvements by paying the prepayment price of principal and accrued interest on all of the Certificates to the date that the Purchase Contract is to be terminated. See “PURCHASE CONTRACT – Purchase Option; Prepayment” in APPENDIX C hereto.

In the event the Purchase Contract is terminated, as described under the subheading “– *Termination of Purchase Contract Upon Nonappropriation and Nonavailability of Funds,*” above, and the Board does not exercise its option to prepay the outstanding Certificates in connection therewith, the Board will have no further payment obligations under the Purchase Contract. Upon such termination as a result of an Event of Nonappropriation or upon an Event of Default under the Indenture, the Trustee may exercise one or more of the remedies provided in the Indenture, and apply the proceeds thereof, if any, along with the moneys in the Installment Payment Fund and the Acquisition Fund, if any, to the payment of the Certificates. However, due to the nature of the Improvements, it is unlikely that revenues from the Trustee’s sale or rental of the Improvements would be sufficient to pay in full the principal of, premium, if any, and interest on, the outstanding Certificates.

For a further discussion of certain risks associated with the termination of the Purchase Contract, see “CERTIFICATE OWNERS’ RISKS - Termination of the Purchase Contract” and “- Limited Nature of the Improvements.”

SOURCES OF PAYMENTS

The Board is obligated to make Installment Payments either from funds derived from State appropriations or from Legally Available Nonappropriated Funds on an annual basis. The State appropriated funds and the sources of revenue derived from Board activities are more fully described in APPENDIX A.

The Illinois Constitution of 1970 requires the General Assembly to appropriate moneys for the purpose of operating and maintaining all State institutions of higher learning. Such moneys are derived from taxation as well as from other sources as determined by the General Assembly to ensure the proper maintenance of the institutions. State appropriated funds represent a significant percentage of the Board's revenues and for the fiscal year ended June 30, 2010, were approximately \$107 million, representing approximately 39.7% of the Board’s revenue.

State appropriated funds approved for the University for Fiscal Year 2011 represent a 6.2% decrease from the original appropriations approved for Fiscal Year 2010. In Fiscal Year 2011, the State has deferred release of approved appropriations to the public universities in Illinois. As of the end of November 2010, \$0.7 million or 2.03% of the 2011 appropriation requests sent to the State have been paid to the University. Although the State extended the Fiscal Year 2010 lapse period from August 31 to December 31, the University has received 100% of its Fiscal Year 2010 appropriation requests. There can be no assurance that the full amount of the approved appropriations will be ultimately received or received in a timely fashion, or that approved appropriations will continue to be made at the current level.

The State Finance Act, 30 ILCS 105/13.5, provides that State appropriations for operations to the Board, and to the boards of all of the other public universities, shall identify the amounts appropriated for personal services, State contributions to social security for Medicare, contractual services, travel, commodities, equipment, operation of automotive equipment, telecommunications, awards and grants, and permanent improvements (each a line item), rather than provide for appropriations in a single, combined amount. The University's appropriation for Fiscal Year 2011 is provided as a single, combined amount rather than by line item.

The Board is authorized by law to retain all tuition ("Tuition") and fees ("Fees") in its treasury accounts. Tuition is deposited into an account known as the University Income Fund and Fees (with the exception of the auxiliary facilities fee) are deposited into the general fund of the University.

Outstanding revenue bonds of the Board that have a pledge of Tuition and certain Fees include the Auxiliary Facilities System ("AFS") Revenue Bonds. Under the bond resolutions for the AFS Revenue Bonds, the Board is also required to transfer pledged Tuition and certain Fees to pay for the operating and maintenance costs for the AFS, to the extent system revenues, and other available funds, are insufficient therefor. There is currently \$61,870,000 of AFS Revenue Bonds outstanding.

The Board retains the option to issue additional bonds with a pledge of Tuition and certain Fees in accordance with the provisions of the Western Illinois University Revenue Bond Law (the "Revenue Bond Act") 110 ILCS 691/36-1 et seq., and the resolutions authorizing the AFS Revenue Bonds.

The AFS consists of the following facilities: (i) University Student Union, (ii) multi-purpose facility, (iii) student recreation center, (iv) 10 residence hall facilities, (v) three apartment complexes, (vi) Seal Hall, (vii) University Golf Course and (viii) certain other land and improvements.

OTHER LEGALLY AVAILABLE FUNDS

Legally Available Nonappropriated Funds are any budgeted legally available funds of the Board derived from sources other than State appropriations on an annual basis. Such funds include, but are not limited to, student tuition and fees (in excess of an amount not to exceed annual debt service and mandatory transfers in each Fiscal Year pursuant to the resolutions authorizing the AFS Revenue Bonds, which amount is pledged to the AFS Revenue Bonds, and any amounts that may be pledged to future revenue bonds under the Revenue Bond Act), certain investment income, and indirect cost recoveries on grants and contracts. None of the net revenues of the Auxiliary Facilities System are Legally Available Nonappropriated Funds.

Net Tuition and Fees pledged to the AFS Revenue Bonds were \$68,512,494 in Fiscal Year 2009 and \$71,883,090 in Fiscal Year 2010*. Maximum annual debt service on the Auxiliary Facilities System Revenue Bonds in any future year is \$6,290,456.

* Unaudited.

The Certificates of Participation (Capital Improvement Projects), Series 2005 issued on behalf of the Board in the original principal amount of \$10,290,000, are currently outstanding in the principal amount of \$9,045,000.

The Certificates of Participation (Capital Improvement Projects), Series 2010 issued on behalf of the Board in the original principal amount of \$11,585,000, are currently outstanding in the principal amount of \$11,170,000.

Various factors outside the control of the Board may materially affect the funding levels from State appropriations and from the other sources referred to above. The Western Illinois University Law, and the laws of all of the other public universities in Illinois, were amended by Public Act 93-228 to provide that, subject to certain conditions, for an undergraduate student who is an Illinois resident and who first enrolled at the University after the 2003-2004 academic year, the tuition charged for four continuous academic years following initial enrollment shall not exceed the amount that the student was charged at the time the student enrolled in the University.

The General Assembly could further change the process by which it makes appropriations to the Board. Any significant change in the level of State appropriations, the timing or procedure pursuant to which State appropriations are paid to the University, or Legally Available Nonappropriated Funds could affect the Board's ability to pay Installment Payments.

ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds for the Certificates are as follows:

Sources of Funds

Principal Amount of Certificates	\$
Net Original Issue Premium (or Less Discount).....	
Estimated Investment Earnings (1).....	_____
Total Sources of Funds	\$

Uses of Funds

Project Costs	\$
Purchaser's Discount	
Costs of Issuance.....	_____
Total Uses of Funds	\$

⁽¹⁾ Investment earnings during construction on amounts on deposit in the Acquisition Fund are estimated at ____%.

THE IMPROVEMENTS

The Certificates are being issued to finance the following capital improvements projects:

Renovation and Improvement of Certain Buildings (\$6,000,000).* Several capital improvement projects to campus buildings are planned. Planned improvements include roof replacements, electrical upgrades, building repair and maintenance, heating and cooling upgrades, replacement of classroom equipment and science lab upgrades.

Phase II of Campus Steam Line Replacements (\$5,000,000).* Phase II of the campus steam line replacement plan will include the replacement of steam lines serving approximately 1.5 million square feet of space, including four academic buildings and six residence halls, and the construction of approximately 2,700 linear feet of walk and shallow tunnels to replace the original direct buried steam lines.

CERTIFICATE OWNERS' RISKS

The purchase of the Certificates involves certain investment risks that are discussed throughout this Official Statement. Accordingly, each prospective Certificate Owner should make an independent evaluation of all of the information presented in this Official Statement in order to make an informed investment decision. Certain of the investment risks include but are not limited to those as set forth below.

LIMITED OBLIGATIONS

Each Certificate evidences a proportionate interest in the right to receive payments made by the Board under the Purchase Contract. The Board's obligation under the Purchase Contract will be from year to year only, and will not constitute a mandatory payment obligation of the Board in any subsequent fiscal year. Such obligations constitute currently budgeted operating expenditures by the Board and, in the opinion of Special Counsel, do not constitute a general obligation or other indebtedness of the State or the Board within the meaning of the Constitution or laws of the State.

TERMINATION OF THE PURCHASE CONTRACT

As described above under the subheading "SECURITY FOR THE CERTIFICATES – Termination of Purchase Contract," the Purchase Contract is subject to termination prior to the Expiration Date upon the occurrence of certain events. There is no assurance that the Purchase Contract will not be terminated prior to the Expiration Date.

In the event that the Purchase Contract is terminated and the Installment Payments are not prepaid by the Board in whole, the Trustee may use the moneys in the Installment Payment Fund, if any, the Acquisition Fund, if any, and its interest in the Improvement Contracts, to make payments on the Certificates. The Trustee may also take such action as may be necessary to enforce the payment of the Board's obligations under the Purchase Contract. Should an Event of Default occur, the Trustee may terminate the Purchase Contract and exercise remedies. No assurance can be made as to the amount of funds available from any source for the payment of the Certificates. Due to the nature of the Improvements, it is unlikely that revenues from the Trustee's exercise of such remedies

* Estimated.

would be sufficient to pay in full the principal, interest or premium, if any, with respect to the Certificates.

SOURCES OF PAYMENT

The sources of revenue available to make Installment Payments are more fully described under “SECURITY FOR THE CERTIFICATES – Sources of Payments” and in APPENDIX A. Various factors outside the control of the Board may materially alter the funding levels from the State and the timing of the Board’s receipt of State-appropriated funds.

DELAYS IN EXERCISING REMEDIES

The enforceability of the Purchase Contract and the Indenture is subject to applicable bankruptcy laws, equitable principles affecting the enforcement of creditors’ rights generally and of liens securing such rights, and the police powers of the State and its political subdivisions. Because of delays inherent in obtaining judicial remedies, it should not be assumed that these remedies could be accomplished rapidly. Any delays in the ability of the Trustee to pursue remedies may result in delays in payment of the Certificates.

LIMITED NATURE OF THE IMPROVEMENTS

The Improvements to be financed through the issuance of the Certificates constitute facilities, improvements and equipment that are designed for the purposes of the University and not for revenue generation. Due to the limited purpose of the Improvements, it is unlikely that the proceeds of any sale or rental by the Trustee of its interest in the Improvements upon an Event of Default under the Purchase Contract would be sufficient to pay in whole or in substantial part the principal of or interest on the outstanding Certificates.

DESTRUCTION OF THE IMPROVEMENTS

The Purchase Contract requires that the Board maintain a program of liability, property and casualty insurance and/or self-insurance of such types and in such amounts as are customary for similar institutions carrying on similar activities. Under the Purchase Contract, upon any damage to or destruction of any portion of the Improvements, the original cost of which, in the aggregate, exceeds \$250,000, the Board is required to take certain actions described in Appendix C – “Purchase Contract – Damage or Destruction of Improvements.” However, in the event of the destruction of a substantial portion of the Improvements and the occurrence of an Event of Default under the Purchase Contract, remedies relating to the sale or lease of the Trustee’s interest in the Improvements would be unavailable.

THE TRUSTEE

U.S. Bank National Association, the Trustee, is a national banking association organized under the laws of the United States. Its corporate trust headquarters are located at 209 South LaSalle Street, Chicago, Illinois. The Trustee will enter into the Acquisition Agreement, the Purchase Contract and the Indenture to facilitate the financing of the Improvements. The Trustee is not financially liable for the Installment Payments and the Certificate Owners will have no right to look to the Trustee for payment of the Certificates. The obligations of the Trustee with respect to the Certificates and the Improvements are limited to those specifically provided for in the Purchase Contract and the Indenture.

TAX EXEMPTION

Federal tax law contains a number of requirements and restrictions which apply to the Certificates, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of certificate proceeds and the facilities financed therewith, and certain other matters. The Board has covenanted to comply with all requirements that must be satisfied in order for the interest portion of each Installment Payment made by the Board to the Trustee for the Certificates to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause such interest to become includible in gross income for federal income tax purposes retroactively to the date of issuance of the Certificates.

Subject to the Board's compliance with the above-referenced covenants, under present law, in the opinion of Bond Counsel, the interest portion of each Installment Payment for the Certificates (i) is excludable from the gross income of the owners thereof for federal income tax purposes and (ii) is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but such interest is taken into account, however, in computing an adjustment used in determining the federal alternative minimum tax for certain corporations.

In rendering its opinion, Bond Counsel will rely upon certifications of the Board with respect to certain material facts within the Board's knowledge. Bond Counsel's opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

The Internal Revenue Code of 1986, as amended (the "Code"), includes provisions for an alternative minimum tax ("AMT") for corporations in addition to the corporate regular tax in certain cases. The AMT, if any, depends upon the corporation's alternative minimum taxable income ("AMTI"), which is the corporation's taxable income with certain adjustments. One of the adjustment items used in computing the AMTI of a corporation (with certain exceptions) is an amount equal to 75% of the excess of such corporation's "adjusted current earnings" over an amount equal to its AMTI (before such adjustment item and the alternative tax net operating loss deduction). "Adjusted current earnings" would include certain tax-exempt interest, including the interest portion of each Installment Payment.

Ownership of the Certificates may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Certificates should consult their tax advisors as to applicability of any such collateral consequences.

The issue price (the "Issue Price") for each maturity of the Certificates is the price at which a substantial amount of such maturity of the Certificates is first sold to the public. The Issue Price of a maturity of the Certificates may be different from the price set forth, or the price corresponding to the yield set forth, on the cover page hereof.

If the Issue Price of a maturity of the Certificates is less than the principal amount payable at maturity, the difference between the Issue Price of each such maturity, if any, of the Certificates (the “OID Certificates”) and the principal amount payable at maturity is original issue discount.

For an investor who purchases an OID Certificate in the initial public offering at the Issue Price for such maturity and who holds such OID Certificate to its stated maturity, subject to the condition that the Board complies with the covenants discussed above, (a) the full amount of original issue discount with respect to such OID Certificate constitutes interest which is excludable from the gross income of the owner thereof for federal income tax purposes; (b) such owner will not realize taxable capital gain or market discount upon payment of such OID Certificate at its stated maturity; (c) such original issue discount is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Code, but is taken into account in computing an adjustment used in determining the alternative minimum tax for certain corporations under the Code, as described above; and (d) the accretion of original issue discount in each year may result in an alternative minimum tax liability for corporations or certain other collateral federal income tax consequences in each year even though a corresponding cash payment may not be received until a later year. Based upon the stated position of the Illinois Department of Revenue under Illinois income tax law, accreted original issue discount on such OID Certificates is subject to taxation as it accretes, even though there may not be a corresponding cash payment until a later year. Owners of OID Certificates should consult their own tax advisors with respect to the state and local tax consequences of original issue discount on such OID Certificates.

Owners of Certificates who dispose of Certificates prior to the stated maturity (whether by sale, redemption or otherwise), purchase Certificates in the initial public offering, but at a price different from the Issue Price or purchase Certificates subsequent to the initial public offering should consult their own tax advisors.

LITIGATION

There is no litigation pending against the Board or the University, or to the knowledge of the Board threatened, which in any way questions or affects the validity or enforceability of the Certificates, the right of the Board to enter into the financing documents, the validity or enforceability of the financing documents or the consummation of the transactions described therein or herein. The Board is not aware of any litigation that, if decided adversely to the Board would, individually or in the aggregate, impair the Board’s ability to comply with all the requirements set forth in the financing documents or have a material adverse impact on the Board’s ability to meet debt service on the Certificates.

LEGAL MATTERS

Certain legal matters incidental to the authorization, validity and enforceability of the Purchase Contract and the authorization, issuance and sale of the Certificates are subject to the approving legal opinion of Chapman and Cutler LLP, as Special Counsel (“Special Counsel”). The proposed form of such opinion is attached hereto as APPENDIX D. Chapman and Cutler LLP is also acting in a separate capacity as Disclosure Counsel to the Board. Certain legal matters will be passed upon for the Board by Flack, McRaven & Stephens, Macomb, Illinois, and for the Trustee by Sonnenschein Nath & Rosenthal LLP, Chicago, Illinois.

UNDERWRITING

The Underwriters of the Certificates have agreed, subject to certain customary conditions precedent to closing, to purchase the Certificates from the Board at a purchase price of \$_____ (which is equal to the principal amount of the Certificates, plus a net original issue premium (or less a net original issue discount) of \$_____, [less a certificate insurance premium of \$_____ to be paid to the Certificate Insurer by the Underwriters,]less an underwriting discount of \$_____). The Underwriters will be obligated to purchase all of the Certificates if any Certificates are purchased.

FINANCIAL ADVISOR

The Board has engaged John S. Vincent & Company LLC to serve as its financial advisor (the “Financial Advisor”) on debt and capital related issues, including the issuance of the Certificates. The Financial Advisor’s duties, responsibilities, and fees arise solely from that as financial advisor to the Board.

FINANCIAL STATEMENTS

The financial statements of the University for the year ended June 30, 2010 are set forth in APPENDIX B. These financial statements have been audited by E. C. Ortiz & Co. LLP, independent auditors, as set forth in their report thereon also set forth in APPENDIX B.

Audited financial statements for the University for the fiscal years ended June 30, 2009, 2008, 2007 and 2006 are on file with and may be obtained from the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access (“EMMA”) system for municipal securities disclosure and such audited financial statements are incorporated in this Official Statement by reference thereto. Copies of such audited financial statements may also be obtained from the Office of the Vice President for Administrative Services, Sherman Hall 200, 1 University Circle, Macomb, Illinois 61455 or at the office of the University’s Financial Advisor, John S. Vincent & Company, LLC, 208 S. LaSalle Street, Suite 1625, Chicago, Illinois 60604.

DESCRIPTION OF RATING

[Standard & Poor’s Ratings Service, a Division of The McGraw Hill Companies, Inc. (“Standard & Poor’s”) will assign the Certificates the rating of “AAA” with the understanding that upon delivery of the Certificates, a municipal bond insurance policy guaranteeing the payment when due of the principal of and interest on the Certificates will be issued by Assured Guaranty Municipal Corp. (formerly known as Financial Security Assurance Inc.). Standard & Poor’s currently views the outlook for this rating as negative.

In addition,]Standard & Poor’s Ratings Service, a Division of The McGraw Hill Companies, Inc. (“Standard & Poor’s”) has assigned the Certificates an underlying rating of “__.” Standard & Poor’s currently views the outlook for this rating as negative. No application has been made to any other rating service for the purpose of obtaining an additional rating on the Certificates. The Board and the University furnished to Standard & Poor’s certain information and materials, some of which have not been included in this Official Statement.

Such rating expresses only the views of Standard & Poor’s. An explanation of the significance of Standard & Poor’s rating may be obtained from such agency. The rating is not a “market” rating

nor a recommendation to buy, sell, or hold the Certificates, and the rating and the Certificates should be evaluated independently. There is no assurance that such rating will continue for any given period of time or will not be revised downward, or withdrawn entirely by Standard & Poor's, if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such rating by Standard & Poor's may have an adverse effect on the market price or the marketability of the Certificates. Except as required under the Continuing Disclosure Agreement, the Board undertakes no responsibility either to bring to the attention of the Owners of the Certificates any proposed change in or withdrawal of such rating or to oppose any such revision or withdrawal.

CONTINUING DISCLOSURE

In order to assist the Purchasers in complying with certain provisions of Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission, under the Securities Exchange Act of 1934, the Board has agreed in a Continuing Disclosure Agreement to provide to certain parties certain annual financial information and operating data and notices of certain material events. The proposed form of the Continuing Disclosure Agreement is included as APPENDIX E to this Official Statement. The Board represents that it has not failed to comply in all material respects with each and every undertaking previously entered into by it pursuant to the Rule. The Continuing Disclosure Agreement may be enforced by any beneficial or registered Owner of Certificates, but the Board's failure to comply will not be a default under the Indenture. A failure by the Board to comply with the Continuing Disclosure Agreement must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Certificates in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Certificates and their market price.

ADDITIONAL INFORMATION

All of the summaries of the opinions, contracts, agreements, financial and statistical data, and other related documents described in this Official Statement are made subject to the provisions of such documents. These summaries do not purport to be complete statements of such provisions and reference is made to such documents, copies of which are publicly available for inspection at the offices of the Board's Financial Advisor, John S. Vincent & Company LLC, 208 South La Salle Street, Suite 1625, Chicago, Illinois 60604, or at the University's Office of the Vice President for Administrative Services, Sherman Hall 200, 1 University Circle, Macomb, Illinois 61455.

CERTIFICATION

As of the date hereof, this Official Statement is, to the best of my knowledge, complete and correct in all material respects and does not include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made herein, in light of the circumstances under which they were made, not misleading. The preparation of this Official Statement and its distribution have been authorized by the Board of Trustees of Western Illinois University.

BOARD OF TRUSTEES OF WESTERN ILLINOIS UNIVERSITY

By: _____
Vice President for Administrative Services of the University
and Treasurer of the Board

Appendix A

Western Illinois University

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APPENDIX A

WESTERN ILLINOIS UNIVERSITY

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WESTERN ILLINOIS UNIVERSITY

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WESTERN ILLINOIS UNIVERSITY

BACKGROUND

Western Illinois University (the “University or “WIU”) is a state-supported institution located in Macomb, Illinois, approximately 250 miles southwest of Chicago and 170 miles north of St. Louis, Missouri. WIU was established on April 24, 1899, and began operation on September 23, 1902. WIU offers 66 undergraduate degree programs and 37 graduate degree programs to approximately 12,600 students. Its curriculum includes the humanities, social sciences, fine arts, business, education, and a number of pre-professional and technical fields of study. The University was the first state institution in Illinois to offer classes by extension.

The University’s strategic plan, Higher Values in Higher Education, provides a clear vision and mission for the University: “Western Illinois University will be the leader in educational quality, opportunity, and affordability among its peers. [By enacting our values and supporting the synergy between instruction, research, creativity and service, Western Illinois University prepares a socially responsible, diverse student, faculty and staff population to lead in the global society.]”

The University meets the demand for expanded higher education opportunities through its four colleges: Arts and Sciences, Business and Technology, Education and Human Services, and Fine Arts and Communication. Advanced study is offered through the School of Graduate Studies, which confers Master’s, Specialist’s and Doctoral Degrees.

The University provides educational and public service offerings to citizens of the region, state, and nation through its campus located in the Quad Cities, which consists of the area including Rock Island and Moline, Illinois and Davenport and Bettendorf, Iowa, and the School of Distance Learning, International Studies and Outreach. WIU-Quad Cities, located in Moline, Illinois, services Quad Cities area residents and placebound students. At present, 12 undergraduate, 7 post-baccalaureate, 15 master, and 1 doctoral programs are offered at the Quad Cities campus. The School of Distance Learning, International Studies and Outreach coordinates online courses, which allow individuals to study in their own homes, and offers courses in more than two dozen disciplines each term. Extension coursework is delivered on-site or through distance learning technology to Chicago, Cook/DuPage/Kane/Lake Counties, and Springfield. A wide variety of academic programs in the form of conferences, workshops, short courses, sponsored credit, and residential programs are also coordinated through the School of Distance Learning, International Studies and Outreach.

The University’s four colleges and library are directly administered by their respective deans. The School of Distance Learning and Outreach is administered by its director. The administration of the School of Graduate Studies is centered in the Office of the Provost. The Provost and Academic Vice President has general responsibility in the areas of academic personnel and programs. Four other vice presidents administer the areas of Administrative Services, Advancement and Public Services, Quad Cities, Planning and Technology, and Student Services. The President is responsible to the WIU Board of Trustees for the operation and general welfare of the University.

ACCREDITATION

The University is accredited through the doctoral degree level by the Higher Learning Commission and is a member of the North Central Association. The University's teacher certification programs are accredited by the National Council for Accreditation of Teacher Education. WIU programs in art/museum studies, athletic training, business, communication sciences and disorders, counseling, dietetics, music, nursing, recreation, park and tourism administration, social work and theatre/musical theatre are accredited, respectively, by the National Association of Schools of Art and Design, Commission on Accreditation of Athletic Training Education, AACSB International – The Association to Advance Collegiate Schools of Business, American Speech-Language-Hearing Association, Council for Accreditation of Counseling and Related Educational Programs, American Dietetic Association, National Association of Schools of Music, Commission on Collegiate Nursing Education, National Recreation and Park Association, Council on Social Work Education and National Association of Schools of Theatre.

BOARD OF TRUSTEES

The University is governed by its Board of Trustees which is composed of seven voting members appointed by the Governor of the State of Illinois, with the advice and consent of the State Senate, and one voting student member. The Board is responsible for the general supervision and management of the University's educational program, its lands, buildings and other properties, and controls the revenues and expenditures in support thereof.

The present members, officers and principal staff of the Board and the principal officers of the University are set forth below:

<i>Board of Trustees</i>	<u>Term Expires</u>
William L. Epperly, Secretary	January 17, 2011
Carolyn Ehlert Fuller, Vice Chair	January 17, 2007*
Donald W. Griffin	January 17, 2007*
J. Michael Houston, Chair	January 21, 2013
Steven L. Nelson	January 17, 2011
Christopher Bronson, Student Representative	June 30, 2011
Vacant	TBD**
Vacant	TBD**

* Term expired, no replacement appointed.

** Pending gubernatorial action.

Officers of the University

Alvin Goldfarb	President
Jackie Thomas	Provost and Academic Vice President
Jacqueline K. Thompson	Vice President for Administrative Services and Treasurer of the Board of Trustees
W. Garry Johnson	Vice President for Student Services
Brad Bainter	Vice President for Advancement and Public Services
Joseph Rives	Vice President for Quad Cities, Planning & Technology

PRINCIPAL OFFICERS OF THE UNIVERSITY

Alvin Goldfarb, Ph.D.

President

Dr. Alvin Goldfarb became the 10th President of the University on July 1, 2002. Before his appointment to the Presidency, Dr. Goldfarb served as Provost and Vice President for Academic Affairs, as well as Professor of Theatre, at Illinois State University from August 1998 until July 2002. He was responsible for Illinois State University's strategic plan, "Educating Illinois." Dr. Goldfarb joined Illinois State University as a theatre faculty member in 1977, served as Chair of the Department of Theatre from 1981 through 1988, and Dean of the College of Fine Arts from 1988 to 1998. He holds a Ph.D. in Theatre History from the City University of New York and a Master's degree from Hunter College.

Dr. Goldfarb has co-authored two theatre textbooks, *Theatre: The Lively Art* and *Living Theater*. He has collaborated on his textbooks with Edwin Wilson, retired Broadway theatre critic for the *Wall Street Journal*. He and Dr. Wilson also co-edited the *Anthology of Living Theater. Theatrical Performance During the Holocaust*, which he co-edited with Rebecca Rovit, was a 1999 National Jewish Book Award Finalist. Dr. Goldfarb has also authored numerous articles on theatre. He serves as a National Association of Schools Theatre evaluator.

Dr. Goldfarb served as a member of the Illinois Arts Council. He also served as president of the Illinois Alliance for Arts Education and has received service awards from that organization as well as from the Illinois Theatre Association and the American College Theatre Festival.

At the Board of Trustees meeting on June 5, 2009, Dr. Goldfarb announced his plan to retire effective June 30, 2011. The Presidential search has been narrowed to five candidates who visited campus in late November and early December. The Board of Trustees will be making an appointment at or before its March 2011 meeting. Once the President is appointed, he/she will participate in the selection of the Vice President for Administrative Services and the Vice President for Student Services.

The President is responsible to the Board of Trustees for exercising final on-campus executive authority in all aspects of the University's operations.

Jackie "Jack" Thomas, Ph.D.

Provost and Academic Vice President

Dr. Jackie "Jack" Thomas became Provost and Academic Vice President on January 1, 2008, bringing with him outstanding experiences in the areas of academic affairs, academic enrichment programs, curriculum, diversity, student affairs, internationalization, distance learning, and many others. Dr. Thomas holds a B.A. in English from Alabama A&M University, a M.Ed. in English Education from Virginia State University and a Ph.D. in English Literature and Criticism from Indiana University of Pennsylvania.

Prior to coming to the University, he served as Senior Vice Provost for Academic Affairs and Professor of English at Middle Tennessee State University (MTSU) from 2006 through 2008. Dr. Thomas also held administrative positions at MTSU as Vice Provost for Academic Affairs and Interim Dean of the College of Continuing Education and Distance Learning.

Dr. Thomas was a Professor of English at the University of Maryland Eastern Shore, Princess Anne, MD, from 1990 through 2004. While at the University of Maryland Eastern Shore, he held

administrative positions including Director of the Scholars Program, Interim President, Executive Vice President, Associate Vice President for Academic/Student Affairs, Executive Assistant to the President, and Chair of the Department of English and Modern Languages.

He is a noted scholar and lecturer appearing as a keynote speaker presenting his research and inspirational messages locally, nationally, and internationally. He has numerous publications and professional presentations. He served as the editor and founder of Image: The Scholars Release Journal, Men and Women of Color which showcases writers, poets, and artists. This publication features articles and editorials on literature and language.

Dr. Thomas is a 2005 graduate of the Harvard Institute for Management and Leadership Education (MLE) program. He was the Kellogg-NAFEO MIS Leadership Fellow from 2003-2004 in the Office of the President at Alabama State University and also studied in Salzburg, Austria in Fall 1999 as part of the Salzburg Seminar, "Globalization in Higher Education." He was an American Council on Education (ACE) Fellow in Spring 1999, serving in the Office of the President at the University of Maryland Eastern Shore and was an American Council on Education (ACE) Fellow in Fall 1998, serving in the Office of the President at the University of Maryland Baltimore County.

The Provost and Academic Vice President serves as chief academic officer and as the representative for the President in his absence. The Provost and Academic Vice President exercises primary administrative responsibility for the overall process of academic resource allocation and planning, academic program development and review, faculty and staff relations, and the educational programs and services provided by the following areas: College of Arts and Sciences, College of Business and Technology, College of Education and Human Services, College of Fine Arts and Communication, University Libraries, Centennial Honors College, Center for Innovation in Teaching and Research, Center for International Studies, Illinois Institute for Rural Affairs, Office of Sponsored Projects, Registrar, School of Distance Learning and Outreach, School of Graduate Studies, and University Advising and Academic Services Center.

Jacqueline K. Thompson

Vice President for Administrative Services

Ms. Jacqueline K. Thompson served as Acting Vice President for Administrative Services from March through December 1997. She was named Vice President for Administrative Services in December 1997. She earned a Bachelor of Arts degree (1985) and a Master of Science in Education (1994) from the University. Prior to this appointment, Ms. Thompson served as Director of Auxiliary Services and Special Assistant to the Vice President for Administrative Services. Ms. Thompson has 40 years of professional experience in higher education at the University.

On September 13, 2010, Ms. Thompson announced her plan to retire effective July 31, 2011. A search process has begun to select her successor.

The Vice President for Administrative Services serves as the University's chief administrative, business, and financial officer and Treasurer for the Board of Trustees. She serves as chief spokesperson and liaison on financial matters to various state and federal agencies and the many external public areas the University serves. Performance requirements include the development and implementation of financial policies and procedures, financial planning, asset protection, and management of the University's facilities and construction programs, contract approval and administration, internal control, and University legal compliance in conjunction with the University's contracted legal counsel. The Vice President for Administrative Services provides

direction and leadership for the delivery of University-wide services in the following areas: Administration Information Management Systems, including database administration, information systems/application programming, and support for STARS and WIUP; Business Services, including accounts payable, billing and receivables, financial systems, payroll, and property accounting; Document and Publication Services including bindery and finishing, document preparation to include design, editing, and layout, mail preparations, mail services, office supplies, and printing and copying; Human Resources, including benefits, classification and compensation, diversity outreach, employee and labor relations, employment, examination, and staff development; Physical Plant operations, including building services, building trades, capital project construction, facilities planning and design, grounds maintenance, in-house construction, mechanical trades, plant administration, and transportation; Purchasing, including accounts payable, contract administration, and procurement card; Insurance, risk management and emergency preparedness; Administrative Executive Institute; and Public Safety, including emergency medical services, key and access control, parking services, police, police communication (911), and student patrol. The Vice President for Administrative Services also serves as the University liaison to the Civil Service Employees Council and the Council of Administrative Personnel.

W. Garry Johnson, Ph.D.

Vice President for Student Services

Dr. W. Garry Johnson was appointed Vice President for Student Services on May 19, 1998, after serving as Interim Vice President for Student Services since September 24, 1997. Dr. Johnson holds a Bachelor of Arts from Southern Colorado State College, a Master of Science in Education from the University of Missouri-Columbia and a doctorate in Counseling Psychology from the University of Missouri-Columbia. Dr. Johnson served as Associate Vice President for Student Services at WIU from January 1997 to September 1997. Prior to this appointment, he held the position of Assistant Vice President for Student Services-Student Life (1983-1996). He also serves as an Adjunct Associate Professor of College Student Personnel and teaches Group and Organizational Effectiveness, Issues in Higher Education, Special Problems in College Student Personnel: Budgeting in Student Services, Organization and Administration of College Student Personnel Services, and Higher Education in the United States.

Dr. Johnson has over 40 years of professional experience in higher education including administrative positions at Southern Colorado State University (1969-1970), University of Missouri-Columbia (1970-1980) and Western Illinois University (1980-present). He has held regional, national, and international offices in several professional associations including President of ACUHO-I (Association of College and University Housing Officers-International). Additionally, Dr. Johnson has been actively involved in community activities. He was elected to the Board of Directors of the Macomb Chamber of Commerce in 1997, and is involved in Rotary International. He has served on the Performing Arts Society Board and was Co-Chair of the 2003 United Way Campaign. Dr. Johnson is active in the Western Illinois University Counselor Education and College Student Personnel Program where he teaches within the program, as well as serves as an academic advisor and an intern/practicum site supervisor. He received the Association of College and University Housing Officers-International Parthenon Award in 2009, as well as the American College Personnel Association Diamond Honoree Award in 2008.

On October 20, 2010, Dr. Johnson announced his plan to retire effective June 30, 2011. A search process has begun to select his successor.

The Vice President for Student Services exercises primary administrative responsibility for the educational and service activities and programs provided by the following areas: Beu Health Center, Campus Recreation, Career Services, Casa Latina Cultural Center, Disability Support Services, Electronic Student Services, Financial Aid, GoWest Transit, Gwendolyn Brooks Cultural Center, Intercollegiate Athletics, Student Activities, Student Assistance and Parent Service Center, Student Development and Orientation, Student Judicial Programs, Student Legal Services, Student Publications, Undergraduate Admissions, University Counseling Center, University Golf Course, University Housing and Dining Services, University Union, Veterans' Resource, Center, WIU Childcare, Women's Center, and the Auxiliary Facilities System.

Brad Bainter

Vice President for Advancement and Public Services

Brad Bainter was selected as the Vice President for Advancement and Public Services on July 1, 2010. Mr. Bainter holds a Master of Science in Physical Education with an emphasis in Sports Management and a Bachelor's degree in Business with an emphasis on Business Administration and Management. Both degrees are from Western Illinois University.

Prior to holding this position, Mr. Bainter served as Director of Development and Planned Giving at Western Illinois University since July 2009. He is the executive officer of the WIU Foundation, and he has also served as the Director of Planned and Major Giving at WIU since 1996. Mr. Bainter was the Assistant to the Dean for Development in WIU's College of Business and Technology from 1986 to 1996, and he also worked as a WIU Admissions Counselor from 1983 to 1986.

At the University, Mr. Bainter is involved with Western Illinois Now, the Leatherneck Club (formerly called Western Athletic Club) and the Performing Arts Society, and he has been a member of the WIU Alumni Council. In the community, he is involved with McDonough District Hospital's fundraising efforts, most recently establishing Linda's Fund to assist breast cancer patients, and he is a member of the Maple Avenue Christian Church. Mr. Bainter has also been involved with Macomb High School athletics boosters and has coached local youth athletic teams.

The Vice President for Advancement and Public Services provides leadership and administration of programs and operations related to University advancement, including: Alumni Programs, Development, University Relations, Visual Productions, Marketing, the Scholarship Office, and the WIU Foundation.

Working with the President and with senior management in the division, the Vice President establishes priorities for institutional advancement and implements policies and guidelines for each area in the division. These initiatives are designed to generate and share information about the achievements of the University – its students, faculty, alumni, and programs – and to articulate the institution's needs for budgetary, philanthropic, and programmatic support. The Vice President for Advancement and Public Services provides executive leadership and planning to the University's fund-raising campaigns, serves as Executive Officer of the WIU Foundation, and maintains interactive relationships with the WIU Foundation Board of Directors and the Alumni Association's Alumni Council.

Joseph Rives, Ph.D.**Vice President for Quad Cities, Planning & Technology**

Dr. Joseph Rives was appointed Vice President for the Quad Cities, Planning and Technology on **January 1, 2008**, after serving as the Executive Assistant to the President since **April 1, 2005**. Dr. Rives holds a Bachelor of Arts from Illinois Wesleyan University, a Master of Science in Psychology and a doctorate in Higher Education Administration and Foundations. Both graduate degrees are from Illinois State University. Prior to his appointment at the University, Dr. Rives was employed at Illinois State University as Director of University Planning and Institutional Research (2000-2005), Assistant Director, Office of Planning, Policy Studies and Information Systems (1998-2000), and Research Associate, Office of Institutional Research (1990-1998). He was also an adjunct faculty member for the College of Arts and Sciences at Illinois State University (1994-1996), and an adjunct faculty member in the Division of Business and Behavioral Sciences at Heartland Community College (1993-1998).

Dr. Rives is active professionally, holding officer positions in both the Illinois Association of Research (president, vice president, and treasurer) and the National Association of Institutional Research (national forum planning committee and national trainer on planning and budgeting). He is also a member of the National Association of Branch Campus Administrators, Society for College and University Planning, Educause, and a consultant-evaluator for the Higher Learning Commission-North Central Association of Colleges and Schools (the Commission). In 2008, Dr. Rives was named to a national panel by the Commission to update and streamline accreditation processes. Additionally, Dr. Rives is actively involved in community activities. Currently he is on the Board of Directors for the Rock Island Arsenal of the United States Army, WQPT Public Television, Quad Cities Graduate Studies Center (Executive Committee member), the Quad Cities Sports Authority, and a member of the Quad City International Airport's Air Service Committee. He also participates in local economic development activities with the Illinois Quad Cities Chamber of Commerce, the City of Moline, and a private economic development firm (Renew Moline).

The Vice President for Quad Cities, Planning and Technology serves as the Chief Operating Officer for the Quad Cities Campus, as well as the Chief Planning and Technology Officer for both the Macomb and Quad Cities campuses. The position supervises 200 full time employees in the Quad Cities, University Technology, and the Center for the Application of Information Technologies. The position also coordinates institutional planning, including the University's Higher Values in Higher Education 2008-2018 Strategic Plan, campus master and technology plans for both campuses and the University's accreditation reporting to the Higher Learning Commission-North Central Association of Colleges and Schools.

BUDGET AND STATE APPROPRIATIONS

The State of Illinois is not obligated to pay debt service on the Certificates. However, the University annually receives appropriations from the General Assembly of the State, which are to be applied to the educational and general expenditures of the University. In addition, payments are made by the State on behalf of the University for employee benefits and retirement contributions.

On July 1, 2010, the Governor approved a Fiscal Year 2011 State budget. The Fiscal Year 2011 State general funds budget approved by the General Assembly for the University totaled \$56.2 million, which is a reduction of approximately 6.2% from the previous Fiscal Year. The University sends vouchers to the State for payment of personal services and other goods and services to be paid

from State appropriated funds. The State has deferred release of approved appropriations for Fiscal Year 2011 to all of the public universities in Illinois. Through November 30, 2010, \$0.7 million or 2.03% of the amount vouchered has been received by the University. As a consequence of this deferral, there can be no assurance that the full amount of the approved appropriations in the amount of \$56.2 million for Fiscal Year 2011 will be ultimately received or received in a timely fashion, or that approved appropriations will continue to be made at the current level. Such delays present cash flow challenges to the University.

The following table sets forth the State funding received by the University for the past five Fiscal Years:

	<u>Fiscal Year ended June 30</u> ¹				<u>Unaudited</u>
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Current Operating Funds	\$ 56,401,085	\$ 57,223,385	\$ 58,297,496	\$ 58,431,588	\$ 56,401,100
Payments on behalf of University	<u>27,624,162</u>	<u>30,855,587</u>	<u>35,394,969</u>	<u>38,584,926</u>	<u>50,455,685</u>
Total	\$ 84,025,247	\$ 88,078,972	\$ 93,692,465	\$ 97,016,514	\$ 106,856,785
Total Revenues ²	\$219,463,138	\$232,890,880	\$244,273,940	\$251,612,068	\$ 268,915,688
State Appropriations as a % of Total Revenue	38.3%	37.8%	38.4%	38.6%	39.7%

Source: Compiled from audited Financial Reports of the University for Fiscal Years 2006-2009 and the unaudited Financial Report of the University for Fiscal Year 2010.

¹ May not sum to total due to rounding.

² Total revenues include total operating revenues, state appropriations, gifts, investment income, and other nonoperating revenues.

In addition, for Fiscal Years 2006, 2007, 2008, 2009 and 2010 the State provided approximately \$3.2 million, \$2.4 million, \$1.1 million, \$3.0 million and \$6.5 million, respectively, in Capital Funds for University projects.

The amount of general funds to be appropriated by the State to the University for Fiscal Years after 2011 is unknown. The State of Illinois has experienced fiscal problems, which have not been addressed in the State's Fiscal Year 2011 Budget, including annual operating deficits and accumulated liabilities, and long-standing issues relating to funding of pensions for State employees. The State's General Obligation rating is "A1/Negative" from Moody's, "A+/Negative Watch" from S&P, and "A" with a Negative Outlook from Fitch. As a result of the State's financial and budget situation, the University is attempting to rely more on its own resources by instituting a program of reductions in spending by all University departments, inaugurating a fund-raising campaign and attempting to increase enrollment. However, despite such measures, the University cannot continue to operate satisfactorily over time without sufficient State appropriations. The amount of State appropriations and the timely receipt thereof in future Fiscal Years cannot be predicted and is not controlled by the University. A drastic reduction in the receipt by the University of State appropriations would have a material adverse impact on the University.

ACADEMIC PROGRAMS

Undergraduate:

Bachelor of Arts, Bachelor of Business, Bachelor of Fine Arts, Bachelor of Liberal Arts and Sciences, Bachelor of Music, Bachelor of Science, Bachelor of Science in Education, Bachelor of Science in Nursing, and Bachelor of Social Work degrees are awarded in the disciplines shown below. In addition, the Bachelor of Arts in General Studies and the Bachelor of Arts/Bachelor of Science in Interdisciplinary Studies degree programs are offered through the School of Distance Learning, International Studies and Outreach and the Centennial Honors College, respectively.

College of Arts and Sciences:

African American Studies	Geography	Physics
Anthropology	Geology	Political Science
Biology	History	Psychology
Chemistry	Journalism	Religious Studies
Clinical Laboratory Science	Liberal Arts and Sciences	Sociology
Economics (B.A.)	Mathematics	Spanish
English	Meteorology	Women's Studies
Forensic Chemistry	Nursing	
French	Philosophy	

College of Business and Technology:

Accountancy	Finance	Manufacturing
Agriculture	Graphic Communication	Engineering Technology
Computer Science	Human Resource Management	Marketing
Construction Management	Information Systems	Network Technologies
Economics (B.B.)	Management	Supply Chain Management
Engineering		

College of Education and Human Services:

Athletic Training	Health Sciences	Physical Education
Bilingual/Bicultural Education	Health Services Management	Recreation, Park and Tourism Administration
Elementary Education	Instructional Design and Technology	Social Work
Emergency Management	Law Enforcement and Justice Administration	Special Education
Exercise Science		
Family and Consumer Sciences		

College of Fine Arts and Communication:

Art (B.A. and B.F.A.)	Communication Sciences and Disorders	Music (B.A. and B.M.)
Broadcasting		Musical Theatre
Communication		Theatre

Graduate:

The University confers 11 advanced degrees – Master of Accountancy, Master of Arts, Master of Business Administration, Master of Fine Arts, Master of Liberal Arts and Sciences, Master of Music, Master of Science, Master of Science in Education, Education Specialist, Specialist in School Psychology and Doctor of Education – and awards 17 post-baccalaureate certificates. Graduate programs are available in the following degrees and fields of study:

Master of Accountancy

Accountancy

Master of Arts

Communication

Economics

English

Geography

History

Law Enforcement and

Justice Administration

Museum Studies

Political Science

Sociology

Master of Business Administration

Business Administration

Master of Fine Arts

Theatre

Master of Liberal Arts and Sciences

Liberal Arts and Sciences

Master of Music

Music

Master of Science

Biology

Chemistry

College Student Personnel

Communication Sciences and
Disorders

Computer Science

Health Sciences

Instructional Design and
Technology

Kinesiology

Manufacturing Engineering
Systems

Mathematics

Physics

Psychology

Recreation, Park and
Tourism Administration

Sport Management

Master of Science in Education

Counseling

Educational and Inter-
Disciplinary Studies

Educational Leadership

Elementary Education

Reading

Special Education

Education Specialist

Educational Leadership

Specialist in School Psychology

School Psychology

Doctor of Education

Educational Leadership

Post-Baccalaureate Certificates:

African and African Diaspora World Studies	Instructional Design and Technology	Police Executive Administration
Applied Mathematics	- Distance Learning	Teaching English to Speakers of Other Languages
Community Development	- Educational Technology Specialist	Women’s Studies
English	- Graphics Applications	Zoo and Aquarium Studies
Environmental GIS	- Multimedia	
Health Services Administration	- Technology Integration in Education	
	- Training Development	

FACULTY

As of the Fall term 2010, the University’s faculty totaled 731 members, 660 of which were full time. Of the total faculty, 48.1% are tenured and approximately 66.3% hold a terminal degree in their field.

STUDENT ENROLLMENT

Approximately 92% of WIU students enrolled at the main Macomb campus are Illinois residents, approximately 5% are out-of-state, and approximately 3% are from foreign countries. Set forth below are on-campus enrollments of the University for the past five academic years based on Fall semester registrations. The enrollments shown do not include students at the WIU Quad Cities or Extension students (which, for Fall 2010, were 1,277 and 931, respectively, on a headcount basis and 715 and 645, respectively, on a full-time equivalent basis).

Headcount Enrollment

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Undergraduate	10,358	10,151	9,709	9,407	9,292
Graduate	<u>1,010</u>	<u>1,068</u>	<u>1,076</u>	<u>1,080</u>	<u>1,085</u>
	11,368	11,219	10,785	10,487	10,377

Full-Time Equivalent Enrollment ⁽¹⁾

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Undergraduate	10,051	9,832	9,412	9,117	8,922
Graduate	<u>715</u>	<u>745</u>	<u>752</u>	<u>741</u>	<u>737</u>
	10,766	10,577	10,164	9,858	9,659

⁽¹⁾ Based on the Illinois Board of Higher Education definition of full-time equivalency. Undergraduate student full-time equivalent is computed as the total number of Fall term full-time credit hours divided by 15. Graduate student full-time equivalent is computed as the total number of Fall term full-time credit hours divided by 12.

COMPETITION

The University competes with other public universities and community colleges in the State. The following table summarizes the average rates for tuition per credit hour and fees in academic year 2009-10 for other public universities in Illinois. Although the University has attempted to obtain accurate information as to comparative tuition, room and board for the following institutions, it does not warrant its completeness or accuracy. The following amounts are based on information supplied by others.

Institution	Tuition	Fees	Total
University of Illinois at Urbana-Champaign	\$	\$	\$
University of Illinois at Chicago			
Illinois State University			
Northern Illinois University			
Southern Illinois University at Carbondale			
Eastern Illinois University			
University of Illinois at Springfield		[TO BE PROVIDED]	
The University			
Northeastern Illinois University			
Southern Illinois University at Edwardsville			
Chicago State University			
Governors State University			

STRATEGIC PLAN

The University's Strategic Plan, *Higher Values in Higher Education 2008-2018*, outlines goals and priorities, including the goals of achieving optimum enrollment of 12,500 on the Macomb campus and 3,000 on the Quad Cities campus. New programs that began in Fiscal Year 2009, including engineering and nursing, as well as increased recruitment and retention efforts, will help the University in achieving these strategic plan goals.

MATRICULATION

The table below shows applications, acceptances and enrollment for incoming freshmen and transfers for the past five academic years, based on Fall semester enrollments.

	<u>Enrollment History</u>				
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Freshman					
Applications	7,620	8,203	8,164	8,331	8,395
Acceptances	5,371	5,594	5,528	5,301	5,420
Enrolled	1,928	1,957	1,816	1,641	1,758
Transfers					
Applications	2,817	2,714	2,587	2,737	2,792
Acceptances	2,105	1,976	1,883	2,028	2,081
Enrolled	1,423	1,247	1,273	1,332	1,344

STUDENT QUALITY INDICATORS

The ACT scores for the past five years of new freshmen entering WIU are shown below. These scores do not include approximately 328 students that the University accepts on a special admit basis each year. The ACT scores for these students are generally below the means shown below.

<u>Mean ACT Scores</u>				
<u>Fall 2006</u>	<u>Fall 2007</u>	<u>Fall 2008</u>	<u>Fall 2009</u>	<u>Fall 2010</u>
21.6	21.5	21.6	21.6	21.0

As shown below, the percentage of on-campus new freshmen at the University that were in the upper 25 percent of their high school graduating class has ranged from 20.0 percent to 25.1 percent for the Fall terms from 2006 through 2010.

<u>Upper Quartile Admits</u>				
<u>Fall 2006</u>	<u>Fall 2007</u>	<u>Fall 2008</u>	<u>Fall 2009</u>	<u>Fall 2010</u>
20.0%	21.8%	21.7%	24.2%	25.1%

FINANCIAL AID TO STUDENTS

Approximately 74% of the University's student body received some form of financial assistance in Fiscal Year 2010. Such financial aid includes employment, loans, scholarships, grants and tuition waivers whose funding sources are through various federal, state and University programs. Financial aid in Fiscal Year 2010 totaled \$130.5 million, of which 14.4% was funded from federal sources, 22.3% from the state, 10% from the University and 48.9% from other sources.

Set forth below is a table showing the breakdown of Fiscal Year 2010 financial aid at the University.

<u>Type of Aid</u>	<u>Fiscal Year 2010</u> (in millions)
Employment:	\$ 8.0
Loans:	
Perkins Loans	0.3
Guaranteed Student Loans	68.6
Other Loans	8.5
Scholarships, Grants, etc.:	
Federal	16.5
State	14.2
University	11.5
Other	<u>2.9</u>
Total	\$ 130.5

Because federal, state and University support for student aid may decrease in the future, there is no assurance that the current levels or types of financial assistance will be maintained. Any changes in the availability of such financial assistance could affect the University's enrollment.

TUITION

The following table sets forth University tuition revenues for the Fiscal Years 2006 through 2010.

	<u>Fiscal Year Ended June 30</u> (in 000's)				
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>Unaudited 2010</u>
Tuition	\$46,613	\$52,048	\$55,998	\$58,807	\$61,493

TUITION AND FEES

Set forth below are the yearly tuition and major fees charged by the University during the last four Fiscal Years and for the current Fiscal Year to entering full-time undergraduate students at the Macomb campus who are Illinois residents.

FISCAL YEAR	TUITION ⁽¹⁾⁽²⁾	AUXILIARY FACILITIES	STUDENT ACTIVITY	ATHLETIC	PUBLICATION	FACILITIES ENHANCEMENT & LIFE SAFETY
2007	\$5,439.00	\$546.30	\$97.20	\$200.10	\$19.80	\$210.00
2008	\$5,895.00	\$573.30	\$126.30	\$273.90	\$19.80	\$210.00
2009	\$6,456.00	\$605.40	\$139.80	\$328.80	\$19.80	\$270.00
2010	\$6,778.80	\$733.50	\$179.40	\$404.10	\$19.80	\$330.00
2011	\$7,219.50	\$737.70	\$179.40	\$432.60	\$26.40	\$375.00

FISCAL YEAR	GRANT-IN-AID	HEALTH SERVICES	COMPUTER FEE	HEALTH INSURANCE	TRANSIT FEE	TOTAL
2007	\$43.20	\$171.90	\$129.90	\$488.00	\$65.70	\$7,411.10
2008	\$43.20	\$186.00	\$129.90	\$556.32	\$65.70	\$8,079.42
2009	\$45.00	\$206.10	\$129.90	\$589.70	\$71.70	\$8,862.20
2010	\$45.00	\$259.20	\$129.90	\$659.28	\$77.70	\$9,616.68
2011	\$47.10	\$264.30	\$129.90	\$659.28	\$77.70	\$10,148.88

⁽¹⁾ Based on in-state students taking 15 credits.

⁽²⁾ Per Public Act 93-0028, Illinois undergraduate students newly enrolled starting Fall 2005 will have their tuition held constant for a period of four continuous academic years.

EMPLOYEE RELATIONS

Employees of the University, except faculty, principal administrative employees, and student workers, are generally covered, pursuant to statute, by the State Universities Civil Service System, a separate entity of the State of Illinois under the control of the University Civil Service System Merit Board. Of the University's approximately 1,961 full-time faculty, administrative, and non-academic employees, approximately 270 civil service employees were represented by a total of 5 separate collective bargaining units as of June 30, 2010. In addition, approximately 713 faculty members and academic support professionals are represented by the University Professionals of Illinois American Federation of Teachers, with whom the University entered into a five-year collective bargaining

agreement for the 2010-2011 through 2014-2015 academic years. [The University believes labor relations are good.]

STATE UNIVERSITIES RETIREMENT SYSTEM OF ILLINOIS

Retirement benefits are provided for substantially all employees under a separately created contributory retirement plan administered by the State Universities Retirement System of Illinois (the “Retirement System”). Approximately 2,175 employees of the University were participants in the Retirement System as of November 20, 2010. Historically, employer contributions to the Retirement System with respect to the University employees have not constituted an operating expense of the University. The liabilities of the Retirement System relating to payments to University participants are not liabilities of the Board, but are liabilities of said Retirement System.

INSURANCE

The University currently purchases property insurance in conjunction with other universities in the State of Illinois through the Illinois Public Higher Education Cooperative (IPHEC) and the Midwest Higher Education Compact (MHEC). The commercial property insurance coverage currently in force and the policy limits applicable thereto are as follows: Scheduled buildings and contents coverage including business interruption (including tuition and fees) coverage, \$100,000,000 per occurrence per member, \$400,000,000 in excess of \$100,000,000 per occurrence shared, and \$500,000,000 per occurrence in excess of the \$400,000,000 shared; flood coverage up to \$100,000,000; earthquake coverage up to \$100,000,000. Property coverage is subject to a \$25,000 per occurrence deductible.

Through its participation in the Illinois Public Higher Education Cooperative (“IPHEC”), the University also purchases casualty insurance, including educators’ legal liability (ELL), excess general liability (XS GL), foreign liability, and other ancillary policies. The self-insured retention (deductible) for each policy varies, but for the two key policies – ELL and XS GL – the retentions are \$250,000 and \$350,000, respectively. To accommodate such large self-insured retentions, the University participates in the State University Risk Management Association (“SURMA”), an intergovernmental pool for the self-insured layer. SURMA member schools may request reimbursement for claim related expenses from the SURMA loss fund, to which each member institution originally contributed. In addition, members of the University’s Board of Trustees and other administrators are covered by commercial comprehensive crime insurance with an aggregate limit of \$1,000,000, subject to a \$25,000 per occurrence deductible.

The University self-funds its student health coverage to the extent that such costs are not paid for from the Health Insurance Fee. (See “TUITION AND FEES” in this APPENDIX A.)

No assurance can be given that the insurance currently in effect will be adequate for the exposures covered in the future.

UNIVERSITY FOUNDATION

The Western Illinois University Foundation (the “Foundation”) was incorporated under the laws of the State of Illinois as a not-for-profit organization. Although separate from the University, the primary function of the Foundation is to assist in developing and increasing the facilities of the University for broader educational opportunities for its students, alumni and citizens of the State of

Illinois by encouraging gifts of money, property, works of art and other materials having educational, artistic or historical value.

The fund balances of the Foundation as of the end of each of the last five Fiscal Years were as follows:

<u>Fiscal Year Ended June 30</u>				
(in 000's)				
<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$24,642	\$29,743	\$32,412	\$31,147	\$36,620

Note: Reflects investments valued at fair market value rather than at cost.

In Fiscal Year 2010, the Foundation spent \$_____ of its total \$_____ annual budget to make payments on behalf of the University. Of that amount, the Foundation used approximately ____% to support scholarships and fellowships, ____% to support instruction (including endowed faculty chairs), ____% to support public service projects, ____% to support student services and ____% to support operations and maintenance on campus. The income and assets of the Foundation are not pledged to the repayment of the Certificates.

Western Illinois University
Statement of Revenues, Expenses, and Changes in Net Assets
for the Years Ended June 30, 2008, 2009 and 2010

	2008		2009		Unaudited 2010	
	Primary Institution	Component Foundation	Primary Institution	Component Foundation	Primary Institution	Component Foundation
OPERATING REVENUES						
Tuition and fees, net	\$ 68,440,030	\$ 0	\$ 71,645,549	\$ 0	\$ 73,193,414	\$ 0
Grants and contracts ⁽¹⁾	11,381,652	0	11,147,740	0	12,200,079	0
Sales and services of educational departments	4,378,319	0	5,341,490	0	5,152,143	0
Auxiliary enterprises, net	50,936,746	0	51,487,965	0	49,638,751	0
Student loan activities	43,259	0	49,379	0	114,279	0
Other operating revenues	3,527,807	4,323,950	3,263,746	4,659,473	3,439,809	6,487,546
Total operating revenues	138,707,813	4,323,950	142,935,869	4,659,473	143,738,475	6,487,546
OPERATING EXPENSES						
Instruction	57,646,549	1,149,443	59,986,814	804,458	61,811,875	938,719
Research	2,965,570	124,627	2,715,724	48,450	2,979,445	22,806
Public service	10,164,585	91,446	10,208,306	126,010	10,521,948	120,023
Academic support	16,542,407	97,850	18,099,339	172,857	17,687,263	141,376
Student services	19,871,281	723,316	20,429,523	548,894	19,746,898	427,260
Institutional support	12,600,302	1,053,413	12,716,467	1,088,010	12,485,295	1,423,449
Operation and maintenance of plant	15,969,509	154,103	15,905,527	82,973	16,908,879	143,684
Student aid expense	5,693,687	1,749,101	6,478,826	1,832,506	8,134,983	1,946,081
Auxiliary enterprises	43,242,917	0	43,258,058	0	40,065,528	0
Staff benefits	7,012,001	0	7,551,745	0	7,800,322	0
Depreciation	9,961,891	7,238	10,254,593	7,836	12,028,824	0
On-behalf payments ⁽²⁾	35,394,969	0	38,584,926	0	50,455,685	0
Other operating expenses	689	0	3,773	0	37,556	0
Total operating expenses	237,066,357	5,150,537	246,193,621	4,711,994	260,664,501	5,163,398
Operating loss	(98,358,544)	(826,587)	(103,257,752)	(52,521)	(116,926,026)	1,324,148
NONOPERATING REVENUES (EXPENSES)						
State appropriations ⁽²⁾	93,692,465	0	97,016,514	0	106,856,785	0
Gifts	573,221	0	595,448	0	301,803	0
Capital assets transferred through WQPT acquisition	0	0	0	0	2,191,447	0
Gain (Loss) on disposal of capital assets	(28,583)	(1,460)	1,763	(61,259)	30,170	0
Investment income	2,700,753	(5,565)	749,341	(3,333,992)	97,094	2,356,946
Interest on capital assets related debt	(2,071,868)	(447)	(1,551,478)	0	(1,780,278)	0
Change in value of charitable remainder trusts	0	(141,045)	0	(420,456)	0	57,686
Other nonoperating revenues (expenses) ⁽¹⁾	8,599,688	917,371	9,846,549	768,526	17,921,531	389,236
Net nonoperating revenues	103,465,676	768,854	106,658,137	(3,047,181)	125,618,552	2,803,868
Income (loss) before other revenues, expenses, gains or losses	5,107,132	(57,733)	3,400,385	(3,099,702)	8,692,526	4,128,016
Capital state appropriations	1,118,833	0	2,990,020	0	6,495,559	0
Additions to permanent endowments	0	1,148,403	0	509,999	0	1,344,890
Increase (decrease) in net assets	6,225,965	1,090,670	6,390,405	(2,589,703)	15,188,085	5,472,906
NET ASSETS						
Net assets – beginning of year	112,988,374	29,743,449	119,214,339	32,412,381	125,604,744	31,146,862
Prior period adjustment	0	1,578,262	0	1,324,184	0	0
Net assets, beginning of year as restated	112,988,374	31,321,711	119,214,339	33,736,565	125,604,744	31,146,862
Net assets – end of year	\$ 119,214,339	\$ 32,412,381	\$ 125,604,744	\$ 31,146,862	\$ 140,792,829	\$ 36,619,768

⁽¹⁾ Commencing in Fiscal Year 2008, the University began classifying Pell grants as non-operating grants rather than operating grants.

⁽²⁾ Payments by the State of Illinois for employee benefits that are not appropriated to the University but are paid on its behalf are reported as State appropriations.

**CONDENSED STATEMENTS OF NET ASSETS
AS OF JUNE 30, 2007, 2008, 2009 AND 2010**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>Unaudited 2010</u>
Assets				
Current Assets	\$ 67,156,729	\$ 67,189,579	\$ 62,962,184	\$ 82,122,413
Capital assets, net	135,028,693	146,357,402	151,834,213	153,934,104
Other assets	<u>4,215,403</u>	<u>2,292,536</u>	<u>2,203,584</u>	<u>2,500,082</u>
Total assets	206,400,825	215,839,517	216,999,981	238,556,599
Liabilities				
Current liabilities	23,315,113	31,001,807	31,509,075	31,691,350
Noncurrent liabilities	<u>70,097,338</u>	<u>65,623,371</u>	<u>59,886,162</u>	<u>66,072,420</u>
Total liabilities	93,412,451	96,625,178	91,395,237	97,763,770
Net Assets				
Invested in capital assets, net of related debt	88,114,439	95,334,312	101,558,444	106,814,814
Restricted	1,955,012	1,965,769	1,931,125	2,028,285
Unrestricted	<u>22,918,923</u>	<u>21,914,258</u>	<u>22,115,175</u>	<u>31,949,730</u>
Total Net Assets	\$ 112,988,374	\$ 119,214,339	\$ 125,604,744	\$ 140,792,829

CASH AND INVESTMENTS

The following chart shows the liquidity position (unaudited) of the University as of June 30, 2010. Monthly liquidity includes investments that can be liquidated, settled and accessed within one year. The Operating column below includes unrestricted working capital and other unrestricted non-endowed funds.

	<u>Operating</u>	<u>Other</u>	<u>Total</u>
<u>Monthly Liquidity</u>			
Cash and Cash Equivalents			
Fixed Income			
US Treasuries & Aaa-rated agencies			
Publicly Traded Fixed Income Securities (mutual funds)			
Publicly Traded Fixed Income Securities (individual securities)			
Equities (long-only)			
Publicly Traded Equities (mutual funds)			
Domestic			
International			
Publicly traded equities (Ownership of shares of stock)			
Commodities (publicly traded only)			
Other			
Total	\$	\$	\$
<u>Annual Liquidity</u>			
Hedge Funds			
Private Equity/Venture Capital			
Real Estate			
Fixed Income Funds			
Equity Funds			
Other			
<u>Liquidity With Lockup of More Than One Year</u>			
Hedge Funds			
Private Equity/Venture Capital			
Real Estate			
Other			
<u>Total Cash and Investments</u>	\$	\$	\$

Appendix B

Audited Financial Statements from
the Annual Financial Report of Western Illinois University
for the Year Ended June 30, 2009

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Appendix C

Summary of Certain Legal Documents

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APPENDIX C

The following are brief summaries of the provisions of the Purchase Contract, the Acquisition Agreement and the Indenture. These summaries are not intended to be definitive. Reference is made to the complete documents for the complete terms thereof. Copies of the documents are available as set forth in the Official Statement under the heading “ADDITIONAL INFORMATION.”

CERTAIN DEFINITIONS

“Acquisition Agreement” means the Acquisition Agreement dated as of [Date] 1, 2011, by and between the Trustee and the Board, and any duly authorized and executed amendment thereto.

“Acquisition Costs” means the price paid or to be paid by the Trustee to cause the acquisition, construction and equipping of the Improvements in accordance with the Purchase Contract, together with all other costs and expenses incidental to such acquisition, construction and equipping, including but not limited to capitalized interest for a period ending on a date that is not later than the date the related Improvements are placed in service, and the salaries of certain designated employees of the Board employed in connection with the acquisition, construction and equipping of the Improvements prior to the date the related Improvements are placed in service.

“Acquisition Fund” means the fund of that name established and held in trust by the Board as agent of the Trustee pursuant to the Indenture for the purpose of paying Acquisition Costs.

“Additional Payments” means all costs and expenses incurred by the Trustee to comply with the provisions of the Indenture, including without limitation, all costs and expenses of auditors, engineers, accountants and legal counsel, if necessary, but excluding Delivery Costs (which shall be paid by the Board from moneys deposited in the Acquisition Fund), any advances by the Trustee to the Board and amounts incurred by the Trustee in order to discharge or remove any pledge, lien, charge, encumbrance or claim with respect to the Improvements, all of which are required to be paid by the Board under the Purchase Contract.

“Board Representative” means the Chairman, the Secretary or the Vice President for Administrative Services of the University and Treasurer of the Board or any other person authorized by resolution of the Board to act on behalf of the Board under or with respect to the Indenture and the Purchase Contract.

“Certificates” means, collectively, the \$12,000,000 aggregate principal amount of the Certificates of Participation (Capital Improvement Projects), Series 2011.

“Code” means the Internal Revenue Code of 1986, as amended and supplemented from time to time, and any applicable regulations thereunder.

“Construction Contract” means any construction contract or contracts between the Board (acting in its capacity as the Trustee’s agent pursuant to the Purchase Contract) or the Trustee and any Contractor and between any Contractor or subcontractor and its immediate subcontractor regarding the Improvements.

“Contractor” means any contractor designated as a contractor by the Board (acting in its capacity as the Trustee’s agent pursuant to the Purchase Contract) or the Trustee.

“Event of Default” means an event of default under the Purchase Contract, as described in this APPENDIX C under “PURCHASE CONTRACT – Events of Default,” and, in addition, if the Purchase Contract has terminated pursuant thereto, the failure of the Trustee to receive, from amounts previously appropriated by the State, when combined with Legally Available Nonappropriated Funds, an amount sufficient to pay principal of or interest on the Certificates on any date payment thereof is due. An Event of Default shall not mean the Board’s failure to obtain final appropriation by the State of Installment Payments and Additional Payments during the next occurring fiscal year of the State.

“Event of Nonappropriation” is defined in the body of this Official Statement under the subheading “SECURITY FOR THE CERTIFICATES – Termination of Purchase Contract.”

“Improvement Contracts” means a Supply Contract, a Construction Contract or a Professional and Specialty Services Contract, respectively.

“Improvements” means all property, improvements, equipment, services and facilities sold to the Board pursuant to the Purchase Contract as more fully described in the Purchase Contract, as it may be supplemented or amended.

“Indenture” means the Indenture of Trust, dated as of [Date] 1, 2011 by and between the Board and the Trustee, together with any amendments or supplements thereto permitted to be made thereunder.

“Installment Payments” means the payments required to be paid by the Board on any date pursuant to the Purchase Contract.

“Interest Payment Date” means each of the dates on which interest is due and payable with respect to the Certificates as provided in the Indenture.

“Legally Available Nonappropriated Funds” means budgeted legally available funds of the Board derived from sources other than State appropriations on an annual basis.

“Outstanding,” when used with reference to the Certificates, means, as of any date of determination, all Certificates theretofore executed and delivered except:

- (a) Certificates theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;
- (b) Certificates which are deemed paid and no longer Outstanding as provided in the Indenture;
- (c) Certificates in lieu of which other Certificates shall have been issued pursuant to the provisions of the Indenture relating to Certificates destroyed, stolen or lost, unless evidence satisfactory to the Trustee has been received that any such Certificate is held by a bona fide purchaser; and
- (d) Certificates owned or held by or for the account of the Board or by any person directly or indirectly controlled by, or under direct or indirect common control with, the Board (except any Certificates held in any pension or retirement fund), which shall not be deemed Outstanding for the purpose of any vote, consent, waiver or other action or any calculation of Outstanding Certificates provided for in the Indenture, and shall not be entitled

to vote upon, consent to, or take any other action provided for in the Indenture, unless all outstanding Certificates are so held by the Board.

“Owner” or “Certificate Owner” or “Owner of a Certificate”, or any similar term, when used with respect to a Certificate, means the person in whose name such Certificate shall be registered.

“Permitted Encumbrances” means, as of any particular time: (i) the Purchase Contract; (ii) rights, reservations, covenants, conditions or restrictions which exist as of the date of issuance of the Certificates; and (iii) leases, encumbrances and other rights, reservations, covenants, conditions or restrictions to which the Trustee and the Board consent in writing.

“Permitted Investments” means investments which are permitted under the statutes of the State of Illinois providing for the investment of funds of the Board, as such statutes may be amended from time to time.

“Prepayment” means any payment applied towards the prepayment of the Installment Payments, in whole or in part, pursuant to the Purchase Contract as a prepayment of the Installment Payments.

“Professional and Specialty Services Contract” means any professional services or specialty services contract between the Board (acting in its capacity as the Trustee’s agent pursuant to the Purchase Contract) or the Trustee and any Contractor providing for the construction, acquisition, equipping and delivery of the Improvements; *provided, however*, that such services, including but not limited to the services of employees of the Board, must be performed prior to the date the related Improvements are placed in service.

“Purchase Contract” means the Installment Purchase Contract, dated as of [Date] 1, 2011 by and between the Board and the Trustee, together with any duly authorized and executed amendment thereto.

“State” means the State of Illinois.

“Supply Contract” means any equipment contract or purchase order between the Board (acting in its capacity as the Trustee’s agent pursuant to the Purchase Contract) or the Trustee and any Contractor providing for the construction, acquisition, equipping and delivery of the Improvements.

“Tax Certificate” means the Tax Exemption Certificate and Agreement of the Board dated the date of issuance of the Certificates.

PURCHASE CONTRACT

PURCHASE OF IMPROVEMENTS

The Trustee agrees to sell the Improvements to the Board pursuant to the terms and conditions set forth in the Purchase Contract. The term of the Purchase Contract begins on [Date] 1, 2011 and continues through and including October 1, 20__, unless terminated prior thereto. (See “SECURITY FOR THE CERTIFICATES – Termination of Purchase Contract” in the body of this Official Statement.)

No later than the business day before April 1 and October 1 of each fiscal year commencing October 1, 2011, the Board shall deposit with the Trustee from the appropriations made to the Board,

the full amount of funds necessary, when combined with Legally Available Nonappropriated Funds, to make all Installment Payments coming due on such dates.

INSTALLMENT PAYMENTS

The Board has agreed to pay, as payment for the purchase price of the Improvements, the Installment Payments. The Board has also agreed to pay the Additional Payments when due.

OPERATION; MAINTENANCE; MODIFICATION OF IMPROVEMENTS; LIENS

The Board has agreed to pay for, or otherwise arrange for the payment of, all operation, improvement, repair, replacement and maintenance of the Improvements. The Board must pay or cause to be paid all utility services supplied to the Improvements, taxes, assessments and other charges with respect to the Improvements.

The Board and any lessee has the right to remodel any Improvements or to make additions, modifications and improvements to the Improvements which do not damage any Improvements or reduce their value to a value substantially less than that which existed prior to such addition, modification or improvement. Any such additions, modifications or improvements shall thereafter comprise part of the Improvements and become subject to the Purchase Contract.

The Board must not, directly or indirectly, create, incur, assume or suffer to exist any pledge, lien, charge, encumbrance or claim on or with respect to the Improvements, other than the respective rights of the Trustee and the Board as provided in the Purchase Contract and Permitted Encumbrances. Except as expressly provided in the Purchase Contract, the Board must promptly, at its own expense, take such action as may be necessary to duly discharge, contest or remove any such pledge, lien, charge, encumbrance or claim, for which it is responsible, if the same arises at any time.

INSURANCE

The Board is required to maintain, or cause to be maintained, throughout the term of the Purchase Contract, a program of liability, property and casualty insurance and/or self-insurance, of such types and in such amounts as are customary for similar institutions carrying on similar activities. Such insurance may be maintained with respect to the Improvements as part of or in conjunction with any other liability, property and casualty insurance coverage carried or required to be carried by the Board.

PURCHASE OPTION; PREPAYMENT

On or after an Event of Nonappropriation and determination by the Board that there are not sufficient Legally Available Nonappropriated Funds to pay the portion of the Installment Payments coming due during the then-current fiscal year, the Board may, or upon termination of the Purchase Contract in connection with the optional redemption of outstanding Certificates the Board shall, exercise its option to purchase all of the Improvements by paying the Prepayment price of principal and accrued interest on all of the Certificates to the date the Purchase Contract is terminated. Such amount will be deposited by the Trustee in the Installment Payment Fund and applied to the redemption of the Certificates in accordance with the Indenture.

SECURITY DEPOSIT

The Board may on any date secure the payment of all or any portion of Installment Payments by a deposit with the Trustee of cash or direct non-callable obligations of the United States of

America, together with cash, if required, in such amount as will, together with interest to accrue thereon, be fully sufficient to pay all or any portion of unpaid Installment Payments on their respective Installment Payment Dates. In the event of a deposit sufficient to pay, or provide for the payment of, all unpaid Installment Payments, all obligations of the Board under the Purchase Contract, and all security provided by the Purchase Contract for said obligations, shall cease and terminate, excepting only the obligations of the Board to make, or cause to be made, Installment Payments from such deposit.

DAMAGE OR DESTRUCTION OF IMPROVEMENTS

Upon any damage to or destruction of any portion of the Improvements the original cost of which, in the aggregate, exceeds \$250,000, the Board shall take one of the following actions, in the sole discretion of the Board Representative:

- (a) restore, repair or replace such damaged or destroyed Improvements to their original condition;
- (b) amend the description of the Improvements in the Purchase Contract to add additional Improvements having at least the same original cost as such damaged or destroyed Improvements; or
- (c) secure the payment of the portion of Installment Payments relating to such damaged or destroyed Improvements by a deposit with the Trustee pursuant to the Purchase Contract of an amount which, upon investment together with investment earnings, will be sufficient to pay a portion of the unpaid Installment Payments, including the principal and interest components thereof. Such portion of the principal component of the unpaid Installment Payments in each year shall be determined by the Board Representative by multiplying the amount of the principal component of the unpaid Installment Payments due in each year by the ratio of (i) the original cost of such damaged or destroyed Improvements paid from the proceeds of the Certificates to (ii) all Acquisition Costs, rounded up to the nearest \$5,000 of principal amount in each year.

ASSIGNMENT AND LEASING

The Board may not assign any of its rights in the Purchase Contract. The Improvements may be leased in whole or in part by the Board only with the written consent of the Trustee and only under the conditions contained in the Purchase Contract.

EVENTS OF DEFAULT

Each of the following constitutes an “event of default” under the Purchase Contract:

- (i) Failure by the Board to make any Installment Payment or other payment required under the Purchase Contract, including, without limitation, any mandatory prepayment, when due.
- (ii) Failure by the Board to observe and perform any covenant, agreement or condition on its part to be observed or performed under the Purchase Contract or the Indenture, other than a default described in (i) above, for a period of 30 days after written notice specifying such failure and requesting that it be remedied has been given to the Board by the Trustee or the Owners of not less than 25% in aggregate principal amount of

Certificates then Outstanding; *provided*, if the failure stated in the notice can be corrected, but not within the applicable period, the Trustee or such Owners shall not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the Board within the applicable period and diligently pursued until the default is corrected.

(iii) Certain events relating to bankruptcy of the Board or the inability of the Board to pay its debts.

Upon the occurrence and continuation of any event of default, the Trustee may, to the extent permitted by law, exercise any and all remedies available pursuant to law or granted pursuant to the Purchase Contract, including, but not limited, to the right to sue the Board for any amounts appropriated by the General Assembly of the State for the payment of Installment Payments and Additional Payments and paid to the Board but not paid by the Board to the Trustee.

Upon the occurrence of an event of default under the Purchase Contract, the Trustee at its option may terminate the Purchase Contract and, to the extent permitted by law, lease or sell all or any portion of its interests in the Improvements or, if the Trustee does not elect to terminate the Purchase Contract, the Trustee may sell or lease the Improvements to the extent permitted by law. Any amounts received by the Trustee from such leasing or sale shall be credited towards the Board's unpaid Installment Payments and Additional Payments. Any net proceeds of sale, lease or other disposition of the Trustee's interest in the Improvements are required to be deposited in the Installment Payment Fund and applied to Installment Payments in order of payment date. Pursuant to the Indenture, in an event of default, all remedies shall be exercised by the Trustee and the Certificate Owners as provided in the Indenture.

INDENTURE

PLEDGE AND SECURITY

Pursuant to the Indenture, the Trustee has established a trust to receive and to hold as security for the Owners of the Certificates, a security interest in the following:

A. All right, title and interest of the Trustee in and to the Improvements and the Acquisition Agreement.

B. All right, title and interest of the Board in and to the Improvements now or hereafter acquired by the Board, and in and to the Improvement Contracts between the Board and any Contractor, and any duly authorized and executed amendments thereto, including the right to (i) acquire each item of Improvements; (ii) take title to such Improvements; (iii) be named the purchaser in any bill or bills of sale to be delivered by the Contractors; (iv) all claims for damages with respect to each item of Improvements arising as a result of any default by the respective Contractor; and (v) compel performance of the terms of the Improvement Contracts with respect to such Improvements; *provided* that title to and possession of the Improvements in existence on the date of delivery of the Purchase Contract will automatically thereafter vest in the Board without action by the Trustee, and title to and possession of all Improvements acquired after the date of delivery of the Purchase Contract shall automatically so vest in the Board upon acquisition without action by the Trustee.

With respect to each item of Improvements, so long, and only so long, as such item of Improvements shall be subject to the Purchase Contract and the Board shall be entitled to possession of such Improvements thereunder, the Board has reserved (a) the rights to demand, accept and retain all rights in and to all property, data and service which the Contractors are obligated to provide, or do provide, pursuant to the Improvement Contracts, (b) all rights, if any, with respect to spare parts as provided in the Improvement Contracts, (c) the right to obtain instructions and data pursuant to the Improvement Contracts and (d) the rights under all warranty and indemnity provisions contained in the Improvement Contracts.

C. All right, title and interest of the Board in the Acquisition Agreement and the Purchase Contract, but excluding the Board's option to terminate the Purchase Contract, certain of the Board's rights relating to title, use and enjoyment of the Improvements, and the right of the Board to receive all notices, certificates, requests, directions and other communications under the Indenture and the Purchase Contract.

D. All right, title and interest of the Trustee in and to the Purchase Contract and the present and continuing right to (i) make claim for, collect or cause to be collected, receive or cause to be received all revenues, receipts and other sums of money payable or receivable thereunder, including, but not limited to the Installment Payments and the Additional Payments, (ii) bring actions and proceedings thereunder or for the enforcement thereof and (iii) do any and all things which the Trustee is or may become entitled to do thereunder.

E. All right, title and interest of the Board in and to amounts on deposit from time to time in the funds and accounts created pursuant to the Indenture (other than the Rebate Fund), subject to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture.

F. All right, title and interest of the Trustee in and to amounts on deposit from time to time in the funds and accounts created pursuant to the Indenture (other than the Rebate Fund), subject to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture.

All rights of the Trustee shall be administered according to the provisions of the Indenture and for the equal and proportionate benefit of the Owners of Certificates.

TRUSTEE

The Trustee is appointed pursuant to the Indenture and is authorized to execute and deliver the Certificates and to act as a depository of amounts held thereunder. The Trustee is required to make deposits into and withdrawals from funds, and invest amounts held under the Indenture in accordance with the Board's instructions.

FUNDS

The Indenture creates the Acquisition Fund to be held in trust by the Board as agent of the Trustee and the Installment Payment Fund to be held in trust by the Trustee. The net proceeds of the sale of the Certificates shall be deposited in the Acquisition Fund.

Acquisition Fund. Moneys in the Acquisition Fund shall be disbursed by the Board pursuant to the Indenture to pay Acquisition Costs and the Delivery Costs.

Following the completion of the Improvements, moneys remaining in the Acquisition Fund shall be deposited in the Installment Payment Fund and used as required by the Tax Certificate. If an Event of Default occurs and is continuing, an Event of Nonappropriation occurs, or the Purchase Contract is terminated, the moneys in the Acquisition Fund shall be paid by the Board to the Trustee and applied as described below under “– Application of Funds.”

Installment Payment Fund. The Trustee shall deposit into the Installment Payment Fund all Installment Payments, Additional Payments and Prepayments, including any other moneys required to be deposited therein pursuant to the Purchase Contract or the Indenture. Moneys on deposit in the Installment Payment Fund shall be used to pay principal of and interest on the Certificates as the same become due and payable.

Any surplus remaining in the Installment Payment Fund after the redemption or payment of all Certificates, or provision for such redemption or payment has been made to the satisfaction of the Trustee, shall be remitted to the Board.

Investments. The Trustee is required to invest and reinvest all moneys held by the Trustee under the Indenture upon order of the Board Representative in Permitted Investments. Moneys in the Acquisition Fund shall be invested by the Board in Permitted Investments. Any earnings on investment of moneys in the Installment Payment Fund shall be retained in the Installment Payment Fund as a credit against the Installment Payments or Additional Payments next due and owing by the Board. Investment earnings on moneys in the Acquisition Fund shall be retained therein until the Improvements have been acquired, constructed and equipped, and any surplus therein at such time shall be used as required by the Tax Certificate.

EVENT OF DEFAULT

Upon the occurrence of an Event of Default, the Trustee may and shall, at the direction of Owners of not less than 25% in aggregate principal amount of the Certificates then Outstanding, by written notice to the Board, exercise any and all remedies available at law or granted pursuant to the Purchase Contract, including declaring the principal portion of the Installment Payments to be immediately due and payable, whereupon that portion of the principal portion of the Installment Payments coming due and the interest thereon accrued to the date of payment shall, without further action, become and be immediately due and payable, anything in the Indenture or the Certificates to the contrary notwithstanding; provided however that no such acceleration shall change or otherwise affect the Board’s obligation under the Purchase Contract to pay Installment Payments only during the term of the Purchase Contract and in the amounts and at the times provided in the Purchase Contract.

No Owner of any Certificate may institute any suit, action or proceeding in equity or at law for any remedy under or upon the Indenture unless (a) such Owner has previously given written notice to the Trustee of such Event of Default; (b) the Owners of not less than 25% in aggregate principal amount of all of the Certificates then Outstanding have made written request upon the Trustee to exercise such powers or to institute such action, suit or proceeding in its own name; (c) said Owners have tendered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of 60 days following receipt of such written request and such tender of indemnity.

APPLICATION OF FUNDS

All moneys received by the Trustee pursuant to any right given or action taken under the provisions of the Indenture or the Purchase Contract shall be applied by the Trustee in the following order, upon presentation of the Certificates, and the stamping thereon of the payment if only partially paid, or upon the surrender thereof if fully paid:

First, to the payment of the costs and expenses of the Trustee and of the Certificate Owners in declaring such Event of Default, including reasonable compensation to its or their agents, attorneys and counsel;

Second, to the payment of the whole amount then owing and unpaid with respect to the Certificates for principal and interest, with interest on the overdue principal and, to the extent lawful, installments of interest at the rate borne by the related Certificates (but such interest on overdue installments of interest shall be paid only to the extent funds are available therefor following payment of principal and interest and interest on overdue principal, as aforesaid), and in case such moneys shall be insufficient to pay in full the whole amount so owing and unpaid with respect to the Certificates, then to the payment of such principal and interest without preference or priority of principal over interest, or of interest over principal, or of any installment of interest over any other installment of interest, ratably to the aggregate of such principal and interest; and

Third, to the payment of amounts, if any, payable pursuant to the Tax Certificate;

AMENDMENT

The Indenture, the Acquisition Agreement and the Purchase Contract may be amended by agreement among the parties thereto without the consent of the Owners of the Certificates, but only to the extent permitted by law and only as follows:

(a) to cure any formal defect, omission, inconsistency or ambiguity in the Indenture;

(b) to add to the covenants and agreements of the Board contained in the Indenture or of the Trustee contained in any document, other covenants or agreements thereafter to be observed, or to assign or pledge additional security for any of the Certificates, or to surrender any right or power reserved or conferred upon the Board or the Trustee, which in the judgment of the Trustee is not materially adverse to the Owners of the Certificates;

(c) to confirm as further assurance, any ownership, pledge of or lien on the trust assets or any other moneys, securities or funds subject or to be subjected to the Indenture;

(d) to comply with the requirements of the Trust Indenture Act of 1939, as from time to time amended, if applicable to the Indenture;

(e) to modify, alter, amend or supplement the Indenture, the Purchase Contract or any supplemental indenture in any other respect which in the judgment of the Trustee is not materially adverse to the Owners of the Certificates;

(f) to provide for a new Securities Depository to accept Certificates;

- (g) to modify or eliminate the Book-Entry System for any of the Certificates;
- (h) to secure or maintain a rating on the Certificates from Moody's and/or Standard & Poor's; and
- (i) to provide for the appointment of a successor Trustee.

Any other amendment shall require the written consents of the Owners of a majority in aggregate principal amount of the Certificates then Outstanding.

Unless approved in writing by the Owners of all the Certificates affected thereby, nothing contained in the Indenture shall permit, or be construed as permitting, (i) a change in the times, amounts or currency of payment of the principal of, or premium if any, or interest on, any Outstanding Certificate, or a reduction in the principal amount or redemption price of any Outstanding Certificate or the rate of interest thereon, or (ii) the creation of a claim or lien upon, or a pledge of, the trust estate ranking prior to or on a parity with the claim, lien or pledge created by the Indenture, or (iii) a reduction in the aggregate principal amount of Certificates the consent of the Owners of which is required for any such supplemental agreement.

No amendment shall be effective unless the Trustee shall have received a Favorable Opinion of Special Counsel with respect to such amendment.

Notwithstanding the foregoing, under certain circumstances described in the Purchase Contract, amendments to the description of the Improvements in the Indenture and in the Purchase Contract may be made solely at the direction of the Board Representative.

DEFEASANCE

Upon payment of all Outstanding Certificates, either at or before maturity, or upon the irrevocable deposit with the Trustee of money or direct non-callable obligations of the United States of America specified in the Indenture, sufficient with other available funds, without reinvestment, to pay and discharge all Certificates at or before maturity, the Indenture shall be terminated, except for the obligations of the Trustee to make payments on the Certificates from such funds.

Any Certificate or portion thereof in authorized denominations may be paid and discharged as provided in the preceding paragraph; *provided, however*, that if any such Certificate or portion thereof is to be redeemed, notice of such redemption shall have been given in accordance with the provisions of the Indenture or the Board shall have submitted to the Trustee instructions expressed to be irrevocable as to the date upon which such Certificate or portion thereof is to be redeemed and as to the giving of notice of such redemption; and *provided further*, that if any such Certificate or portion thereof will not mature or be redeemed within 60 days of the deposit of the moneys or government obligations referred to in the preceding paragraph, the Trustee shall give notice of such deposit by first class mail to the Owners.

ACQUISITION AGREEMENT

Under the Acquisition Agreement, the Board assigns, conveys, transfers and sets over to the Trustee all of the Board's right, title and interest in and to the Improvements and in and to the Improvement Contracts, including the right to (a) acquire each item of Improvements; (b) take title to such Improvements; (c) be named the purchaser in any bill or bills of sale to be delivered by the Contractors; (d) all claims for damage with respect to each item of Improvements arising as a result

of any default by the respective Contractor; and (e) compel performance of the terms of the Improvement Contracts with respect to such Improvements; *provided* that title and possession of to the Improvements now in existence will automatically thereafter vest in the Board without action by the Trustee, and title to and possession of all Improvements acquired hereafter will automatically so vest in the Board upon acquisition without action by the Trustee.

With respect to each item of Improvements, so long as such item of Improvements shall be subject to the Purchase Contract, the Board reserves (a) the rights to demand, accept and retain all rights in and to all property, data and service which the Contractors are obligated to provide, or do provide, pursuant to the Improvement Contracts, (b) all rights, if any, with respect to spare parts as provided in the Improvement Contracts, (c) the right to obtain instructions and data pursuant to the Improvement Contracts and (d) the rights under all warranty and indemnity provisions contained in the Improvement Contracts.

Appendix D

Form of Opinion of Special Counsel

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PROPOSED FORM OF OPINION OF SPECIAL COUNSEL

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[TO BE DATED CLOSING DATE]

Board of Trustees
of Western Illinois University
One University Circle
Macomb, Illinois 61455

U.S. Bank National Association,
As Trustee
209 South LaSalle Street, Suite 300
Chicago, Illinois 60604

Ladies and Gentlemen:

We have acted as Special Counsel in connection with the execution and delivery on the date hereof of the Acquisition Agreement, the Purchase Contract and the Indenture, each as defined in the Indenture of Trust, dated as of [Date] 1, 2011, by and between the Board of Trustees of Western Illinois University (the “*Board*”) and U.S. Bank National Association, as Trustee. (The Acquisition Agreement, the Purchase Contract and the Indenture are hereinafter collectively referred to as the “*Documents*”).

The Purchase Contract provides for the construction, acquisition and equipping by the Board of improvements (the “*Improvements*”), more fully described in Exhibit B to the Purchase Contract, in consideration of the Board’s agreement to make certain payments specified in the Purchase Contract (the “*Installment Payments*”). In the event the Board makes each of the Installment Payments when due and otherwise performs its obligations under the Purchase Contract, the Board will acquire the Improvements free and clear of any security interest of the Trustee, or its successors or assigns, without the payment of any additional consideration.

In connection with our engagement, we have reviewed the following documents and other matters:

- (a) Executed counterparts of the Documents, including all exhibits thereto.
- (b) The proceedings of the Board authorizing the execution, delivery and performance of the Documents and the other documents contemplated thereby to be executed by the Board in connection therewith.

(c) The opinion of Flack, McRaven & Stephens, Macomb, Illinois, Counsel to the Board, dated the date hereof.

(d) The form of the \$[Amount] aggregate principal amount of Certificates of Participation (Capital Improvement Projects), Series 2011 (the "*Certificates*").

(e) Such other documents, certificates and other matters of fact and law as we considered necessary in connection with the opinions expressed herein.

In connection with our examination, we have assumed the authenticity of all documents submitted to us as originals, the conformity to the original documents of all documents submitted to us as certified or photostatic copies, the authenticity of the originals of such latter documents, the genuineness of all signatures appearing thereon and the correctness and accuracy of all statements of fact and representations contained therein.

Based upon the foregoing, it is our opinion, and we herewith advise you, that:

1. The Board is duly organized and validly existing as a body corporate under the Constitution and laws of the State of Illinois, and has all requisite power and authority thereunder to enter into and perform its covenants and agreements under the Documents.

2. The Documents have been duly authorized, validly executed and delivered by the Board and constitute valid and binding obligations of the Board enforceable against the Board in accordance with their respective terms.

3. The Certificates have been validly executed and delivered by the Trustee pursuant to the Indenture and are valid evidences of undivided proportionate interests in certain payments, including the Installment Payments, to be made by the Board pursuant to the Purchase Contract.

4. It is our opinion that, subject to the Board's compliance with certain covenants, under present law, under present law, an interest portion of each Installment Payment made by the Board to the Trustee, as trustee for the owners of the Certificates, (i) is excludable from gross income of the owners thereof for federal income tax purposes and (ii) is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Internal Revenue Code of 1986, as amended, but is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Failure to comply with certain of such Board covenants could cause such interest to be includible in gross income for federal income tax purposes retroactively to the date of issuance of the Certificates. Ownership of the Certificates may result in other federal tax consequences to certain taxpayers, and we express

no opinion regarding any such collateral consequences arising with respect to the Certificates.

5. It is also our opinion that an interest portion of each Installment Payment is not exempt from Illinois state income tax for Certificate owners who are residents of Illinois. Ownership of the Certificates may result in other state and local tax consequences to certain taxpayers, and, except for the statement above concerning Illinois income tax, we express no opinion regarding any state or local consequences arising with respect to the Certificates.

The rights of the owners of the Certificates and the enforceability of the Certificates and the Documents may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Certificates.

In rendering this opinion, we have relied upon certifications of the Board with respect to certain material facts within the Board's knowledge. Our opinion represents our legal judgment based on our review of the law and the facts that we deem relevant to render such opinion, and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

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Appendix E

Form of the Continuing Disclosure Agreement

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APPENDIX E

FORM OF THE CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT (the “Agreement”) is executed and delivered by the Board of Trustees (the “Board”) of Western Illinois University (the “University”) in connection with the issuance of \$_____ aggregate principal amount of Certificates of Participation (Capital Improvement Projects), Series 2011 (Build America Program – Taxable) (the “Certificates”). The Certificates are being issued pursuant to an Indenture of Trust dated as of _____, 20__ (the “Indenture”) between U.S. Bank National Association, as Trustee (the “Trustee”) and the Board.

In consideration of the issuance of the Certificates by the Board and the purchase of such Certificates by the beneficial owners thereof, the Board covenants and agrees as follows:

1. **Purpose of the Agreement.** This Agreement is executed and delivered by the Board as of the date set forth below, for the benefit of the beneficial owners of the Certificates and in order to assist the Participating Underwriters in complying with the requirements of the Rule (as defined below). The Board represents that it will be the only “obligated person” with respect to the Certificates at the time the Certificates are delivered to the Participating Underwriters and that no other person is expected to become so committed at any time after issuance of the Certificates.

2. **Definitions.** The terms set forth below shall have the following meanings in this Agreement, unless the context clearly otherwise requires.

“Annual Financial Information” means the financial information and operating data described in Exhibit I.

“Annual Financial Information Disclosure” means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

“Audited Financial Statements” means the audited financial statements of the Board prepared pursuant to the standards and as described in Exhibit I.

“Commission” means the Securities and Exchange Commission.

“Dissemination Agent” means any agent designated as such in writing by the Board and which has filed with the Board a written acceptance of such designation, and such agent’s successors and assigns.

“EMMA” means the MSRB through its Electronic Municipal Market Access system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule.

“Exchange Act” means the Securities Exchange Act of 1934, as amended.

“Material Event” means the occurrence of any of the Events with respect to the Certificates set forth in Exhibit II that is material, as materiality is interpreted under the Exchange Act.

“Material Events Disclosure” means dissemination of a notice of a Material Event as set forth in Section 5.

“MSRB” means the Municipal Securities Rulemaking Board.

“Participating Underwriters” means each broker, dealer or municipal securities dealer acting as an underwriter in the primary offering of the Certificates.

“Rule” means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

“State” means the State of Illinois.

“Undertaking” means the obligations of the Board pursuant to Sections 4 and 5.

3. **CUSIP Number/Final Official Statement.** The CUSIP Numbers of the Certificates are attached hereto as Exhibit III. The Final Official Statement relating to the Certificates is dated _____, 2011 (the “Final Official Statement”). The Board will include the CUSIP Numbers in all disclosure described in Sections 4 and 5 of this Agreement.

4. **Annual Financial Information Disclosure.** Subject to Section 8 of this Agreement, the Board hereby covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements (in the form and by the dates set forth in Exhibit I to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information, and by such time so that such entities receive the information by the dates specified. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents required to be filed with EMMA, including financial statements and other externally prepared reports.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the Board will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment or waiver is made to this Agreement, the Annual Financial Information for the year in which such amendment or waiver is made (or in any notice or supplement provided to EMMA) shall contain a narrative description of the reasons for such amendment or waiver and its impact on the type of information being provided.

5. **Material Events Disclosure.** Subject to Section 8 of this Agreement, the Board hereby covenants that it will disseminate in a timely manner Material Events Disclosure to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission or the State at the time of delivery of such information. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Certificates or defeasance of any Certificates need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the Certificateholders pursuant to the Indenture.

6. **Consequences of Failure of the Board to Provide Information.** The Board shall give notice in a timely manner to EMMA of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the Board to comply with any provision of this Agreement, the beneficial owner of any Certificate may seek mandamus or specific performance by court order, to cause the Board to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Agreement in the event of any failure of the Board to comply with this Agreement shall be an action to compel performance.

7. **Amendments; Waiver.** Notwithstanding any other provisions of this Agreement, the Board by resolution authorizing such amendment or waiver, may amend this Agreement, and any provisions of this Agreement may be waived, if:

a. (i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, including without limitation, pursuant to a “no-action” letter issued by the Commission, a change in law, or a change in the identity, nature, or status of the University, or type of business conducted; or

(ii) This Agreement, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

b. The amendment or waiver does not materially impair the interests of the beneficial owners of the Certificates, as determined by parties unaffiliated with the Board (such as the Trustee), or by approving vote of the Certificateholders pursuant to the terms of the Indenture at the time of the amendment or waiver.

In the event that the Commission or the MSRB or other regulatory authority shall approve or require Annual Financial Information Disclosure or Material Events Disclosure to be made to a central post office, governmental agency or similar entity other than EMMA or in lieu of EMMA, the Board shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending this Agreement.

8. **Termination of Undertaking.** The Undertaking of the Board shall be terminated hereunder if the Board shall no longer have any legal liability for any obligation on or relating to repayment of the Certificates under the Indenture. The Board shall give notice to EMMA in a timely manner if this Section is applicable.

9. **Dissemination Agent.** The Board may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

10. **Additional Information.** Nothing in this Agreement shall be deemed to prevent the Board from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Material Event, in addition to that

which is required by this Agreement. If the Board chooses to include any information from any document or notice of occurrence of a Material Event in addition to that which is specifically required by this Agreement, the Board shall have no obligation under this Agreement to update such information or include it in any future disclosure or notice of occurrence of a Material Event. If the Board is changed, the Board shall disseminate such information to EMMA.

11. **Beneficiaries.** This Agreement has been executed in order to assist the Participating Underwriters in complying with the Rule; however, this Agreement shall inure solely to the benefit of the Board, the Dissemination Agent, if any, and the beneficial owners of the Certificates, and shall create no rights in any other person or entity.

12. **Record Keeping.** The Board shall maintain records of all Annual Financial Information Disclosure and Material Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

13. **Assignment.** The Board shall not transfer its obligations under the Indenture unless the transferee agrees to assume all obligations of the Board under this Agreement or to execute an Undertaking under the Rule.

14. **Governing Law.** This Agreement shall be governed by the laws of the State.

IN WITNESS WHEREOF, the Board has executed and delivered this Agreement as of the date written below.

**BOARD OF TRUSTEES OF
WESTERN ILLINOIS UNIVERSITY**

By: _____

Vice President for Administrative Services
of the University and Treasurer of the Board

Dated: _____, 20__

Exhibit I

ANNUAL FINANCIAL INFORMATION AND TIMING AUDITED FINANCIAL STATEMENTS

“Annual Financial Information” means financial information and operating data of the type contained in the Official Statement in the tables under “APPENDIX A – WESTERN ILLINOIS UNIVERSITY,” exclusive of Audited Financial Statements.

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted to EMMA or filed with the Commission. If the information included by reference is contained in a Final Official Statement, the Final Official Statement must be available on EMMA; the Final Official Statement need not be available from the Commission. The Board shall clearly identify each such item of information included by reference.

Annual Financial Information exclusive of Audited Financial Statements will be submitted to EMMA within 210 days after the last day of the Board’s fiscal year. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included.

Audited Financial Statements will be prepared in conformity with generally accepted accounting principles. Audited Financial Statements will be submitted to EMMA within 30 days after availability to the Board.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Agreement, the Board will disseminate a notice of such change as required by Section 4.

Exhibit II

EVENTS WITH RESPECT TO THE CERTIFICATES FOR WHICH MATERIAL EVENTS DISCLOSURE IS REQUIRED

1. Principal and interest payment delinquencies
2. Non-payment related defaults
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions or events affecting the tax-exempt status of the Certificates
7. Modifications to rights of holders of the Certificates
8. Certificate calls (other than scheduled mandatory redemptions)
9. Defeasances
10. Release, substitution or sale of property securing repayment of the security
11. Rating changes.

Exhibit III

Board of Trustees of Western Illinois University
\$_____ Western Illinois University Certificates of Participation
(Capital Improvement Projects), Series 2011
(Build America Program – Taxable)

MATURITY

DATE

CUSIP

APPENDIX F

Specimen Certificate Insurance Policy

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