

**OFFICIAL
NOTICE OF SALE**

\$11,585,000 *

**BOARD OF TRUSTEES OF WESTERN ILLINOIS UNIVERSITY
Certificates of Participation (Capital Improvement Projects), Series 2010
(Build America Program – Taxable)**

The Board of Trustees of Western Illinois University (the “Board”) will receive sealed bids from prospective purchasers (“the Purchaser”) for the purchase of the Certificates of Participation referred to above (the “Certificates”) either delivered in person in the offices of John S. Vincent & Company LLC (the “Financial Advisor”) at 208 South LaSalle Street, Suite 1625, Chicago, Illinois 60604, or submitted electronically via **PARITY** (as more fully described below) until _____ a.m., Central Time, on _____, February __, 2010, at which time said bids will be publicly opened and read.

Method of Payment, Maturities, and Interest Payment Dates

The Certificates are to be fully registered through a book-entry only system operated by The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository for the Certificates. Purchasers will not receive certificates representing their interest in the purchased Certificates unless the book-entry system is terminated. The Certificates are dated February __, 2010 and are to be in the denomination of \$5,000 or any authorized integral multiple thereof. U.S. Bank National Association, Chicago, Illinois, as Trustee (the “Trustee”), will receive principal and interest payments from the Board for the benefit of the Certificate holders. Interest on the Certificates will be payable semi-annually on April 1 and October 1, commencing October 1, 2010. Principal and interest will be paid by the Board to the Trustee, which will remit such payments to DTC, which will remit such principal and interest payments to DTC’s participants, who will in turn be responsible for remitting such payments to the Beneficial Owners of the Certificates, as more fully described in the Preliminary Official Statement dated February __, 2010 (the “Preliminary Official Statement”). Capitalized terms used in this Official Notice of Sale and not defined herein shall have the meanings set forth in the Preliminary Official Statement. The Certificates will mature serially (or as term bonds if term bonds are optionally designated by the Purchaser, see below) on October 1, in each of the years and in the amounts as follows:

<u>Maturity**</u>	<u>Principal Amount*</u>	<u>Maturity**</u>	<u>Principal Amount*</u>
October 1, 2010	\$ 385,000	October 1, 2020	\$ 570,000
October 1, 2011	435,000	October 1, 2021	590,000
October 1, 2012	445,000	October 1, 2022	615,000
October 1, 2013	455,000	October 1, 2023	640,000
October 1, 2014	465,000	October 1, 2024	665,000
October 1, 2015	480,000	October 1, 2025	690,000
October 1, 2016	495,000	October 1, 2026	720,000
October 1, 2017	510,000	October 1, 2027	750,000
October 1, 2018	530,000	October 1, 2028	780,000
October 1, 2019	550,000	October 1, 2029	815,000

* Subject to adjustment as provided herein under “Modification of Principal Amounts.”

** Subject to adjustment as provided herein under “Optional Designation of Term Certificates by the Purchaser” and “Modification of Principal Amounts.”

Security

General

Each Certificate evidences and represents an undivided proportionate interest in the Installment Payments required to be paid by the Board to the Trustee under the Purchase Contract. The Board has covenanted 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 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 the 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 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 CERTIFICATES INCURRED BY THE BOARD ARE NOT SECURED BY THE FULL FAITH AND CREDIT OF THE STATE OF ILLINOIS 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 in the Preliminary Official Statement under the heading "SECURITY FOR THE CERTIFICATES—Termination of Purchase Contract." For further discussion regarding the repayment of the Certificates, please refer to "SECURITY FOR THE CERTIFICATES—Sources of Payment" and "CERTIFICATE OWNERS' RISKS" in the Preliminary Official Statement.

Optional Designation of Term Certificates by the Purchaser

Purchasers of the Certificates will have the option to designate and aggregate some or all of the maturities the Certificates as up to three maturities of term certificates. Each designated maturity of term certificates shall be subject to mandatory sinking fund redemption at par in one or more consecutive years immediately preceding the year of maturity. Such mandatory sinking fund redemptions and payments at maturity shall be in the respective principal amounts shown on the cover page hereof, subject to adjustment as described under "Modification of Principal Amounts" herein, and may not overlap with such payments of another term or serial certificate. Serially maturing Certificates may intervene between maturities of optionally designated term certificates.

Redemption

The Certificates are subject to redemption as described in the Preliminary Official Statement under the heading "DESCRIPTION OF THE CERTIFICATES-- Redemption."

Bidding Details

The Certificates will be awarded to the best bidder, making a conforming bid, on the basis of lowest true interest cost. True Interest Cost (TIC) is defined herein as the single interest rate that discounts all scheduled principal and interest payments on the Certificates (assuming semiannual compounding and a 30/360 day year) to the Total Purchase Price on the Certificates (Par Amount less discount (or plus premium)) on their Date of Purchase (February __, 2010). In the event of identical best bids, the Certificates will be awarded to the bidder whose proposal is selected by lot from among all such proposals.

Bidders are to specify a rate of interest per annum to be paid on the Certificates of each maturity, subject to the following limitations:

- (i) all Certificates of the same maturity must bear the same rate of interest and no Certificate shall bear more than one rate of interest;
- (ii) no interest rate shall be other than a whole multiple of one-eighth or one-twentieth of one percent, a zero rate of interest may not be named, and no rate of interest may exceed 9% per annum.

(iii) Each interest rate specified for Certificates of any maturity shall not be less than the rate of interest specified for any prior maturity.

No bid for the Certificates at a price less than 97% of their par value (\$_____) or greater than 102% (\$_____) will be considered. Proposals may specify any number of interest rates subject to (i) through (iii) above. No proposal will be considered which does not offer to purchase all of the Certificates.

Each bid must be made on the Official Bid Form or electronically via PARITY, as hereinafter described. All blank spaces therein must be completed, unless noted otherwise.

The Certificates will be designated as "Build America Program—Direct Payment." To comply with the Build America provisions of the Internal Revenue Code of 1986, as amended (the "Code"), each bid for the Certificates must specify the expected reoffering price (the "Expected Reoffering Price") for each maturity of the Certificates to the "Public." Throughout this paragraph, the term "Public" shall not include bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers. The Expected Reoffering Price may not exceed the Maximum Permitted Reoffering Price indicated on the Official Bid Form (the "Premium Restriction"). The Premium Restriction for a term Certificate, if any, subject to mandatory redemption is the average of the Premium Restriction that would be applicable to each sinking fund redemption date or maturity date (as though such dates were maturity dates) weighted by the principal amount coming due on such date by redemption or maturity. The successful bidder will be required to actually make (or arrange for another broker to make) a bona fide offer of all of the Certificates to the Public at a single price for each maturity that does not exceed the Premium Restriction. Further, the successful bidder will have to actually sell (or arrange for another broker to sell) to the Public at least 10% of each maturity at a single price no higher than Premium Restriction before it or any other intermediary to whom the successful bidder has sold Certificates offers any of the Certificates of that maturity at a price higher than the Premium Restriction. Bids for the Certificates shall be for not less than \$_____ and for not more than the Premium Restriction.

Each bid must be accompanied by a good faith deposit (the "Deposit") in the form of either (i) a certified check or cashier's check drawn on a solvent bank or trust company authorized to transact business in the State of Illinois or (ii) a financial surety bond from an insurance company licensed to issue such a bond in the State of Illinois and acceptable to the Board. The Deposit shall be payable to the order of Western Illinois University, in the sum of \$200,000 to partially secure the Board, as liquidated damages, from any loss resulting from the failure of the successful bidder to comply with the terms of its bid. No interest on the Deposit will be paid to the successful bidder. The Deposit of the successful bidder will be deposited into a segregated account pending the delivery of the Certificates, at which time the deposit will be credited against the purchase price of the Certificates. Any financial surety bond must be submitted to the Financial Advisor prior to the opening of the bids, and must identify each bidder whose Deposit is guaranteed by such financial surety bond. If the Certificates are awarded to a bidder that submitted a financial surety bond, then such successful bidder shall submit its Deposit to the University in the form of a certified check or cashier's check, as described above, or wire transfer such amount as instructed by Western Illinois University or the Financial Advisor, not later than 1:00 p.m., Central Time, on the first business day following the award of the Certificates. If such Deposit is not received by such time, the financial surety bond may be drawn by the University to satisfy the Deposit requirement. All checks other than the check of the successful bidder will be returned upon the award to the successful bidder.

Action awarding the Certificates or rejection of all bids will be taken not later than two (2) hours after expiration of the time prescribed in this notice for the receipt of bids. Notice of award will be given promptly to the successful bidder. The right is reserved to reject any or all bids and to waive any irregularity or informality in any bid.

The Board also reserves the right to postpone the date for the receipt of bids to a later date. If such right is exercised, notice thereof will be published by Bloomberg and subject to confirmation by the Financial Advisor of the Board not later than 2:00 p.m. (Central Time) on February __, 2010.

Modification of Principal Amounts

The principal amounts and maturity dates will be as shown on the cover page hereto, unless alternative amounts and maturities are published by Bloomberg Financial Markets, BLOOMBERG Service, not later than 2 p.m. (CST) on ____, February __, 2010. In addition, once the winning bid is determined in accordance with the "Bidding Details" described above, the Board reserves the right to modify the principal amounts of the Certificates up to 10%, higher or lower, per maturity. Such modifications, if made, will be disclosed to the winning bidder within one hour of receipt by the Board from the Purchaser of the initial offering prices to the public of the Certificates, as required under the "Certification of the Purchaser" herein. In the event that such modifications are made to the principal amounts, the purchase price of the Certificates will be modified pro rata, based upon the initial offering prices to the public of each maturity so modified. Such modifications to the principal amounts and the purchase price for the Certificates will be subject to the Purchaser's approval.

and will assure that the Purchaser receives its pro-rata underwriting discount, based upon its original bid, calculated using the final debt service on the Certificates.

Form of Bids

Any bid for the purchase of the Certificates must be submitted by one of the following methods:

(a) On the Official Bid Form and in a sealed envelope delivered in person to the Financial Advisor, as the Board's representative, at the following place no later than the following date and time:

Place: John S. Vincent & Company, LLC
Attention: John Vincent
208 South LaSalle Street, Suite 1625
Chicago, IL 60604
(312) 332-1336

Date: February __, 2010

Time: ____, Central Time

(b) Electronically via **PARITY** pursuant to this Official Notice of Sale, until ____ A.M., Central Time, on February __, 2010, but no bid will be received after such specified time. To the extent any instructions or directions set forth in **PARITY** conflict with this Official Notice of Sale, the terms of this Official Notice of Sale shall control. For further information about **PARITY**, potential bidders may contact John S. Vincent & Company, LLC, the financial advisor to the Board at (312) 332-1336, or i-Deal LLC at 1359 Broadway, 2nd Floor, New York, NY 10018, telephone (212) 849-5021.

Every bid must be unconditional and irrevocable and submitted together with the required good faith check or surety bond. Bidders are requested to supply an estimate of the true interest cost resulting from their bids, computed as prescribed above under the caption "Bidding Details," which estimate shall not be binding on the Board. Each bid must be in accordance with the terms and conditions set forth in this notice.

Envelopes containing bids should have endorsed thereon "Bid for the Board of Trustees of Western Illinois University – Western Illinois University Certificates of Participation (Capital Improvement Project), Series 2010," and should be addressed and physically delivered to the Financial Advisor, as the undersigned Treasurer's representative, at the address set out in the first paragraph of this Official Notice of Sale. Bids must be signed with a manual signature. Such signature indicates acknowledgment, understanding and acceptance of the terms and provisions of this Official Notice of Sale and of such bid. BIDS MAY NOT BE SENT BY FACSIMILE TO THE OFFICE AT WHICH BIDS ARE TO BE OPENED.

Concerning the Preliminary Official Statement

The Preliminary Official Statement is deemed final by the Board within the meaning of Rule 15c2-12 of the Securities and Exchange Commission. Upon the sale of the Certificates, a final Official Statement will be published in substantially the same form as the Preliminary Official Statement subject to minor additions, deletions, and revisions as required to complete the final Official Statement. By submission of its bid, the successful bidder will be deemed to have certified that it has obtained and reviewed the Preliminary Official Statement. Promptly after the sale date, but in no event more than seven business days after the sale date, the successful bidder will be provided with a reasonable number (not to exceed 500) of final Official Statements. The successful bidder agrees to supply to John S. Vincent & Co. LLC all necessary pricing information and any underwriter identification necessary to complete the final Official Statement within 24 hours after the award of the Certificates.

Concerning the Final Official Statement

The Board will deliver at closing a certificate to the effect that the facts contained in the final Official Statement relating to the Board and the Certificates are correct in all material respects, and that the final Official Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

Certification of the Purchaser

The successful bidder will be required to provide within one hour of the award and also in certificate form at the time of the delivery of the Certificates such information and evidence as Special Counsel may require, including a certificate establishing compliance with the restrictions described above under "Bidding Details." Such certificate will be provided to Special Counsel and will reflect any change in the maturities of the Certificates by the Board as described above under the caption "Modification of Principal Amounts," and will list the first reoffering price at which a substantial portion of each maturity of the Certificates was sold to the Public. Further, such certificate must indicate that the successful bidder's total compensation for the Certificates does not exceed \$_____. If less than 10% of any maturity is not sold on or before the delivery of the Certificates, the successful bidder must covenant not to sell such Certificates until an offer of all of the Certificates of that maturity has been made at a price that is not higher than the Premium Restriction and at least 10% of the Certificates of that maturity are actually sold to the Public at such price.

Closing Documents

The Certificates, together with the approving opinion of Special Counsel covering the legality of the Certificates will be furnished to the Purchaser, and all bids are so conditioned. The Board will provide the usual closing certificates dated as of the date of delivery of and payment for the Certificates, including a certificate from Counsel to the Board that there is no litigation pending or to its knowledge, threatened, affecting the legality of the Certificates.

Tax Matters

The opinion of Chapman and Cutler LLP, Chicago, Illinois, Special Counsel, will state that an interest portion of each Installment Payment made by the Board to the Trustee, as trustee for the owners of the Certificates, is includible in gross income of the owners thereof for federal income tax purposes and that such interest portion of each Installment Payment is not exempt from Illinois state income tax for Certificate owners who are residents of Illinois. See "TAX MATTERS" in the Preliminary Official Statement.

Delivery and Payment

The Certificates are expected to be ready for delivery through the facilities of DTC on or about February __, 2010, and at delivery will be registered in the name of Cede & Co., as described above. Payment for the Certificates must be made in Federal Reserve Bank funds which will be immediately available in Chicago on the day of delivery. The successful bidder shall have the right, at its option, to cancel the contract to purchase if the Certificates are not tendered for delivery within sixty (60) days from the date of sale thereof, and in such event the successful bidder shall be entitled to the return of the amount of the good faith deposit accompanying its bid. The Board shall have the right, at its option, to cancel the contract of purchase if upon tender of the Certificates for delivery, the purchaser shall not have accepted delivery and paid for the Certificates, in which event the good faith deposit accompanying the bid shall be forfeited to the Board as partial payment of damages for failure to comply with the contract of purchase.

CUSIP, MSRB and Other Costs

The successful bidder will be responsible for the CUSIP fees plus any other customary costs of a competitive underwriting including, but not limited to, MSRB, DTC, day loan and any clearance costs incurred by the Purchaser.

The Preliminary Official Statement, the Official Notice of Sale and the Official Bid Form, together with other pertinent information, may be obtained from John S. Vincent & Company LLC, Financial Advisor, 208 S. LaSalle Street, Suite 1625, Chicago, Illinois 60604, Telephone (312) 332-1336.

Dated this __th day of February, 2010.

Board of Trustees of Western Illinois University

/s/ Jacqueline K. Thompson

Jacqueline K. Thompson
Vice President for Administrative Services of
Western Illinois University and Treasurer of the Board

OFFICIAL BID FORM

February __, 2010

Jacqueline K. Thompson
Vice President for Administrative Services
and Treasurer of the Board
Western Illinois University
c/o John S. Vincent & Co. LLC
208 S. LaSalle Street, Suite 1625
Chicago, IL 60604

Dear Ms. Thompson:

For \$11,585,000* Western Illinois University Certificates of Participation (Capital Improvement Projects), Series 2010 (Build America Program – Taxable) (the “Certificates”), dated February __, 2010, maturing as shown in the Official Notice of Sale, which is made a part hereof by reference, and which Certificates are described in the Official Notice of Sale and the Preliminary Official Statement, we will pay you, the sum of:

\$ _____

(Purchase price not to be less than 97% or greater than 102% of the Par Amount of Bonds)

The \$11,585,000* aggregate principal amount of said Certificates, are to bear interest at the following respective interest rates (each a multiple of 1/8 or 1/20 of 1% and not greater than 9.00% and each interest rate shall not be less than the interest rate of any preceding maturity) for the Certificates of each designated October 1 maturity: ⁽¹⁾

<u>Maturity Date</u> ⁽¹⁾	<u>Principal Amount</u> *	<u>Interest Rate</u>	<u>Expected Reoffering Price</u> ⁽²⁾	<u>Maximum Permitted Reoffering Price</u> ⁽³⁾⁽⁴⁾
October 1, 2010	\$ 385,000	_____ %	_____	_____
October 1, 2011	435,000	_____ %	_____	_____
October 1, 2012	445,000	_____ %	_____	_____
October 1, 2013	455,000	_____ %	_____	_____
October 1, 2014	465,000	_____ %	_____	_____
October 1, 2015	480,000	_____ %	_____	_____
October 1, 2016	495,000	_____ %	_____	_____
October 1, 2017	510,000	_____ %	_____	_____
October 1, 2018	530,000	_____ %	_____	_____
October 1, 2019	550,000	_____ %	_____	_____
October 1, 2020	570,000	_____ %	_____	_____
October 1, 2021	590,000	_____ %	_____	_____
October 1, 2022	615,000	_____ %	_____	_____
October 1, 2023	640,000	_____ %	_____	_____
October 1, 2024	665,000	_____ %	_____	_____
October 1, 2025	690,000	_____ %	_____	_____
October 1, 2026	720,000	_____ %	_____	_____
October 1, 2027	750,000	_____ %	_____	_____
October 1, 2028	780,000	_____ %	_____	_____
October 1, 2029	815,000	_____ %	_____	_____

* Subject to adjustment as provided in the Official Notice of Sale under “Modification of Principal Amounts.”

- (1) The principal amounts for each Maturity Date above shall be serial maturities unless specified on the reverse hereof to be designated and aggregated into not more than three term maturities as described in the Official Notice of Sale, in which case the maturities so specified shall be retired by mandatory sinking fund redemption in such years prior to maturity.
- (2) The first price at which 10% of the Certificates of such maturity are reasonably expected to be sold to the public, excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers.
- (3) The maximum first price at which 10% of the Certificates of such maturity may be sold to the public, excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers.
- (4) For Term Certificates, if any, the Maximum Permitted Reoffering Price is the average maximum indicated price weighted by the principal amount due by mandatory redemption or maturity.

We hereby specify that the following maturities of the Certificates be designated and aggregated into one to three term certificates on October 1 of the following years and in the following amounts (leave blank if no term certificates are specified):

<u>Maturities Designated and Aggregated</u>	<u>Year of Term Certificate Maturity</u>	<u>Principal Amount</u>
20____ through 20____	_____	_____
20____ through 20____	_____	_____
20____ through 20____	_____	_____

The Premium Restriction for a term Certificate subject to mandatory redemption is the average of the Premium Restriction that would be applicable to each sinking fund redemption date or maturity date (as though such dates were maturity dates) weighted by the principal amount coming due on such date by redemption or maturity.

As evidence of our good faith we enclose herewith a check or financial surety bond in the sum of \$200,000 in accordance with the Official Notice of Sale.

_____ Description of Check (if applicable): Amount: <u> \$200,000 </u> Name of Bank: _____ _____ City: _____ State: _____ Check No. _____ Dated: _____ _____ The above check was returned and received for the above Account Manager. By: _____ _____	Respectfully submitted: Name: _____ (Account Manager) By: _____ Address: _____ _____ City: _____ State: _____ _____
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This bid was accepted and the Certificates sold on _____, 2010 and receipt is hereby acknowledged of the _____ in accordance with the terms of the Official Notice of Sale.

 Vice President of Administrative Services
 Western Illinois University and Treasurer of the Board

NOT A PART OF BID

For information only, and not as a part of this bid, we calculate the True Interest Cost ("TIC"), as described in the Official Notice of Sale, to be _____%.

NEW ISSUE
BOOK-ENTRY ONLYRatingsMoody's:
(See "DESCRIPTION OF RATING," herein)

Interest on the Certificates is includible in gross income of the owners thereof for federal income tax purposes. See "TAX MATTERS" herein for a more complete discussion. Interest on the Certificates is not exempt from present Illinois income taxes.

\$11,585,000 *

**Certificates of Participation (Capital Improvement Projects), Series 2010
(Build America Program – Taxable) (Build America Bonds – Direct Payment to Issuer)
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 2010 (Build America Program – Taxable) (the "Certificates") are being issued to finance the acquisition and construction of capital improvements at 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 Western Illinois 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 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 the 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, 2029, 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 optional and mandatory redemption prior to maturity as described herein.

IN THE OPINION OF SPECIAL COUNSEL, 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 AND ARE NOT REQUIRED TO BE REPAYED AND MAY NOT BE REPAYED, 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 on the inside cover, is payable on October 1, 2010, and on each April 1 and October 1 thereafter.

Maturity Amounts, Interest Rates, Prices, Yields and CUSIP Numbers**

<u>Year</u> <u>(October 1)**</u>	<u>Principal</u> <u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Approx.</u> <u>Yield</u>	<u>Price</u>	<u>CUSIP</u>	<u>Year</u> <u>(October 1)**</u>	<u>Principal</u> <u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Approx.</u> <u>Yield</u>	<u>Price</u>	<u>CUSIP</u>
2010	385,000					2020	570,000				
2011	435,000					2021	590,000				
2012	445,000					2022	615,000				
2013	455,000					2023	640,000				
2014	465,000					2024	665,000				
2015	480,000					2025	690,000				
2016	495,000					2026	720,000				
2017	510,000					2027	750,000				
2018	530,000					2028	780,000				
2019	550,000					2029	815,000				

The Certificates are offered when, as and if issued and received by the successful bidder (the "Purchaser"), 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. Certain legal matters will be passed upon for the Board by its counsel, Flack, McRaven & Stephens, Macomb, Illinois. John S. Vincent & Company LLC, Chicago, Illinois, is serving as financial advisor to the University. It is expected that the Certificates will be available for delivery through DTC on or about _____, 2010.

**SEALED BIDS FOR THE CERTIFICATES WILL BE RECEIVED
ON _____, 2010, AT _____ A.M. (CENTRAL TIME), OR SUCH LATER DATE,
AS PROVIDED FOR IN THE OFFICIAL NOTICE OF SALE.**

The date of this Official Statement is _____, 2010.

* Preliminary, subject to change.

** Subject to the Purchaser's option to designate term bonds.

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 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.

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\$11,585,000*
Certificates of Participation (Capital Improvement Projects), Series 2010
(Build America Program – Taxable) (Build America Bonds – Direct Payment to Issuer)
Evidencing Proportionate Interests in
Installment Payments to be Made by
BOARD OF TRUSTEES OF WESTERN ILLINOIS UNIVERSITY

INTRODUCTION

This Official Statement, including the 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 \$11,585,000* principal amount of its Certificates of Participation (Capital Improvement Projects), Series 2010 (Build America Program – Taxable) (the “Certificates”), representing proportionate interests of the registered Owners thereof in payments to be made by the Board of Trustees of Western Illinois University (the “Board”) as installment purchase payments (the “Installment Payments”), pursuant to the provisions of the Installment Purchase Contract dated as of _____, 2010 (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 _____, 2010 (the “Indenture”) between the Board and the Trustee.

The American Recovery and Reinvestment Act of 2009 permits the Board to issue taxable obligations referred to as “Build America Bonds” to finance capital expenditures for which it could issue tax-exempt obligations, and to elect to receive payments from the federal government equal to 35% of the corresponding interest payable on such taxable obligations (the “Build America Payments”). Any Build America Payments for the Certificates would be paid to the Board; the holders of Certificates would not be entitled to a tax credit.

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) 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 _____, 2010, 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, provided that title to and possession of the Improvements now in existence will automatically thereafter vest in the Board without action by the Trustee, and title to all Improvements acquired

* Preliminary, subject to change.

hereafter 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 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 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 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, 2010. 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 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, 2010, in which case interest accrues from the dated date 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, 2020* are callable on any date on or after October 1, 2019* at the price 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.

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

* Preliminary, subject to change.

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. Such moneys shall be held uninvested or, at the direction of the Treasurer, 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 ____%.

<u>Fiscal Year Ending (June 30)*</u>	<u>Principal**</u>	<u>Interest**</u>	<u>Total**</u>
2011	\$ 385,000	\$	\$
2012	435,000		
2013	445,000		
2014	455,000		
2015	465,000		
2016	480,000		
2017	495,000		
2018	510,000		
2019	530,000		
2020	550,000		
2021	570,000		
2022	590,000		
2023	615,000		
2024	640,000		
2025	665,000		
2026	690,000		
2027	720,000		
2028	750,000		
2029	780,000		
2030	815,000		

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

** Estimated, subject to change.

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 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, 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 transmission to them of notices of significant events with respect to the Certificates, such as redemptions, tenders, defaults and proposed amendments to the documents. 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.

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.

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 the 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, 2029* (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.

* Preliminary, subject to change.

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 insure the proper maintenance of the institutions. State appropriated funds represent a significant percentage of the Board's revenues.

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. Debt service on the Certificates falls under the contractual services category.

The Board is authorized by law to retain all tuition (“Tuition”) and fees (“Fees”) in its treasury and to credit such amounts to an account known as the University Income Fund.

Outstanding revenue bonds of the Board that have a pledge on 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.

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) 11 residence hall facilities, (v) University Golf Course and (vi) 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; however, certain operating expenses of the Auxiliary Facilities System are expected to provide Legally Available Nonappropriated Funds for repayment of the Certificates.

Net Tuition and Fees were \$65,298,734 in Fiscal Year 2008 and \$68,512,494 in Fiscal Year 2009 (unaudited). Maximum annual debt service on the Auxiliary Facilities System Revenue Bonds in any future year is \$5,652,834.

There are \$9,475,000 outstanding Certificates of Participation (Capital Improvement Projects), Series 2005 (the "Series 2005 Certificates") issued on behalf of the Board.

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. Public Act 93-0228, signed into law by the Governor of the State of Illinois on July 22, 2003, amended the Western Illinois University Law, and the laws of all of the other public universities in Illinois, 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.

[Need Paragraph regarding recent disruption in receipt of appropriated amounts.]

The General Assembly could further change the process by which it makes appropriations for 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	\$
Plus Net Original Issue Premium.....	
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:

Heating Plant Capital Improvements (\$5,000,000) Several capital improvement projects in the Heating Plant are planned to ensure continued operational reliability and improve the efficiency of the sole heating source for the campus. Reliability projects include: replacing the coal masonry stack, updating the coal handling system, relocating electrical equipment, recasing and retubing a gas boiler along with several other smaller miscellaneous projects. Efficiency increasing projects include: installing a variable frequency drive and economizer on a gas boiler and installing a boiler blowdown heat recovery system.

Campus Steam Line Replacements (\$5,000,000) Phase 1 to install new steam lines serving approximately 1.5 million square feet of space including four academic buildings and six residence halls. This phase will include approximately 1,500 linear feet of walk and shallow tunnels to replace the original direct buried steam lines that are 15 years past their life expectancy.

Sprinkler System Installation (\$1,500,000) The Certificates are being used to fund a portion of the sprinkler system installation in Tanner Hall and the entire sprinkler system installation in Thompson Hall. Installation was completed in Tanner Hall in June 2008 and completed in Thompson Hall in November 2008.

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 these risks are 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, for whatever reason, and the Installment Payments are not prepaid by the Board in whole, the Trustee may use the moneys in the Installment Payment Fund, the Acquisition Fund 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 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 of Illinois 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 MATTERS

TAXABLE CERTIFICATES

Interest on the Certificates is includible in gross income for federal income tax purposes. Ownership of the Certificates may result in other federal income tax consequences to certain taxpayers. Certificate owners should consult their own tax advisors with respect to the inclusion of interest on the Certificates in gross income for federal income tax purposes and any collateral tax consequences. Interest with respect to the Certificates is also includable in the calculation of 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 Chapman and Cutler

LLP, Special Counsel, expresses no opinion regarding any such consequences with respect to the Certificates.

BUILD AMERICA PROGRAM

As part of the American Recovery and Reinvestment Act of 2009 (the “Recovery Act”), Congress added provisions to the Internal Revenue Code of 1986, as amended (the “Code”), that permit state or local governments to obtain certain tax advantages when issuing certain taxable obligations, referred to as “Build America Bonds.” A Build America Bond must satisfy certain requirements, including that the interest on the Build America Bonds would be, but for the issuer’s election to treat such bonds as Build America Bonds, excludible from gross income under Section 103 of the Code. The Board intends to make an irrevocable election to treat the Certificates as Build America Bonds. The Board also intends to make an irrevocable election to treat the Certificates as Build America Bonds that are “qualified bonds” as defined in the Code. As a result of these elections, interest on the Certificates will be includible in gross income of the holders thereof for federal income tax purposes and the holders of the Certificates will not be entitled to any tax credits as a result either of ownership of the Certificates or of receipt of any interest payments on the Certificates. Certificateholders should consult their tax advisors with respect to the inclusion of interest on the Certificates in gross income for federal income tax purposes.

No assurances are provided that the Board will receive any payments from the federal government with respect to the Certificates. The Board has not covenanted to maintain compliance with rules applicable to Build America Bonds.

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

PURCHASE

The Purchaser of the Certificates has 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 original principal amount of the Certificates, [less an original issue discount of \$_____, plus a net original issue premium of \$_____, and] less an underwriting discount of \$_____). The Purchaser will be obligated to purchase all of the Certificates if any Certificates are purchased.

FINANCIAL ADVISOR

The University 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.

FINANCIAL STATEMENTS

The financial statement of the University as of June 30, 2009 is set forth in APPENDIX B. This financial statement has 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, 2008, 2007, 2006 and 2005 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 and at the office of the University's Financial Advisor, John S. Vincent & Company, LLC, 208 S. LaSalle Street, Suite 1625, Chicago, Illinois.

DESCRIPTION OF RATING

Moody's Investors Service ("Moody's") has assigned the Certificates the rating of "___." 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 Moody's certain information and materials, some of which have not been included in this Official Statement.

Such rating expresses only the views of Moody's. An explanation of the significance of Moody's rating may be obtained from Moody's at 7 World Trade Center at 250 Greenwich, New York, New York 10007. 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 Moody's, if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such rating by Moody'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 is in compliance with each and every undertaking previously entered into by it pursuant to Rule 15c2-12. 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 the 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

Western Illinois University (the “University or “WIU”) is 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 38 undergraduate degree programs and 38 graduate degree programs to more than 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 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 athletic training, business, communication sciences and disorders, counseling, dietetics, music, recreation, park and tourism administration, social work and theatre/musical theatre are accredited by the 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, National Recreation and Park Association/American Alliance for Leisure and Recreation Council on Accreditation, Council on Social Work Education and National Association of Schools of Theatre.

Western Illinois 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 Extended Studies. WIU-Quad Cities, located in Moline, Illinois, services Quad Cities area residents and placebound students. At present, 12 undergraduate, 6 post-baccalaureate, 16 master, and 1 doctoral programs are offered at the Quad Cities campus. The School of Extended Studies 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. The School of Extended Studies coordinates online courses and telecourses, which allow individuals to study in their own homes. 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.

The University's four colleges and library are directly administered by their respective deans. The administration of the School of Extended Studies and 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.

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 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 Board is authorized by the Act to borrow money and issue and sell bonds to purchase, erect, build, construct, reconstruct, complete, repair, replace, alter, extend, better, equip, develop and improve revenue producing buildings, structures or facilities, including student residence halls, apartments, staff housing facilities, health, hospital and medical facilities, dining halls, student union buildings, field houses, stadiums, physical education installations and facilities auditoriums, facilities for student or staff services, facilities or buildings leased to the United States of America, off-street parking facilities, or any combination thereof. Additionally, the Board is authorized to refund or refinance, from time to time as often as it shall be advantageous and in the public interest to do so, any and all bonds issued and sold by the Board pursuant to the Act. Under the Act and by An Act in Relation to State Finance, as amended, the Board is authorized to hold in the treasury of the University all revenues derived from the University's income authorized by law to be retained in the University's treasury for such purpose, constituting revenues of the System, Pledged Fees and Tuition, and to pledge such revenues and income for the payment of operation and maintenance costs and for the retirement of such bonds.

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	January 17, 2011
Carolyn Ehlert Fuller	January 17, 2007*
Donald W. Griffin, Secretary	January 17, 2007*
J. Michael Houston, Vice Chair	January 21, 2013
Steven L. Nelson, Chair	January 17, 2011
D'Angelo Taylor, Student Representative	June 30, 2010
Vacant	TBD
Vacant	TBD

* Term expired, no replacement appointed.

Officers of the University

Alvin Goldfarb	President
Jackie Thomas	Provost and Academic Vice President
Jacqueline K. Thompson	Vice President for Administrative Services
W. Garry Johnson	Vice President for Student Services
Vacant	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 at Western Illinois 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.

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 Thomas, Ph.D.

Provost and Academic Vice President

Dr. Jackie Thomas became Provost and Academic Vice President at Western Illinois University 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 received his Bachelor's Degree in English from Alabama A&M University (1983). He earned a Master's Degree in English Education from Virginia State University (1984) and a Ph.D. in English Literature and Criticism from Indiana University of Pennsylvania (1990).

Prior to coming to Western, he was Senior Vice Provost for Academic Affairs and Professor of English at Middle Tennessee State University (MTSU) (2006-2008). Dr. Thomas also held administrative positions at MTSU as Vice Provost for Academic Affairs (2004-2006) and Interim Dean of the College of Continuing Education and Distance Learning (2006).

Dr. Thomas was a Professor of English (1990-2004) at the University of Maryland Eastern Shore, Princess Anne, MD, and Director of the University of Maryland Eastern Shore Scholars Program (2002-2004). He also served as Interim President from 2001-2002 at Maryland Eastern Shore, as well as Executive Vice President (2001), Associate Vice President for Academic/Student Affairs (2000-2001), Executive Assistant to the President (1999-2001), Chair of the Department of English and Modern Languages (1996-1999), Associate Professor of English and Coordinator of Freshman English (1995-1996) and Assistant Professor of English and Coordinator of Freshman English (1990-1995). Dr. Thomas also was the assistant track coach at Maryland Eastern Shore for eight years. He has also taught English and coached at South Carolina State University (1989-1990), and Johnson C. Smith University.

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 the primary advisor to the President on matters of curriculum, faculty and staff relations, computer services, academic records, advising, distance learning, extended and continuing education, instructional facilities, and the library. The Provost's fundamental responsibility is to oversee and manage the overall process of resource allocation in a manner that supports the campus mission and sustains its values. He serves on University committees as assigned. The Provost represents Western Illinois University for the Quad Cities Graduate Studies Center, the Western Illinois Education Consortium, the Illinois Consortium for International Education, and the Illinois Board of Higher Education. As one of the executive officers, the Provost attends many functions of the University as either the host or representative functionary.

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 Western Illinois 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 39 years of professional experience in higher education at Western Illinois University.

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 publics 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 provides direction and leadership for the delivery of University-wide services in the following areas: Business Services, including accounting, accounts payable, finance reporting, student accounts, property control, payroll, cashiering, and financial systems; Document and Publication Services including prepress, premail, printing production and bindery, mailing services, assembly packaging and shipping, and an office supplies store; Human Resources, including benefits, classification and compensation, employment, examination, employee and labor relations, and staff development; Physical Plant operations, including building and mechanical maintenance, grounds maintenance, building services, facilities planning and design, vending, transportation services, office supplies store, remodeling/rehabilitation and construction, and engineering; Purchasing; Insurance, and risk management and emergency preparedness; Administrative Information Management Systems; Illinois Law Enforcement, Media Resource Center and Executive Institute; and Public Safety and Parking Services. 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 graduate classes on a regular basis. 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.

Dr. Johnson has over 34 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, 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, is involved in Rotary International and currently serves as President. 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.

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 Center, Student Development and Orientation, Student Judicial Programs, Student Legal Services, Student Publications, Undergraduate Admission, University Counseling Center, University Golf Course, University Housing and Dining Services, University Union, WIU Childcare, Women's Center, and the Auxiliary Facilities System.

Vacant

Vice President for Advancement and Public Services

The Vice President for Advancement and Public Services resigned on June 30, 2009 to become the Vice Chancellor for Advancement at Purdue University Calumet. A national search is being conducted to fill this position. The President and Vice President for Administrative Services are providing administrative oversight of this division until a new Vice President is named. Their resumes are included in this section.

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 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 Western Illinois 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), and the Quad Cities Sports Authority. 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 Western Illinois University Quad Cities Campus, as well as the Chief Planning and Technology Officer for the two campuses of Western Illinois University (Macomb and Quad Cities). 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 Western Illinois University campuses (Macomb and Quad Cities), and Western Illinois University's accreditation reporting to the Higher Learning Commission-North Central Association of Colleges and Schools.

2010 BUDGET AND STATE APPROPRIATIONS

On July 15, 2009, the Governor approved a Fiscal Year 2010 state budget. The Fiscal Year 2010 state general funds budget approved by the General Assembly for Western Illinois University totaled \$59.9 million. The approved general funds for operations represented no change from Fiscal Year 2009 original appropriations.

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 Board of Trustees degree and the Bachelor of Arts/Bachelor of Science in Interdisciplinary Studies are offered through the School of Extended Studies and Illinois Centennial Honors Program, 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	Engineering	Manufacturing
Agriculture	Finance	Engineering Technology
Computer Science	Graphic Communication	Marketing
Construction Management	Human Resource Management	Supply Chain Management
Economics (B.B.)	Information Systems	Telecommunications
	Management	Management

College of Education and Human Services:

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

College of Fine Arts and Communication:

Art	Communication Sciences and Disorders	Music
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 Science, Master of Science in Education, Education Specialist, Specialist in School

Psychology and Doctor of Education – and awards 16 post-baccalaureate certificates. Graduate programs are available in the following degrees and fields of study:

Master of Accountancy

Accounting

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 Science

Biology

Chemistry

College Student Personnel

Communication Sciences and
Disorders

Computer Science

Health Education

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 Technology: Distance Learning	Instructional Technology: Training Development
Applied Mathematics	Instructional Technology: Graphics Applications	Police Executive Administration
Community Development	Instructional Technology: Multimedia	Public and Non-Profit Management
English	Instructional Technology: Tech- nology Integration in Education	Women's Studies
Environmental GIS		Zoo and Aquarium Studies
Health Services Administration		

FACULTY

As of the Fall term 2009, the University's faculty totaled 754 members, 672 of which were full time. Of the total faculty, 48% are tenured and approximately 66% hold a terminal degree in their field.

STUDENT ENROLLMENT

Slightly under 92% of Western Illinois University students are Illinois residents, about 4% are out-of-state, and about 4% 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 2009, were 1,413 and 779, respectively, on a headcount basis and 807 and 436, respectively, on a full-time equivalent basis).

Headcount Enrollment ⁽¹⁾

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Undergraduate	10,325	10,358	10,151	9,709	9,407
Graduate	<u>952</u>	<u>1,010</u>	<u>1,068</u>	<u>1,076</u>	<u>1,080</u>
	11,277	11,368	11,219	10,785	10,487

Full-Time Equivalent Enrollment ⁽¹⁾

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Undergraduate	10,027	10,051	9,832	9,412	9,117
Graduate	<u>667</u>	<u>715</u>	<u>745</u>	<u>752</u>	<u>741</u>
	10,694	10,766	10,577	10,164	9,858

⁽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.

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 FY2009, 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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Freshman					
Applications	7,286	7,620	8,203	8,164	8,331
Acceptances	5,224	5,371	5,594	5,528	5,301
Enrolled	1,823	1,928	1,957	1,816	1,641
Transfers					
Applications	2,966	2,817	2,714	2,587	2,737
Acceptances	2,170	2,105	1,976	1,883	2,028
Enrolled	1,403	1,423	1,247	1,273	1,332

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 300 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 2005</u>	<u>Fall 2006</u>	<u>Fall 2007</u>	<u>Fall 2008</u>	<u>Fall 2009</u>
21.7	21.6	21.5	21.6	21.6

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 24.2 percent for the Fall terms from 2005 through 2009.

<u>Upper Quartile Admits</u>				
<u>Fall 2005</u>	<u>Fall 2006</u>	<u>Fall 2007</u>	<u>Fall 2008</u>	<u>Fall 2009</u>
22.1%	20.0%	21.8%	21.7%	24.2%

FINANCIAL AID TO STUDENTS

Approximately ____% of the University's student body received some form of financial assistance in Fiscal Year 2009. 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 2009 totaled \$118.3 million, of which 13.8% was funded from federal sources, 31.9% from the state, 15% from the University and 39.3% from other sources.

Set forth below is a table showing the breakdown of Fiscal Year 2009 financial aid at the University.

<u>Type of Aid</u>	<u>Fiscal Year 2009</u> (in millions)
Employment:	\$ 7.4
Loans:	
Perkins Loans	0.2
Guaranteed Student Loans	58.9
Other Loans	8.4
Scholarships, Grants, etc.:	
Federal	15.7
State	14.2
University	10.9
Other	<u>2.6</u>
Total	\$ 118.3

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 2005 through 2009.

	<u>Fiscal Year Ended June 30</u> (000's Omitted)				
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Tuition	\$42,224	\$46,613	\$52,048	\$55,998	\$58,807

TUITION AND FEES

Set forth below are the yearly tuition and major fees charged by WIU 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 ⁽³⁾
2006	\$4,968.00	\$532.20	\$97.20	\$190.20	\$18.00	\$210.00
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

FISCAL YEAR	GRANT- IN-AID	HEALTH SERVICES	COMPUTER FEE	HEALTH INSURANCE	TRANSIT FEE	TOTAL
2006	\$41.10	\$162.30	\$120.00	\$488.00	\$71.70	\$6,898.70
2007	\$43.20	\$171.90	\$129.90	\$488.00	\$65.70	\$7,411.10
2008	\$43.20	\$186.00	\$129.90	\$556.00	\$65.70	\$8,079.10
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

⁽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.

⁽³⁾ The Facilities Enhancement and Life Safety Fee is being assessed to students matriculating in Fall 2005 and thereafter.

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 2,045 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, 2009. In addition, approximately 725 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 four-year collective bargaining agreement in 2001 effective through August 2007 and extended through August 2011.

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, 2009. Historically, employer contributions to the Retirement System with respect to the University employees have not constituted an operating expense of the System. 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, along with other formerly Board of Governor's institutions, 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.)

Comment [WU1]: Not sure what this means??? Can the sentence end after "coverage?"

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. 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:

Fiscal Year Ended June 30 (000's Omitted)

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$22,131	\$24,642	\$29,743	\$32,412	\$29,892

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

Western Illinois University
Statement of Revenues, Expenses, and Changes in Net Assets
for the Years Ended June 30, 2007, 2008 and 2009

	2007		2008		[Unaudited] 2009	
	Primary Institution	Component Foundation	Primary Institution	Component Foundation	Primary Institution	Component Foundation
OPERATING REVENUES						
Tuition and fees, net	\$ 63,194,327	\$ 0	\$ 68,440,030	\$ 0	71,645,549	0
Grants and contracts	20,130,041	0	11,381,652	0	11,147,740	0
Sales and services of						
educational departments	4,569,219	0	4,378,319	0	5,809,837	0
Auxiliary enterprises, net	49,335,561	0	50,936,746	0	51,487,965	0
Student loan activities	46,654	0	43,259	0	49,379	0
Other operating revenues	3,266,597	3,331,032	3,527,807	4,323,950	3,263,746	4,659,473
Total operating revenues	140,542,399	3,331,032	138,707,813	4,323,950	143,404,216	4,659,473
OPERATING EXPENSES						
Instruction	54,952,748	648,202	57,646,549	1,149,443	59,986,814	804,458
Research	3,103,945	70,362	2,965,570	124,627	2,715,724	48,450
Public service	10,920,123	67,579	10,164,585	91,446	10,208,306	126,010
Academic support	15,223,513	81,825	16,542,407	97,850	18,567,686	172,857
Student services	18,635,960	338,678	19,871,281	723,316	20,630,049	548,894
Institutional support	12,358,970	815,742	12,600,302	1,053,413	12,716,467	1,088,010
Operation and maintenance						
of plant	14,414,756	184,038	15,969,509	154,103	15,905,527	82,973
Student aid expense	5,720,519	1,510,435	5,693,687	1,749,101	6,278,300	1,832,586
Auxiliary enterprises	41,457,129	0	43,242,917	0	43,258,058	0
Staff benefits	6,898,098	0	7,012,001	0	7,551,745	0
Depreciation	9,989,358	11,309	9,961,891	7,238	10,254,593	7,836
On-behalf payments (1)	30,855,587	0	35,394,969	0	38,584,926	0
Other operating expenses	215	0	689	0	3,773	0
Total operating expenses	224,530,921	3,728,170	237,066,357	5,150,537	246,661,968	4,711,994
Operating loss	(83,988,522)	(397,138)	(98,358,544)	(826,587)	(103,257,752)	(52,521)
NONOPERATING						
REVENUES (EXPENSES)						
State appropriations (1)	88,078,972	0	93,692,465	0	97,016,514	0
Gifts	258,473	0	573,221	0	595,448	0
Gain (Loss) on disposal of capital assets	(25,369)	0	(28,583)	(1,460)	1,763	(61,259)
Change in value of charitable						
remainder trusts	0	0	0	(141,045)	0	(351,217)
Investment income	3,960,265	3,585,045	2,700,753	(5,565)	749,341	(3,333,992)
Interest on capital assets						
related debt	(2,629,802)	(1,162)	(2,071,868)	(447)	(1,551,478)	0
Other nonoperating						
revenues (expenses)	0	688,005	8,599,688	917,371	9,846,549	768,526
Net nonoperating revenues	89,642,539	4,271,888	103,465,676	768,854	106,658,137	(2,977,942)
Income (loss) before other revenues,						
expenses,gains or losses	5,654,017	3,874,750	5,107,132	(57,733)	3,400,385	(3,030,463)
Capital state appropriations	2,417,967	0	1,118,833	0	2,990,020	0
Additions to permanent endowments	0	1,226,574	0	1,148,403	0	509,999
Increase (decrease) in net assets	8,071,984	5,101,324	6,225,965	1,090,670	6,390,405	(2,520,464)
NET ASSETS						
Net assets – beginning of year,	104,916,390	24,642,125	112,988,374	29,743,449	119,214,339	32,412,381
Prior period adjustment	0	0	0	1,578,262	0	0
Net assets – end of year	\$ 112,988,374	\$ 29,743,449	\$ 119,214,339	\$ 32,412,381	\$ 125,604,744	\$ 29,891,917

¹ 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, 2006, 2007, 2008 AND 2009**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Assets				
Current Assets	\$ 62,706,335	\$ 67,156,837	\$ 67,189,579	\$
Capital assets, net	128,939,107	135,028,693	146,357,402	
Other assets	<u>9,463,472</u>	<u>4,215,403</u>	<u>2,292,536</u>	<u> </u>
Total assets	201,108,914	206,400,933	215,839,517	
Liabilities				
Current liabilities	22,333,350	23,315,221	31,001,807	
Noncurrent liabilities	<u>73,859,174</u>	<u>70,097,338</u>	<u>65,623,371</u>	<u> </u>
Total liabilities	96,192,524	93,412,559	96,625,178	
Net Assets				
Invested in capital assets, net of related debt	83,060,714	88,114,439	95,334,312	
Restricted	1,990,095	1,955,012	1,965,769	
Unrestricted	<u>19,865,581</u>	<u>22,918,923</u>	<u>21,914,258</u>	<u> </u>
Total Net Assets	\$ 104,916,390	\$ 112,988,374	\$ 119,214,339	\$

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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 _____, 2010, 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, 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 the \$_____ aggregate principal amount of the Western Illinois University Certificates of Participation (Capital Improvement Projects), Series 2010 (Build America Program - Taxable).

"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 _____, 2010 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 _____, 2010 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.

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 _____, 20__ and continues through and including October 1, 2029, 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, 2010, 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 Improvements by paying the Prepayment price of principal and accrued interest on 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 cause 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 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 of the Trustee to exercise such powers; (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 ratings on the Certificates from Moody's and/or S&P;
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.

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Appendix D

Form of Opinion of Special Counsel

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APPENDIX D

Upon the issuance of the Certificates, Chapman and Cutler LLP, Bond Counsel, proposes to issue its approving opinion in substantially the following form:

[Letterhead of Chapman and Cutler LLP]

[To Be Dated the 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 _____ 1, 2010, 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 Certificates of Participation (Capital Improvement Projects), Series 2010 (Build America Program – Taxable), issued in the aggregate principal amount of \$_____ (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, 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, is includible in gross income of the owners thereof for federal income tax purposes. Certificate owners should consult their own tax advisors with respect to the inclusion of interest on the Certificates in gross income for federal income tax purposes and any collateral tax consequences of ownership of the Certificates. 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 \$_____ Certificates of Participation (Capital Improvement Projects), Series 2010 (Build America Program – Taxable) (the “Certificates”). The Certificates are being issued pursuant to an Indenture of Trust dated as of _____ 1, 2010 (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 _____ 20__ (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.

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: _____, 2010

DRAFT

INDENTURE OF TRUST

by and between

U.S. BANK NATIONAL ASSOCIATION, as Trustee

and

BOARD OF TRUSTEES
OF WESTERN ILLINOIS UNIVERSITY

Dated as of [Date] 1, 2010

INDENTURE

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and is only for convenience of reference.)

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ACKNOWLEDGMENTS

INDENTURE OF TRUST

THIS INDENTURE OF TRUST (this "*Indenture*"), made and entered into as of this 1st day of [Date], 2010, by and between U.S. BANK NATIONAL ASSOCIATION, a national banking association duly organized and existing under the laws of the United States of America, as trustee (the "*Trustee*"), and the BOARD OF TRUSTEES OF WESTERN ILLINOIS UNIVERSITY, a body corporate and politic of the State of Illinois (the "*Board*"),

RECITALS

WHEREAS, pursuant to the Acquisition Agreement (as defined herein), the Trustee has agreed to acquire, construct and equip the Improvements; and

WHEREAS, the Board and the Trustee have entered into an Installment Purchase Contract dated as of the date hereof (the "*Purchase Contract*"), whereby the Trustee has agreed to sell the Improvements to the Board and the Board has agreed to buy the Improvements from the Trustee; and

WHEREAS, for the purpose of obtaining the moneys required for financing the acquisition, construction and equipping of the Improvements, the Trustee proposes to establish a trust to receive certain of its rights and duties under the Purchase Contract and the Acquisition Agreement and to execute and deliver certain Certificates of Participation (the "*Certificates*"), each evidencing a proportionate interest in the Installment Payments and Prepayments to provide the moneys required to finance the Improvements.

GRANTING CLAUSES

NOW, THEREFORE, in order to secure all Certificates executed and delivered and outstanding under this Indenture, the payment of the principal component thereof and the interest component thereon, the rights of the Owners of the Certificates and the performance and observance of the covenants and conditions contained in the Certificates, the Purchase Contract and herein, the Trustee hereby establishes an irrevocable trust and acknowledges its acceptance of the following described property to hold as security for the Owners of the Certificates, and the Board hereby grants a security interest in, and hereby releases, assigns, transfers, pledges, grants and conveys forever, the following described property (the "*Trust Estate*"):

GRANTING CLAUSE FIRST

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

GRANTING CLAUSE SECOND

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 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.

GRANTING CLAUSE THIRD

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 under Section 4.2(c), the Board's rights under Section 4.5, Section 4.6, Section 5.1, Section 5.2, Section 5.4, Section 5.6, Section 9.1, Section 9.2 and Section 9.3 of the Purchase Contract, and the right of the Board to receive all notices, certificates, requests, directions and other communications under this Indenture and the Purchase Contract.

GRANTING CLAUSE FOURTH

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; *provided* that this clause shall not transfer, impair or diminish any right of the Trustee under any of the granted instruments for indemnification, reimbursement of fees, costs and expenses or to receive notices or approve amendments.

GRANTING CLAUSE FIFTH

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 hereto (other than the Rebate Fund), subject to the

provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein.

GRANTING CLAUSE SIXTH

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 hereto (other than the Rebate Fund), subject to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein.

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

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. Unless the context otherwise requires, the terms defined in this Section shall, for all purposes of this Indenture, have the meanings herein specified.

“Acquisition Agreement” shall mean the Acquisition Agreement, dated as of [Date] 1, 2010, by and between the Trustee and the Board, and any duly authorized and executed amendment thereto.

“Acquisition Costs” shall mean 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” shall mean the fund by that name established and held in trust by the Board as agent of the Trustee pursuant to Article III of this Indenture.

“Acts” means the Western Illinois University Law, 110 ILCS 690/35-1 *et seq.* and the State University Certificates of Participation Act, 110 ILCS 73/1 *et seq.*

“Additional Payments” shall mean those payments required to be made by the Board under Section 4.7 of the Purchase Contract.

“Board” shall mean the Board of Trustees of Western Illinois University and its successors and assigns.

“Board Representative” shall mean 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 this Indenture and the Purchase Contract.

“Business Day” shall mean any day on which banks located in each of the cities in which the principal office of the Board and the corporate trust office of the Trustee are located are not required or authorized to remain closed.

“Certificate Register” shall mean the books kept by the Trustee for the registration and transfer of the Certificates.

“Certificates” shall mean the \$[Amount] aggregate principal amount of Certificates of Participation (Capital Improvement Projects), Series 2010 (Build America Program–Taxable), to be executed and delivered pursuant hereto.

“Closing Date” shall mean the day when the Certificates, duly executed by the Trustee, are delivered to the original purchasers thereof.

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

“Completion Certificate” is defined in Section 4.3 of the Purchase Contract.

“Construction Contract” shall mean 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, a copy of each of which is or will be on file with the Board.

“Contractor” shall mean 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.

“Delivery Costs” shall mean all items of expense directly or indirectly payable by or reimbursable to the Board or the Trustee relating to the execution, sale and delivery of the Purchase Contract or the Certificates, including but not limited to filing and recording costs, settlement costs, printing costs, reproduction and binding costs, initial fees and charges of the Trustee, legal fees and charges, insurance fees and charges, financial and other professional consultant fees, costs of rating agencies for credit ratings, fees for execution, transportation and safekeeping of the Certificates and charges and fees in connection with the foregoing.

“Expiration Date” shall have the meaning given such term in Section 4.2 of the Purchase Contract.

“Event of Default” shall mean an event of default under the Purchase Contract, as defined in Section 8.1 thereof, and, in addition, if the Purchase Contract has terminated pursuant

to Section 4.2 thereof, the failure of the Trustee to receive, from amounts previously appropriated by the State, when combined with Legally Available Non-appropriated 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" shall have the meaning given such term in Section 4.2 of the Purchase Contract.

"Favorable Opinion of Special Counsel" shall mean, with respect to any action the occurrence of which requires such an opinion, an unqualified Opinion of Counsel delivered by Special Counsel, to the effect that such action is in accordance with applicable State law.

"Improvement Contracts" shall mean a Supply Contract, a Construction Contract or a Professional and Specialty Services Contract, respectively.

"Improvements" shall mean all property, improvements, equipment, services and facilities sold to the Board pursuant to the Purchase Contract as more fully described in Exhibit B to the Purchase Contract, as Exhibit B may be supplemented or amended as set forth in Section 3.5 or 5.4(b) of the Purchase Contract.

"Improvements Documents" shall mean any of (i) the Improvement Contracts; (ii) policies of casualty, public liability and workers' compensation insurance, or certificates thereof, as required by the Purchase Contract with respect to the Improvements and (iii) any and all other documents executed by or furnished to the Board or a Contractor in connection with the Improvements.

"Indenture" shall mean this Indenture of Trust, together with any amendments or supplements hereto permitted to be made hereunder.

"Independent Counsel" shall mean an attorney duly admitted to the practice of law before the highest court of the State in which such attorney maintains an office and who is not an employee of the Trustee or the Board.

"Installment Payment Fund" shall mean the fund by that name established and held by the Trustee pursuant to Article V hereof.

"Installment Payments" shall mean all payments required to be paid by the Board on any date pursuant to Section 4.4 of the Purchase Contract and as set forth in Exhibit A to the Purchase Contract.

The term *"interest"* shall mean the amount attributable to the interest component of each Installment Payment.

“Interest Payment Date” shall mean each of the dates specified in Section 2.05 hereof on which interest is due and payable with respect to the Certificates.

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

“Legislature” or *“General Assembly”* shall mean the General Assembly of the State.

“Opinion of Counsel” shall mean a written opinion of any legal counsel having expertise in the matters covered in such opinion and acceptable to the Board and the Trustee, who may be an employee of or counsel to the Board or the Trustee.

“Outstanding,” when used with reference to the Certificates, shall mean, 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 herein;
- (c) Certificates in lieu of which other Certificates shall have been issued pursuant to the provisions hereof 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) For the purposes described in Section 9.03 hereof, the Certificates described in said Section 9.03.

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

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

“Permitted Investments” shall mean any 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.

“Plans and Specifications” shall mean the plans and specifications prepared for and showing any of the Improvements, as and when they are approved by the Board, the same being duly certified by the Board Representative, which plans and specifications shall be on file at the

office of the Board, and shall be available for reasonable inspection by the Trustee and its duly authorized representatives.

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

The term *“principal”* shall mean the amount attributable to the principal component of each Installment Payment.

“Professional and Specialty Services Contract” shall mean 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. A copy of each Professional and Specialty Services Contract is or will be on file with the Board.

“Purchase Contract” shall mean the Installment Purchase Contract, dated as of [Date] 1, 2010, by and between the Board and the Trustee, together with any duly authorized and executed amendment thereto.

“Rebate Fund” shall mean the fund described in Section 7.05(c) hereof.

“Regular Record Date” shall mean the close of business on the fifteenth day of the month next preceding each Interest Payment Date, whether or not such fifteenth day is a Business Day.

“Representation Letter” is defined in Section 2.13 hereof.

“Special Counsel” shall mean any law firm, acceptable to the Board Representative and the Trustee, having a national reputation in the field of municipal law whose opinions are generally accepted by purchasers of municipal obligations.

“Special Interest Payment Date” shall mean the Business Day established by the Trustee for the payment of overdue interest on the Certificates pursuant to the second paragraph of Section 2.02 hereof.

“Special Record Date” shall mean the Business Day established by the Trustee for determination of the Registered Owners entitled to receive overdue interest on the Certificates pursuant to the second paragraph of Section 2.02 hereof.

“State” shall mean the State of Illinois.

“Supply Contract” shall mean 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, a copy of each of which is or will be on file with the Board.

“Tax Certificate” shall mean any agreement or certificate of the Board which the Board may execute in order to establish and maintain the qualification of the Certificates as “build America bonds” within the meaning of Section 54AA(d) of the Code that are “qualified bonds” within the meaning of Section 54AA(g) of the Code.

“Term of the Purchase Contract” shall mean the time during which the Purchase Contract is in effect, as provided in Section 4.2 of the Purchase Contract.

“Trust Estate” is defined in the Granting Clauses of this Indenture.

“Trustee” shall mean U.S. Bank National Association, or any assignee thereof pursuant hereto.

“Trustee Representative” shall mean any Vice-President or Trust Officer or any other person authorized to act on behalf of the Trustee under or with respect to this Indenture and the Purchase Contract as evidenced by the By-laws of the Trustee conferring such authorization adopted by the Trustee.

Section 1.02. Authorization. Each of the parties hereby represents and warrants that it has full legal authority and is duly empowered to enter into this Indenture, and has taken all actions necessary to authorize the execution of this Indenture by the officers and persons signing it.

Section 1.03. Interpretation. (a) Any reference herein to the Trustee or the Board or any officer thereof shall include those succeeding to their functions, duties or responsibilities pursuant to or by operation of law or who are lawfully performing their functions.

(b) Unless the context otherwise indicates, words importing the singular shall include the plural and vice versa and the use of the neuter, masculine or feminine gender is for convenience only and shall be deemed to mean and include the neuter, masculine or feminine gender.

(c) Any terms not defined herein, but defined in the Purchase Contract shall have the same meaning herein, and in the event of a conflict, the terms of this Indenture shall control.

(d) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

(e) Words importing the redemption of a Certificate or the calling of a Certificate for redemption do not mean or include the payment of a Certificate at its stated maturity or the purchase of a Certificate.

ARTICLE II

THE CERTIFICATES OF PARTICIPATION

Section 2.01. Authorization. (a) The Trustee is hereby authorized and directed upon written request from the Board to prepare, execute and deliver to the purchasers thereof, Certificates in an aggregate principal amount of \$[Amount] evidencing proportionate ownership interests in the Installment Payments and the Prepayments.

(b) The Trustee shall not at any time while the Certificates are Outstanding execute and deliver additional certificates payable from the Installment Payments and secured by a lien and charge upon the Improvements.

Section 2.02. Date. Each Certificate shall bear the dated date of the Closing Date, and shall also bear the date of its execution, and interest with respect thereto shall be payable from the Interest Payment Date next preceding the date of execution thereof, unless: (i) it is executed prior to October 1, 2010, in which event interest with respect thereto shall be payable from the Closing Date; (ii) it is executed on an Interest Payment Date, in which event interest with respect thereto shall be payable from such Interest Payment Date; or (iii) it is executed after a Regular Record Date and before the following Interest Payment Date, in which event interest with respect thereto shall be payable from such Interest Payment Date; *provided, however*, that if, as of the date of execution of any Certificate, interest is in default with respect to any Outstanding Certificates, interest with respect to such Certificate shall be payable from the Interest Payment Date to which interest has previously been paid or made available for payment with respect to the Outstanding Certificates, unless it is executed after a Special Record Date and before the following Special Interest Payment Date, in which event interest with respect thereto shall be payable from the scheduled Interest Payment Date next preceding such date of execution.

In the event there are insufficient funds available on any Interest Payment Date to pay the interest then due on the Certificates, the Regular Record Date shall no longer be applicable with respect to the Certificates. If sufficient funds for the payment of such interest thereafter become available, the Trustee shall immediately establish a Special Interest Payment Date for the payment of the overdue interest and a Special Record Date for determining the Owners entitled to such payments. Notice of the establishment of any such Special Interest Payment Date and Special Record Date shall be mailed by the Trustee to each Owner not less than 10 days prior to the Special Record Date nor more than 30 days prior to the Special Interest Payment Date. Such overdue interest shall be paid on the Special Interest Payment Date to the Owners of the Certificates as of the Special Record Date.

Section 2.03. Maturity; Interest Rates.

(a) The Certificates shall be in the denomination of \$5,000 or any integral multiple thereof and shall mature on October 1 of each of the years and in the amounts and bearing interest per annum as follows:

YEAR

AMOUNT

INTEREST RATE

\$

%

Section 2.04. Form of Certificates. The Certificates shall be in global book-entry form or in fully registered form without coupons, as provided in Section 2.13 and Article VI hereof.

Section 2.05. Payment of Interest. Interest with respect to the Certificates shall be payable on October 1, 2010, and thereafter semiannually on April 1 and October 1 of each year to and including the date of maturity or redemption, whichever is earlier. Said interest shall represent the portion of Installment Payments designated as interest and coming due during the period preceding each Interest Payment Date with respect to the Certificates. The proportionate share of the portion of Installment Payments designated as interest with respect to any Certificate shall be computed by multiplying the portion of Installment Payments designated as principal with respect to such Certificate by the rate of interest applicable to such Certificate (on the basis of a 360-day year of twelve 30-day months).

Section 2.06. Execution. The Certificates shall be executed by and in the name of the Trustee by the manual signature of an authorized representative of the Trustee. If any officer whose signature appears on any Certificate ceases to be such officer before the date of delivery thereof, such signature shall nevertheless be as effective as if the officer had remained in office until such date of delivery. Any Certificate may be executed on behalf of the Trustee by such person as at the actual date of the execution of such Certificate shall be the proper officer of the Trustee although at the nominal date of such Certificate such person shall not have been such officer of the Trustee.

Section 2.07. Application of Proceeds. The net proceeds received by the Trustee from the sale of the Certificates, consisting of the principal amount of the Certificates, less purchaser's discount, shall forthwith be transferred to the Board to be held in the Acquisition Fund.

Section 2.08. Registration, Transfer and Exchange of Certificates. (a) All Certificates issued hereunder shall be negotiable, subject to the provisions for registration and transfer thereof contained herein or in the Certificates.

(b) Each Certificate shall be transferable only upon the registration books maintained by the Trustee, by the Owner thereof in person or by his attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Trustee duly executed by the Owner thereof or his duly authorized attorney. Upon surrender for transfer of any Certificate, the Trustee shall execute and deliver, in the name of the transferee, one or more new Certificates, of the same aggregate principal amount and maturity as the surrendered Certificate.

(c) Any Certificate, upon surrender thereof to the Trustee together with written instructions satisfactory to the Trustee, duly executed by the Owner thereof or his attorney duly authorized in writing, may, at the option of the Owner thereof, be exchanged for an equal aggregate principal amount of Certificates with the same maturity of any other authorized denominations.

(d) All Certificates surrendered in any exchange or transfer of Certificates shall forthwith be cancelled by the Trustee and destroyed in accordance with the customary procedures of the Trustee.

(e) In connection with any such exchange or transfer of Certificates, the Owner requesting such exchange or transfer shall as a condition precedent to the exercise of the privilege of making such exchange or transfer, remit to the Trustee an amount sufficient to pay any tax or other governmental charge required to be paid with respect to such exchange or transfer.

(f) The Trustee may but shall not be obligated to exchange or register the transfer of any Certificate (i) which has been called or selected for call for redemption or (ii) during a period of 15 days preceding the giving of a notice of redemption. If the transfer of any Certificate which has been called or selected for call for redemption is registered, any notice of redemption which has been given to the transferor shall be binding upon the transferee and a copy of the notice of redemption shall be delivered by the Trustee to the transferee along with the Certificate or Certificates.

Section 2.09. Mutilated, Lost, Destroyed and Stolen Certificates. If (i) any mutilated Certificate is surrendered to the Trustee, or the Trustee receives evidence to its satisfaction of the destruction, loss or theft of any Certificate, and (ii) there is delivered to the Trustee such security or indemnity as may be required by the Trustee to hold it harmless, then, in the absence of written notice to the Trustee that such Certificate has been acquired by a bona fide purchaser and upon the Owner paying the reasonable expenses of the Trustee, the Trustee shall cause to be executed and delivered, in exchange for such mutilated Certificate or in lieu of such destroyed, lost or stolen Certificate, a new Certificate of like principal amount, date and tenor. If the principal of any such mutilated, destroyed, lost or stolen Certificate has become, or will on or before the next Interest Payment Date become, due and payable, the Trustee may, in its discretion, pay such Certificate when due instead of delivering a new Certificate.

Section 2.10. Payment. Payment of interest due with respect to any Certificate on any Interest Payment Date or any Special Interest Payment Date shall be made to the person

appearing on the Certificate Register as the Owner thereof as of the Regular Record Date immediately preceding such Interest Payment Date or, if applicable, the Special Record Date immediately preceding such Special Interest Payment Date, such interest to be paid by check or draft mailed to such Owner at his address as it appears on such Certificate Register or at such other address as he may have filed with the Trustee for that purpose. The principal due with respect to any Certificate shall be payable when due upon surrender thereof at the designated corporate trust office of the Trustee. Principal and premium, if any, and interest with respect to a Certificate held by an owner of at least \$1,000,000 in aggregate principal amount of Certificates may also be paid by wire transfer to a bank in the continental United States designated in writing by such owner on or prior to the Regular Record Date or, if applicable, the Special Record Date for such payments. Payment shall be made in such coin or currency of the United States of America as, at the respective times of payment, shall be legal tender for the payment of public and private debts.

Section 2.11. Execution of Documents and Proof of Ownership. Any request, direction, consent, revocation of consent, or other instrument in writing required or permitted by this Indenture to be signed or executed by Certificate Owners may be in any number of concurrent instruments of similar tenor, and may be signed or executed by such Owners in person or by their attorneys or agents appointed by an instrument in writing for that purpose, or by any bank, trust company or other depository for such Certificates. Proof of the execution of any such instrument, or of any instrument appointing any such attorney or agent, and of the ownership of Certificates shall be sufficient for any purpose of this Indenture (except as otherwise herein provided), if made in the following manner:

(a) The fact and date of the execution by any Owner or his attorney or agent of any such instrument and of any instrument appointing any such attorney or agent may be proved by a certificate of an officer of any bank or trust company located within the United States of America, which need not be acknowledged or verified, or of any notary public, or other officer authorized to take acknowledgments of deeds to be recorded in such jurisdictions, that the persons signing such instruments acknowledged before him the execution thereof. Where any such instrument is executed by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association or partnership, such certificate shall also constitute sufficient proof of his authority.

(b) The fact of the ownership of Certificates by any person and the amount, the maturity and the numbers of such Certificates and the date of his holding the same shall be proved by the registration books maintained pursuant to Section 2.12 hereof.

Nothing contained in this Article II shall be construed as limiting the Trustee to such proof, it being intended that the Trustee may accept any other evidence of the matters herein stated which the Trustee may deem sufficient. Any request or consent of the Owner of any Certificate shall bind every future Owner of the same Certificate in respect of anything done or suffered to be done by the Trustee in pursuance of such request or consent.

Section 2.12. Certificate Register. The Trustee will keep or cause to be kept, at its designated corporate trust office, sufficient books (the “*Certificate Register*”) for the registration and transfer of the Certificates which shall at all times be open to inspection by the Board and the Trustee; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred on said books, Certificates as hereinbefore provided.

Section 2.13. Global Book Entry. The Certificates initially will be issued in the form of a separate single fully registered Certificate for each of the maturities of the Certificates as herein provided, and the ownership of each such Certificate shall be registered in the Certificate Register in the name of Cede & Co., or any successor thereto (“*Cede*”), as nominee of The Depository Trust Company, New York, New York, and its successors and assigns (“*DTC*”). All of the outstanding Certificates shall be registered in the Certificate Register in the name of Cede, as nominee of DTC, except as hereinafter provided. The Board shall execute and deliver such letters to or agreements with DTC as shall be necessary to effectuate such book-entry system (any such letter or agreement, or any blanket letter previously in effect with respect to the Board and DTC being referred to herein as the “*Representation Letter*”).

With respect to Certificates registered in the Certificate Register in the name of Cede, as nominee of DTC, the Board and the Trustee shall have no responsibility or obligation to any broker-dealer, bank or other financial institution for which DTC holds Certificates from time to time as securities depository (each such broker-dealer, bank or other financial institution being referred to herein as a “*DTC Participant*”) or to any person on behalf of whom such a DTC Participant holds an interest in the Certificates. Without limiting the immediately preceding sentence, the Board and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede or any DTC Participant with respect to any ownership interest in the Certificates, (ii) the delivery to any DTC Participant or any other person, other than a registered owner of a Certificate as shown in the Certificate Register, of any notice with respect to the Certificates, or (iii) the payment to any DTC Participant or any other person, other than a registered owner of a Certificate as shown in the Certificate Register, of any amount with respect to principal of or interest on the Certificates. The Board and the Trustee may treat and consider the person in whose name each Certificate is registered in the Certificate Register as the holder and absolute owner of such Certificate for the purpose of payment of principal and interest with respect to such Certificate, for the purpose of giving notices of any matters with respect to such Certificate, for the purpose of registering transfers with respect to such Certificate, and for all other purposes whatsoever. The Trustee shall pay all principal of and interest on the Certificates only to or upon the order of the respective registered owners of the Certificates, as shown in the Certificate Register, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Board’s obligations with respect to payment of principal of and interest on the Certificates to the extent of the sum or sums so paid. No person other than a registered owner of a Certificate as shown in the Certificate Register, shall receive a Certificate evidencing the obligation of the Board to make payments of principal and interest with respect to any Certificate. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede, and subject to the provisions hereof with respect to the payment of interest by the mailing of checks or drafts to the registered owners of Certificates at the close of

business on the first day of the month in which the applicable interest payment date occurs, the name “Cede” in this Indenture shall refer to such new nominee of DTC.

In the event that (i) the Board determines that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter, (ii) the agreement evidenced by the Representation Letter shall be terminated for any reason or (iii) the Board determines that it is in the best interests of the beneficial owners of the Certificates that they be able to obtain certificated Certificates, the Board shall notify DTC and DTC Participants of the availability through DTC of certificated Certificates and the Certificates shall no longer be restricted to being registered in the Certificate Register in the name of Cede, as nominee of DTC. At that time, the Board may determine that the Certificates shall be registered in the name of and deposited with such other depository operating a universal book-entry system as may be acceptable to the Board, or such depository’s agent or designee, and if the Board does not select such 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 hereof.

Notwithstanding any other provision of this Indenture to the contrary, so long as any Certificate is registered in the name of Cede, as nominee of DTC, all payments with respect to principal of and interest on such Certificate and all notices with respect to such Certificate shall be made and given, respectively, in the manner provided in the Representation Letter.

ARTICLE III

ACQUISITION FUND

Section 3.01. Acquisition Fund. The Board shall establish a special trust fund with a depository authorized to hold such funds of the Board, designated as the “*Acquisition Fund*”; shall keep such fund separate and apart from all other funds and moneys held by it; and shall administer such fund as provided herein and in the Purchase Contract. There shall be deposited in the Acquisition Fund the proceeds of sale of the Certificates required to be deposited therein pursuant to Section 2.07 hereof.

Section 3.02. Disbursements. (a) The moneys in the Acquisition Fund shall be disbursed by the Board from the account designated by the Treasurer to pay the Acquisition Costs and the Delivery Costs.

(b) If an Event of Default shall have occurred and be continuing, an Event of Nonappropriation shall have occurred, or the Purchase Contract shall have been terminated pursuant to the provisions of Section 4.2 of the Purchase Contract, the moneys in the Acquisition Fund shall be paid by the Board to the Trustee and applied as set forth in Section 12.03.

(c) Immediately after completion of the Improvements, any moneys remaining in the Acquisition Fund shall be deposited into the Installment Payment Fund and used as required by the Tax Certificate.

ARTICLE IV

REDEMPTION OF CERTIFICATES

Section 4.01. Redemption upon Event of Nonappropriation and Termination of Purchase Contract. The Certificates are subject to redemption, in whole, at the price of 100% of the principal amount thereof, 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 Article IX of 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 obligation 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 this paragraph have occurred.

Section 4.02. Optional Redemption. The Certificates maturing on or after October 1, 20__ are callable on any date on or after October 1, 20__, at the price 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.

[*Section 4.03. Mandatory Sinking Fund Redemption.* The Certificates maturing on October, 20__ and October 1, 20__, are subject to mandatory redemption, in integral multiples of \$5,000 selected by lot by the Trustee, at the redemption price of 100% of the principal amount thereof, plus accrued interest to the redemption date, on October 1 of each of the years and in the principal amounts as follows:

CERTIFICATES DUE		CERTIFICATES DUE	
OCTOBER 1, 20__		OCTOBER 1, 20__	
DATE	PRINCIPAL AMOUNT	DATE	PRINCIPAL AMOUNT

⁽¹⁾ Final Maturity

The principal amount of such 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 to be credited against future sinking fund requirements as determined 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 Certificates of such maturity in an amount not exceeding the amount of such Certificates required to be retired on such sinking fund payment date and at a price not exceeding 100% of the principal amount thereof, plus accrued interest. Any such Certificates so purchased will be canceled and credited against the sinking fund payment required on such next sinking fund payment date.]

Section 4.04. Effect of Call for Redemption. On the date designated for redemption by notice given as herein provided, the Certificates so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Certificates on such date. If on the date fixed for redemption moneys for payment of the redemption price and accrued interest are held by the Trustee as provided herein, interest on the Certificates so called for redemption shall cease to accrue, such Certificates shall cease to be entitled to any benefit or security hereunder except the right to receive payment from the moneys held by the Trustee and the amount of such Certificates so called for redemption shall be deemed paid and no longer Outstanding.

Section 4.05. 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 (1) the redemption date, (2) the redemption price, (3) that the Certificates called for redemption must be surrendered to collect the redemption price, (4) the address at which the Certificates must be surrendered and (5) 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.

Section 4.06. 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.

ARTICLE V

INSTALLMENT PAYMENTS; ADDITIONAL PAYMENTS; INSTALLMENT PAYMENT FUND

Section 5.01. Rights in Purchase Contract. The Trustee has established this trust to receive certain of its rights and duties in the Purchase Contract, including but not limited to all of its rights to receive and collect all of the Installment Payments, the Prepayments, the Additional Payments and all other amounts required to be deposited in the Installment Payment Fund pursuant to the Purchase Contract or pursuant hereto.

Section 5.02. Establishment of Installment Payment Fund. The Trustee shall establish a special fund designated as the “Installment Payment Fund.”

All moneys at any time deposited in the Installment Payment Fund shall be held by the Trustee in trust for the benefit of the Owners of the Certificates. So long as any Certificates are Outstanding, neither the Board nor the Trustee shall have any beneficial right or interest in the Installment Payment Fund or the moneys deposited therein, except only as provided in this Indenture, and such moneys shall be used and applied by the Trustee as hereinafter set forth.

Section 5.03. Deposits. There shall be deposited in the Installment Payment Fund all Installment Payments, Additional Payments and Prepayments received by the Trustee, including any moneys received by the Trustee for deposit therein pursuant to Section 4.4 or Article IX of the Purchase Contract and any other moneys required to be deposited therein pursuant to the Purchase Contract or pursuant to this Indenture.

Section 5.04. Application of Moneys. All amounts in the Installment Payment Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of and interest with respect to the Certificates as the same shall become due and payable, in accordance with the provisions of Article II and Article IV hereof.

Section 5.05. Surplus. Any surplus remaining in the Installment Payment Fund, after redemption or payment of all Certificates by the Board, including accrued interest (if any) and payment of any applicable fees to the Trustee, or provision for such redemption or payment having been made to the satisfaction of the Trustee, shall be withdrawn by the Trustee and remitted to the Board.

ARTICLE VI

FORM OF THE CERTIFICATES

The global book entry form of the Certificates and the assignment to appear thereon shall be in substantially the following form:

(FORM OF CERTIFICATE OF PARTICIPATION)

CERTIFICATE OF PARTICIPATION
(CAPITAL IMPROVEMENT PROJECTS), SERIES 2010 (BUILD AMERICA PROGRAM -- TAXABLE)

EVIDENCING A PROPORTIONATE INTEREST OF THE OWNER
HEREOF IN INSTALLMENT PAYMENTS TO BE MADE BY THE BOARD OF
TRUSTEES OF WESTERN ILLINOIS UNIVERSITY

to

U.S. BANK NATIONAL ASSOCIATION, as Trustee

No:

\$

INTEREST
RATE:

MATURITY

DATE:

October 1, 20____, 2010

DATED

DATE:

CUSIP:

REGISTERED OWNER:

PRINCIPAL AMOUNT:

THIS IS TO CERTIFY THAT the Registered Owner identified above, or registered assigns, as the Registered Owner of this Certificate of Participation (the "*Certificate*") is the owner of an undivided proportionate interest in the right to receive certain Installment Payments, Additional Payments and Prepayments thereof under and defined in that certain Installment Purchase Contract (the "*Purchase Contract*") dated as of [Date] 1, 2010, by and between U.S. Bank National Association, a national banking association duly organized and existing under the laws of the United States of America, as trustee (the "*Trustee*") and the Board of Trustees of Western Illinois University, a body corporate and politic of the State of Illinois (the "*Board*"), which Installment Payments, Additional Payments and Prepayments and certain other rights and interests under the Purchase Contract have been granted for the benefit of the Registered Owners under the Indenture of Trust (the "*Indenture*"), dated as of [Date] 1, 2010, between the Board and the Trustee.

The Registered Owner of this Certificate is entitled to receive, subject to the terms of the Purchase Contract, on the Maturity Date set forth above, the Principal Amount set forth above, representing a portion of the Installment Payments designated as principal coming due during the preceding 12 months, and to receive on October 1, 2010, and semiannually thereafter on April 1 and October 1 of each year (the "*Payment Dates*") until payment in full of said portion of principal, the Registered Owner's proportionate share of the Installment Payments designated as interest coming due during the period immediately preceding each of the Payment Dates; *provided* that interest with respect hereto shall be payable from the Payment Date next preceding the date of execution of this Certificate. If, as of the date of execution hereof, interest is in default with respect to any Certificates of the issue of which this is one, interest hereon shall be payable from the Payment Date to which interest has previously been paid or made available for payment, unless this Certificate is executed after a Special Record Date and before the following Special Interest Payment Date, in which event interest shall be payable from the scheduled Payment Date next preceding such date of execution. Said proportionate share of the portion of the Installment Payments designated as interest is the result of the multiplication of the aforesaid portion of the Installment Payments designated as principal by the rate per annum set forth above.

Said amounts representing the Registered Owner's share of the Installment Payments designated as interest are payable in lawful money of the United States of America by check or draft mailed by the Trustee to the Registered Owner at the close of business on the fifteenth day of the month next preceding the Payment Date, whether or not such fifteenth day is a Business Day, at his address as it appears on the registration books of the Trustee or at such other address as he may have filed with the Trustee for that purpose. Payment of portions of overdue Installment Payments designated as interest shall be made on Special Interest Payment Dates designated by the Trustee to the Registered Owner hereof as of the Special Record Date designated by the Trustee. Said amounts representing the Registered Owner's share of the Installment Payments designated as principal are payable when due upon surrender of this Certificate at the designated corporate trust office of the Trustee.

This Certificate has been executed and delivered by the Trustee pursuant to the terms of the Indenture. The Board is authorized to enter into the Purchase Contract and the Indenture under the laws of the State of Illinois, including the Acts. Reference is hereby made to the Purchase Contract and the Indenture (copies of which are on file at said office of the Trustee) for the definition of certain capitalized terms used herein, a description of the terms of which the Certificates are delivered, the rights thereunder of the Registered Owners of the Certificates, the rights, duties and immunities of the Trustee and the rights and obligations of the Board under the Purchase Contract, to all of the provisions of which Purchase Contract and Indenture the Registered Owner of this Certificate, by acceptance hereof, assents and agrees.

THE OBLIGATION OF THE BOARD TO MAKE INSTALLMENT PAYMENTS DOES NOT CONSTITUTE A DEBT OF THE BOARD OR THE STATE OF ILLINOIS WITHIN THE MEANING OR ANY CONSTITUTIONAL OR STATUTORY LIMITATION. THE INSTALLMENT PAYMENTS REQUIRED UNDER THE CERTIFICATES INCURRED BY THE BOARD OF TRUSTEES OF WESTERN ILLINOIS UNIVERSITY 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 term of the Purchase Contract is from the date thereof until October 1, 20__, unless terminated prior thereto in accordance with the provisions of the Purchase Contract. The continuation of the Purchase Contract and the obligation of the Board to make Installment Payments is subject to and dependent upon a portion of the moneys necessary to make such payments being lawfully appropriated to the Board by the State Legislature. The Purchase Contract shall terminate effective on the 60th day following the certification by the Board to the Trustee that the General Assembly of the State of Illinois has made a determination not to appropriate requested funds for the fiscal year necessary to make that portion of the Installment Payments coming due during the then-current Fiscal Year to be paid from State-appropriated funds and 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. The Board has an option to terminate the Purchase Contract on and after October 1, 20__ as provided in the Purchase Contract.

Neither the Trustee nor the Registered Owner hereof shall have any right under any circumstances to declare any Installment Payment not then past due or in default to be immediately due and payable.

To the extent and in the manner permitted by the terms of the Indenture, the provisions of the Indenture may be amended by the parties thereto with the written consent of the Owners of a majority in aggregate principal amount of the Certificates then outstanding, and may be amended without such consent under certain circumstances.

This Certificate is transferable by the Registered Owner hereof, in person or by his attorney duly authorized in writing, at said office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture and upon surrender and cancellation of this Certificate. Upon such transfer a new Certificate or Certificates, of authorized denomination or denominations, for the same aggregate principal amount will be delivered to the transferee in exchange herefor. The Board and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes, whether or not this Certificate shall be overdue, and the Board and the Trustee shall not be affected by any notice to the contrary.

The Certificates are subject to optional and mandatory redemption prior to maturity as provided in the Indenture.

Notice of redemption shall be mailed not less than 30 days nor more than 60 days prior to the date set for redemption to each Registered Owner of a Certificate to be so redeemed at the address shown on the books of the Trustee, but failure so to mail any such notice or any defect in such notice as to any Certificate shall not affect the validity of the proceedings for the redemption of any other Certificate for which proper notice was given. On the specified redemption date all Certificates called for redemption shall cease to bear interest and shall no

longer be secured by the Indenture provided funds for redemption are on deposit at the place of payment at that time.

IN WITNESS WHEREOF, this Certificate has been executed and delivered by the Trustee, acting pursuant to the Indenture.

Date of Execution: _____

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By _____
Authorized Officer

Attest:

By _____
Authorized Officer

(FORM OF ASSIGNMENT)

The following abbreviations, when used in the inscription on the face of this Certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM- as tenants in common

TEN ENT- as tenants by the
entireties

JT TEN- as joint tenants
with right of
survivorship and not
as tenants in common

UNIF GIFT MIN ACT-

Custodian _____
(Cust) (Minor)

under Uniform Gifts to Minors

Act _____
(State)

Additional abbreviations may also be used, though not in the above list.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

(Please Print or Typewrite Name, Address and Social Security Number or other Federal Tax Identification Number of Transferee) the within Certificate and all rights thereunder, and hereby irrevocably constitutes and appoints attorney to transfer the within Certificate on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

Note: The signature(s) on this assignment must correspond with the name(s) as written on the face of the within registered certificate in every particular without alteration or enlargement or any change whatsoever. Signatures must be guaranteed by an “eligible guarantor institution” meeting the requirements of the Trustee, which requirements include membership or participation in the Securities Transfer Agents Medallion Program (“STAMP”), the Stock Exchange Medallion Program (“SEMP”) or the New York Stock Exchange, Inc. Medallion Signature Program (“MSP”).

ARTICLE VII

MONEYS IN FUNDS; INVESTMENT

Section 7.01. Held in Trust. The moneys and investments held by the Trustee and the Board under this Indenture (other than those held in the Rebate Fund) are irrevocably held in trust for the benefit of the Owners of the Certificates, and for the purposes herein specified, and such moneys, and any income or interest earned thereon, shall be expended only as provided in this Indenture, and shall not be subject to levy or attachment or lien by or for the benefit of any creditor of the Trustee, the Board or any Owner of Certificates.

Section 7.02. Investments Authorized. (a) Moneys in all funds and accounts held by the Trustee shall be invested and reinvested by the Trustee, as soon as possible upon receipt of immediately available funds at its designated corporate trust office, to the fullest amount possible in Permitted Investments as directed, in writing or by telephonic or other reasonable means, promptly confirmed in writing by the Board Representative or as selected by the Trustee in the absence of direction by the Board; *provided* that the maturity date or the date on which such

Permitted Investments may be redeemed at the option of the holder thereof shall coincide as nearly as practicable with (but in no event shall be later than) the date or dates on which moneys in the funds or accounts for which the investments were made will be required for the purposes thereof. In the event no such instructions are received by the Trustee, such amounts shall be invested in money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating at the time of purchase by Standard & Poor's Ratings Services of AAAm-G, AAAm, or AAm and if rated by Moody's Investors Services, rated Aaa, Aa1 or Aa2.

(b) Amounts credited to a fund or account may be invested, together with amounts credited to one or more other funds or accounts, in the same Permitted Investment, *provided* that (i) each such investment complies in all respects with the provisions of subsection (a) of this Section as they apply to each fund or account for which the joint investment is made and (ii) the Trustee maintains separate records for each fund and account and such investments are accurately reflected therein.

(c) The Trustee may make any investment permitted by this Section, through or with its own bond department or trust investment department, or its parent's or affiliate's bond department or trust investment department, unless otherwise directed by the Board Representative.

(d) The Trustee shall sell at the best price reasonably obtainable, or present for redemption, any Permitted Investment purchased by it as an investment whenever it shall be necessary in order to provide moneys to meet any payment or transfer from the fund or account for which such investment was made.

(e) In lieu of written direction from a Board Representative pursuant to subparagraph (a) above, the Board Representative may direct the Trustee to accept trade tickets or other trade advice from an investment advisor designated in writing by a Board Representative. Upon receipt of such a written direction from a Board Representative, such trade tickets or other trade advice shall constitute full authority for the Trustee to settle trades made on behalf of the Board by such investment advisor for the benefit of any fund or account held by the Trustee under this Indenture. The Trustee shall have no liability for any loss, expense or liability incurred by the Board or the Owners of the Certificates as a result of any such investment made in accordance with the provisions of this Section 7.02(e). The designation of an investment advisor pursuant to this subparagraph (e) shall remain in effect until revoked in a writing delivered by the Board to the Trustee.

(f) The Trustee may conclusively rely upon investment instructions from a Board Representative, or an investment advisor designated by a Board Representative pursuant to subparagraph (e) above, as to the suitability and legality of such investments.

(g) Moneys in the Acquisition Fund held by the Board shall be invested by the Board in Permitted Investments; *provided* that the maturity date or the date on which such Permitted Investments may be redeemed at the option of the holder thereof shall coincide as nearly as

practicable with (but in no event shall be later than) the date or dates on which moneys in the Acquisition Fund will be required for the purposes thereof.

(h) Although the Board recognizes that it may obtain a broker confirmation or written statement containing comparable information at no additional cost, the Board hereby agrees that confirmations of permitted investments are not required to be issued by the Trustee for each month in which a monthly statement is rendered. No statement need be rendered for any fund or account if no activity occurred in such fund or account during such month.

Section 7.03. Investment Earnings. Any earnings on the 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 that time shall be used as provided in Section 3.02(c) hereof.

Section 7.04. Liability of Trustee for Investments. The Trustee shall not be liable for any loss resulting from the making of any investment made in accordance with the provisions hereof, except for its own negligence, willful misconduct or breach of trust.

Section 7.05. Creation of Rebate Fund. The Board may create and establish the “Rebate Fund,” which shall be administered in accordance with the provisions of the Tax Certificate.

ARTICLE VIII

THE TRUSTEE

Section 8.01. Certain Duties and Responsibilities. (a) Except during the continuance of an Event of Default:

(i) The Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, the Purchase Contract and the Acquisition Agreement (collectively referred to herein as the “Agreements”), and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(ii) In the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture and the Agreements; but in the case of any such certificates or opinions which are required by any provision hereof or thereof the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Indenture or the Agreements.

(b) In case an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture and the Agreements

including those described in (a) above, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances.

(c) No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct or breach of trust, except that:

(i) This subsection shall not be construed to limit the effect of subsection (a) of this Section;

(ii) The Trustee shall not be liable for any error of judgment made in good faith and without negligence by a chairman or vice-chairman of the board of directors, the chairman or vice-chairman of the executive committee of the board of directors, the president, any vice president, the secretary, any assistant secretary, the treasurer, any assistant treasurer, the cashier, any assistant cashier, any trust officer or assistant trust officer, the controller and any assistant controller or any other officer of the Trustee customarily performing functions similar to those performed by any of the above designated officers or, with respect to a particular matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject;

(iii) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith and without negligence in accordance with the direction of the Owners of the Outstanding Certificates as provided herein relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture or the Agreements; and

(iv) Except as otherwise provided herein or therein, no provision of this Indenture or the Agreements shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or thereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it. The Trustee may, nevertheless, begin suit, or appear in and defend suit, or do anything else in its judgment properly to be done by it as the Trustee, without prior assurance of indemnity, and in such case shall be entitled to reimbursement by the Board for all reasonable costs, expenses, attorneys' and other fees, and all other reasonable disbursements, including its own fees, and for all liability and damages suffered by the Trustee in connection therewith except for the Trustee's negligence, willful misconduct or breach of trust.

(d) Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section.

Section 8.02. Certain Rights of Trustee. Except as otherwise provided in Section 8.01 hereof:

(a) The Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note or other paper or document reasonably believed by it to be genuine and to have been signed or presented by the proper party or parties.

(b) Any request or direction of the Board mentioned herein shall be sufficiently evidenced by a certificate of a Board Representative, and any action of the governing board of the Board may be sufficiently evidenced by a copy of a resolution certified by the secretary or an assistant secretary of the Board to have been duly adopted by the Board and to be in full force and effect on the date of such certification and delivered to the Trustee.

(c) Whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon a certificate of a Board Representative.

(d) The Trustee may consult with counsel and the written advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder or under the Agreements in good faith and in reliance thereon.

(e) Except in connection with actions under Section 12.02, the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Certificate Owners pursuant to this Indenture, unless such Certificate Owners shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction.

(f) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit.

(g) The Trustee may engage agents and attorneys to assist it in executing any of the trusts or powers hereunder or performing any duties hereunder.

(h) The Trustee shall be protected in acting upon any notice, order, requisition, request, consent, certificate, order, opinion (including an opinion of independent counsel), affidavit, letter, telegram or other paper or document in good faith

deemed by it to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken by the Trustee pursuant to this Indenture upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the owner of any Certificate, shall be conclusive and binding upon all future owners of the same Certificate and upon Certificates issued in exchange therefor or in place thereof.

(i) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty and the Trustee shall not be answerable for other than its negligence or willful default.

(j) The Trustee shall not be required to take notice or be deemed to have notice of any default hereunder (except failure by the Board to cause to be made any of the payments to the Trustee required to be made by Article IV of the Purchase Contract) unless the Trustee shall be specifically notified in writing of such default by the Board or by the owners of at least 25% in aggregate principal amount of all Certificates then outstanding and all notices or other instruments required by this Indenture to be delivered to the Trustee must, in order to be effective, be delivered at the designated corporate trust office of the Trustee, and in the absence of such notice so delivered the Trustee may conclusively assume there is no default except as aforesaid.

Section 8.03. Employment of Experts. The Trustee is hereby authorized to employ as its agents such attorneys at law, certified public accountants and recognized authorities in their fields (who are not employees of the Trustee), as it reasonably may deem necessary to assist it to carry out any of its obligations hereunder, and shall be reimbursed by the Board for all reasonable expenses and charges in so doing.

Section 8.04. Enforcement of Performance by Others. It shall not be the duty of the Trustee, except as herein provided, to see that any duties and obligations herein or in the applicable Agreements imposed upon the Board are performed.

Section 8.05. Right to Deal in Certificates and Take Other Actions. The Trustee may in good faith buy, sell or hold and deal in any Certificates with like effect as if it were not such Trustee and may commence or join in any action which a Owner is entitled to take with like effect as if the Trustee were not the Trustee. It is understood and agreed that the Trustee engages in a general banking business and no provision hereof is to be construed to limit or restrict the right of the Trustee to engage in such business with the Board or any Owner. So engaging in such business shall not, in and of itself, and so long as the Trustee duly performs all of its duties as required hereby, constitute a breach of trust on the part of the Trustee, but neither shall engaging in such business abrogate, alter or diminish any duty or obligation of the Trustee as Trustee hereunder.

Section 8.06. Removal and Resignation of the Trustee. The Trustee may resign at any time, or may be removed at any time by an instrument or instruments in writing signed by the Owners of not less than a majority in principal amount of Certificates then Outstanding or, if no Event of Default has occurred and is continuing, by the Board. Written notice of such

resignation or removal shall be given by the Trustee to the Board and no termination, resignation or removal of the Trustee shall take effect until the appointment and qualification of a successor Trustee. In the event a successor Trustee has not been appointed and qualified within 60 days of the date notice of resignation is given, the Trustee or the Board may apply to any court of competent jurisdiction for the appointment of a successor Trustee to act until such time as a successor is appointed as provided in this Section.

In the event of the resignation or removal of the Trustee or in the event the Trustee is dissolved or otherwise becomes incapable to act as the Trustee, the Board shall be entitled to appoint a successor Trustee, unless an Event of Default has occurred and is continuing.

If the Owners of a majority in principal amount of Certificates then Outstanding object to the successor Trustee so appointed by the Board and if such Owners designate another person qualified to act as the Trustee, the Board shall then appoint as the Trustee the person so designated by the Owners.

Unless otherwise ordered by a court or regulatory body having competent jurisdiction, or unless required by law, any successor Trustee shall be a trust company or bank having the powers of a trust company as to trusts, in good standing in the State, located in or incorporated under the laws of the State, duly authorized to exercise trust powers and subject to examination by federal or state authority, having a reported capital and surplus of not less than \$75,000,000.

Every successor Trustee howsoever appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Board an instrument in writing, accepting such appointment hereunder, and thereupon such successor Trustee, without further action, shall become fully vested with all the rights, immunities, powers, trusts, duties and obligations of its predecessor, and such predecessor shall execute and deliver an instrument transferring to such successor Trustee all the rights, power and trusts of such predecessor. The predecessor Trustee shall execute any and all documents necessary or appropriate to convey all interest it may have to the successor Trustee. The predecessor Trustee shall promptly deliver all records relating to the trust or copies thereof and communicate all material information it may have obtained concerning the trust to the successor Trustee.

Each successor Trustee, not later than ten days after its assumption of the duties hereunder, shall mail a notice of such assumption to each Owner of a Certificate.

Any banking association or corporation into which the Trustee may be merged, converted or with which the Trustee may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any banking association or corporation to which all or substantially all of the corporate trust business of the Trustee shall be transferred, shall succeed to all the Trustee's right, obligations and immunities hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding; provided that such entity meets the requirements of a successor Trustee set forth in the fourth paragraph of this Section.

Section 8.07. Proof of Claim. The Trustee shall have the right and power to take actions in the name and place of the Board or Owners to make proof of claim in any proceeding, bankruptcy, reorganization or otherwise where proof of claim may be required. Any amount recovered as a result of any such claim, after payment of all fees (including reasonable attorneys' fees), costs, expenses and advances incurred by the Trustee or its agents in pursuing such claim, shall be for the equal benefit of all of the Owners.

Section 8.08. Trustee's Fees and Expenses. The Trustee shall be entitled to be paid from time to time reasonable compensation for all services rendered by it hereunder and under the Agreements (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust); to reimbursement upon request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any provision of this Indenture and the Agreements (including the reasonable compensation and the expenses and disbursements of its counsel and its agents), except any such expense, disbursement or advance as may be attributable to its negligence or bad faith or willful misconduct or breach of trust; and, to the extent permitted by law, to be indemnified for and held harmless against any loss, liability or expense incurred without negligence or bad faith or willful misconduct or breach of trust on its part, arising out of or in connection with the acceptance or administration of this trust or its duties hereunder, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder. The Trustee's rights to compensation, reimbursement and indemnity while serving as Trustee hereunder shall survive resignation or removal of the Trustee or discharge of the Indenture or the Agreements.

Any provision hereof to the contrary notwithstanding, if the Board fails to make any payment properly due the Trustee for its reasonable fees, costs, expenses and fees of attorneys, certified public accountants, recognized authorities in their field and agents (not employees of the Trustee) incurred in performance of its duties or for which the Trustee is entitled to indemnity, the Trustee may reimburse itself from any surplus moneys on hand in any fund or account created pursuant hereto, provided that application of funds upon an Event of Default shall be governed by Section 12.03 hereof.

Section 8.09. Intervention by Trustee. The Trustee may intervene on behalf of the Owners, and shall intervene if requested to do so by an instrument or instruments in writing signed by the Owners of not less than a majority in aggregate principal amount of the Certificates then Outstanding, in any judicial proceeding to which the Board is a party and which in the opinion of the Trustee and its counsel has a substantial bearing on the interest of Owners of the Certificates. The rights and obligations of the Trustee under this Section are subject to the approval of that intervention by a court of competent jurisdiction. The Trustee may require that a satisfactory indemnity bond be provided to it in accordance with Section 8.01 hereof before it takes action hereunder.

Section 8.10. Reports. The Trustee shall quarterly, or at such other intervals as the Trustee and the Board shall from time to time agree upon (but in no event more frequently than monthly), prepare and submit to the Board reports covering all moneys received and all

payments, expenditures and investments made as the Trustee hereunder since the last previous such report.

Section 8.11. Separate or Co-Trustee. At any time or times, solely for the purpose of meeting any legal requirements of any jurisdiction other than Illinois, the Board and the Trustee shall have power to appoint, and, upon the request of the Trustee or of the Owners of at least a majority in aggregate principal amount of Certificates then Outstanding, the Board shall for such purpose join with the Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to appoint, one or more persons, approved by the Trustee and, unless an Event of Default has occurred and is continuing, the Board, either to act as co-trustee or co-trustees, jointly with the Trustee of all or any part of the pledged property, or to act as separate trustee or separate trustees of all or any part of the pledged property, and to vest in such person or persons, in such capacity, such title to the pledged property or any part thereof, and such rights, powers, duties, trusts or obligations as the Board and the Trustee may consider necessary or desirable, subject to the remaining provisions of this Section.

If the Board shall not have joined in such appointment within 15 days after the receipt by it of a request so to do, or in case an Event of Default shall have occurred and be continuing, the Trustee alone shall have power to make such appointment.

The Board shall execute, acknowledge and deliver all such instruments as may reasonably be required by any such co-trustee or separate trustee for more fully and certainly vesting in such co-trustee or separate trustee the property, rights, powers and duties intended to be vested in such co-trustee or separate trustee. The Board shall be under no obligation to prepare any such instruments.

Every co-trustee or separate trustee shall, to the extent permitted by law but to such extent only, be appointed subject to the following terms, namely:

(a) The Certificates shall be authenticated and delivered, and all rights, powers, trusts, duties and obligations hereby conferred upon the trustee in respect to the custody, control and management of moneys, papers, securities and other personal property shall be exercised solely by the trustee.

(b) All rights, powers, trusts, duties and obligations conferred or imposed upon the trustees shall be conferred or imposed upon and exercised or performed by the Trustee, or by the trustee and such co-trustee or co-trustees or separate trustee or separate trustees jointly, as shall be provided in the instrument appointing such co-trustee or co-trustees or separate trustee or separate trustees, except to the extent that, under the law of any jurisdiction in which any particular act or acts are to be performed, the Trustee shall be incompetent or unqualified to perform such act or acts, in which event such act or acts shall be performed by such co-trustee or co-trustees or separate trustee or separate trustees.

(c) Any request in writing by the Trustee to any co-trustee or separate trustee to take or to refrain from taking any action hereunder shall be sufficient warrant for the

taking, or the refraining from taking, of such action by such co-trustee or separate trustee and such co-trustee or separate trustee shall abide by such request.

(d) Any co-trustee or separate trustee may, to the extent permitted by law, delegate to the Trustee the exercise of any right, power, trust, duty or obligation, discretionary or otherwise.

(e) The Trustee may at any time, by any instrument in writing, with the concurrence of the Board, accept the resignation of or remove any co-trustee or separate trustee appointed under this Section, and, in case an Event of Default shall have occurred and be continuing, the Trustee shall have power to accept the resignation of, or remove, any such co-trustee or separate trustee without the concurrence of the Board. Upon the request of the Trustee, the Board shall join with the Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to effectuate such resignation or removal. The Board shall be under no obligation to prepare, record or file any such instruments or agreements.

(f) No Trustee hereunder shall be personally liable by reason of any act or omission of any other Trustee hereunder, nor will the act or omission of any Trustee hereunder be imputed to any other Trustee.

(g) Any demand, request, direction, appointment, removal, notice, consent, waiver or other action in writing delivered to the Trustee shall be deemed to have been delivered to each such co-trustee or separate trustee.

(h) Any moneys, papers, securities or other items of personal property received by any such co-trustee or separate trustee hereunder shall forthwith, so far as may be permitted by law, be turned over to the Trustee.

Upon the acceptance in writing of such appointment by any such co-trustee or separate trustee, it or he shall be vested jointly with the Trustee (except insofar as local law makes it necessary for any such co-trustee or separate trustee to act alone) with such title to the pledged property or any part thereof, and with such rights, powers, duties or obligations, as shall be specified in the instrument of appointment subject to all the terms hereof. Every such acceptance shall be filed with the Trustee. To the extent permitted by law, any co-trustee or separate trustee may, at any time by an instrument in writing, constitute the Trustee, its or his attorney-in-fact and agent, with full power and authority to do all acts and things and to exercise all discretion on its or his behalf and in its or his name.

In case any co-trustee or separate trustee shall die, become incapable of acting, resign or be removed, the title to the pledged property, and all rights, powers, trusts, duties and obligations of said co-trustee or separate trustee shall, so far as permitted by law, vest in and be exercised by the trustee unless and until a successor co-trustee or separate trustee shall be appointed in the manner herein provided.

Section 8.12. Recitals and Representations. The recitals, statements and representations contained herein, or in any Certificate (excluding the Trustee's execution of the Certificates or any recitals or representations concerning the Trustee or its powers) shall not be taken or construed as made by the Trustee, and the Trustee neither assumes nor shall be under any responsibility for the correctness of the same.

The Trustee makes no representation as to, and is not responsible for, the validity or sufficiency hereof, of the Certificates, or the validity or sufficiency of insurance to be provided or, except as herein required, the filing or recording or registering of any document. The Trustee shall be deemed not to have made representations as to the security afforded hereby or hereunder or as to the validity or sufficiency of such document. The Trustee shall not be concerned with or accountable to anyone for the use or application of any moneys which shall be released or withdrawn in accordance with the provisions hereof. The Trustee shall have no duty of inquiry with respect to any default or Events of Default described herein without actual knowledge of or receipt by the Trustee of written notice of a default or an Event of Default from the Board or any Owner.

ARTICLE IX

MODIFICATION OR AMENDMENT OF AGREEMENTS

Section 9.01. Amendments Permitted. This Indenture and the rights and obligations of the Owners of the Certificates and the Purchase Contract and the rights and obligations of the parties thereto and the Acquisition Agreement may be modified or amended at any time by a supplemental agreement which shall become effective when the written consents of the Owners of a majority in aggregate principal amount of the Certificates then Outstanding, exclusive of Certificates disqualified as provided in Section 9.03 hereof, shall have been filed with the Trustee. Unless approved in writing by the Owners of all the Certificates affected thereby, nothing herein contained 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 this 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.

This Indenture and the rights and obligations of the Owners of the Certificates, and the Purchase Contract and the Acquisition Agreement and the rights and obligations of the parties thereto, may be modified or amended at any time by a supplemental agreement, without the consent of any such Owners, but only to the extent permitted by law and only as follows:

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

(b) to add to the covenants and agreements of the Board contained in this 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 this Indenture;

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

(e) to modify, alter, amend or supplement this 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 ratings on the Certificates from Moody's and/or S&P; and

(i) to provide for the appointment of a successor Trustee.

Any such supplemental agreement shall become effective upon execution and delivery by the parties hereto or thereto as the case may be.

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, amendments to Exhibit B to the Purchase Contract for the purposes described in Section 3.6 or Section 5.4(b) of the Purchase Contract may be made solely at the direction of the Board Representative.

Section 9.02. Procedure for Amendment with Written Consent of Certificate Owners. In the event the consent of the Owners of the Certificates to an amendment to the Purchase Contract, the Acquisition Agreement or this Indenture is required pursuant to Section 9.01 hereof, a copy of such supplemental agreement, together with a request to the Certificate Owners for their consent thereto, shall be mailed by first class United States mail, postage prepaid, by the Trustee to each Owner of a Certificate at his address as set forth on the Certificate registration books maintained pursuant to Section 2.12 hereof, but failure to mail copies of such supplemental agreement and request shall not affect the validity of the supplemental agreement when assented to as in this Section provided. Solicitation of consents with respect to any such

amendment may be made in a manner consistent with the procedures of DTC while the Certificates are in book-entry form.

Such supplemental agreement shall not become effective unless there shall be filed with the Trustee the written consents of the Owners of a majority in aggregate principal amount of the Certificates then Outstanding (exclusive of Certificates disqualified as provided in Section 9.03 hereof). The consent of an Owner of a Certificate shall be effective only if ownership of the Certificates for which such consent is given is proved in accordance with Section 2.11 hereof. Any such consent shall be binding upon the Owner of the Certificate giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof).

After the Owners of the required percentage of Certificates shall have filed their consents to such supplemental agreement, the Trustee shall mail a notice to the Owners of the Certificates in the manner hereinbefore provided in this Section for the mailing of such supplemental agreement of the notice of adoption thereof, stating in substance that such supplemental agreement has been consented to by the Owners of the required percentage of Certificates and will be effective as provided in this Section (but failure to mail copies of said notice shall not affect the validity of such supplemental agreement or consents thereto). A record, consisting of the papers required by this Section to be filed with the Trustee, shall be conclusive proof of the matters therein stated. Such supplemental agreement shall become effective upon the mailing of such last-mentioned notice.

Section 9.03. Disqualified Certificates. 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) 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 this Indenture, and shall not be entitled to vote upon, consent to, or take any other action provided for in this Indenture, unless all Outstanding Certificates are so held by the Board.

The Trustee may require each Certificate Owner, before his consent provided for in this Article IX shall be deemed effective, to certify that the Certificates as to which such consent is given are not disqualified as provided in this Section 9.03.

Section 9.04. Effect of Supplemental Agreement. From and after the time any supplemental agreement becomes effective pursuant to this Article IX, this Indenture, the Purchase Contract or the Acquisition Agreement, as the case may be, shall be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations of the parties hereto or thereto and all Owners of Certificates Outstanding, as the case may be, shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any supplemental agreement shall be deemed to be part of the terms and conditions of this Indenture, the Purchase Contract or the Acquisition Agreement, as the case may be, for any and all purposes.

ARTICLE X

COVENANTS; NOTICES

Section 10.01. Compliance with and Enforcement of Purchase Contract. The Board and the Trustee each covenants and agrees with the Owners of the Certificates to perform all obligations and duties imposed on it under the Purchase Contract and the Acquisition Agreement.

The Board will not do or permit anything to be done, or omit or refrain from doing anything, in any case where any such act done or permitted to be done, or any such omission of or refraining from action, would or might be a ground for cancellation or termination of the Purchase Contract by the Trustee thereunder.

Section 10.02. Observance of Laws and Regulations. The Board will well and truly keep, observe and perform all valid and lawful obligations or regulations now or hereafter imposed on it by contract, or prescribed by any law of the United States, or of the State, or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of any and every right, privilege or franchise now owned or hereafter acquired by the Board, including its right to exist as a body corporate under the laws of the State, to the end that such rights, privileges and franchises shall be maintained and preserved, and shall not become abandoned, forfeited or in any manner impaired.

Section 10.03. Prosecution and Defense of Suits. The Board shall promptly, upon request of the Trustee or any Certificate Owner, from time to time take such action as may be necessary or proper to remedy or cure any defect in or cloud upon the title to the Improvements, whether now existing or hereafter developing and shall prosecute all such suits, actions and other proceedings as may be appropriate for such purpose and, to the extent permitted by law, shall indemnify and save the Trustee and every Certificate Owner harmless from all loss, cost, damage and expense, including attorneys' fees, which they or any of them may incur by reason of any such defect, cloud, suit, action or proceeding.

Section 10.04. Filing. The Board shall file all such documents as may be required by law (and shall take all further actions which may be necessary or be reasonably required by the Trustee), all in such manner, at such times and in such places as may be required by law in order fully to preserve, protect and perfect the security of the Trustee and the Certificate Owners.

Section 10.05. Payments Due on Non-Business Days. If a payment date is not a Business Day at the place of payment, then payment may be made at that place on the next Business Day, and no interest shall accrue for the intervening period.

Section 10.06. Further Assurances. The Trustee and the Board will make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture and the Purchase Contract, and for the better assuring and confirming unto the Owners of the Certificates the rights and benefits provided herein.

Section 10.07. Action upon Termination of Purchase Contract. In the event the Purchase Contract is terminated pursuant to Section 4.2 (b) of the Purchase Contract and the Board does not exercise its option to purchase all of the Improvements as set forth in Article IX of the Purchase Contract, or in the event the Purchase Contract is terminated pursuant to Section 8.2(b) thereof, the Trustee agrees, to the extent permitted by law, to take immediate title to and possession of the Improvements and to use its best efforts to re-let or sell the Improvements. This covenant shall be enforceable by the Trustee and the Owners, subject to the requirements of Article XII hereof.

Section 10.08. Parties Interested Herein. Nothing in this Indenture expressed or implied is intended or shall be construed to confer upon, or to give or grant to, any person or entity, other than the Board, the Trustee and the Certificate Owners, any right, remedy or claim under or by reason of this Indenture or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Indenture contained by and on behalf of the Board shall be for the sole and exclusive benefit of the Board, the Trustee and the Certificate Owners.

ARTICLE XI

LIMITATION OF LIABILITY

Section 11.01. Limited Liability of Board. Except for the payment of Installment Payments, Additional Payments and Prepayments when due in accordance with the Purchase Contract and the performance of the other covenants and agreements of the Board contained herein and in said Purchase Contract, the Board shall have no pecuniary obligation or liability to any of the other parties or to the Owners of the Certificates with respect to this Indenture or the terms, execution, delivery or transfer of the Certificates, or the distribution of Installment Payments to the Owners by the Trustee. THE OBLIGATION OF THE BOARD TO MAKE INSTALLMENT PAYMENTS AND ADDITIONAL PAYMENTS DOES NOT CONSTITUTE A DEBT OF THE BOARD OR THE STATE WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION. THE INSTALLMENT PAYMENTS AND ADDITIONAL PAYMENTS 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.

No recourse shall be had for the payment of the principal of, redemption premium, if any, and interest on any of the Certificates or for any claim based thereon or upon any obligation, covenant or agreement contained in this Indenture or the Purchase Contract against any past, present or future trustee, officer, agent or employee of the Board, as such, either directly or through the Board or any successor of the Board, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such trustee, officer, agent or employee as such is hereby expressly waived and released as a condition of and consideration for the execution of this Indenture and the Purchase Contract and the issuance of the Certificates.

Section 11.02. No Liability of the Board for Trustee Performance. The Board shall have no obligation or liability to the Owners of the Certificates with respect to the performance by the Trustee of any duty imposed upon it under this Indenture.

Section 11.03. Limitation of Rights to Parties and Certificate Owners. Nothing in this Indenture or in the Certificates expressed or implied is intended or shall be construed to give any person other than the Board, the Trustee and the Owners of the Certificates, any legal or equitable right, remedy or claim under or in respect of this Indenture or any covenant, condition or provision hereof; and all such covenants, conditions and provisions are and shall be for the sole and exclusive benefit of the Board, the Trustee and the Owners.

Section 11.04. No Liability of the Trustee for Payment of Installment Payments by Board. Except as expressly provided herein, the Trustee shall not have any obligation or liability to the Owners of the Certificates with respect to the payment of the Installment Payments by the Board when due, or with respect to the performance by the Board of any other covenant made by it in the Purchase Contract.

ARTICLE XII

EVENTS OF DEFAULT AND REMEDIES OF CERTIFICATE OWNERS

Section 12.01. Remedies. Upon the occurrence of an Event of Default, the Trustee may and shall, at the direction of the Owners of not less than 25% in aggregate principal amount of 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 thereby 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 this 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.

Section 12.02. Institution of Legal Proceedings. If one or more Events of Default shall happen and be continuing, the Trustee may, or upon the written request of the Owners of not less than 25% in aggregate principal amount of the Certificates then Outstanding and upon being indemnified to its satisfaction therefor shall, proceed to protect or enforce its rights or the rights of the Owners of Certificates by a suit in equity or action at law, either for the specific performance of any covenant or agreement contained herein, the foreclosure of any lien granted herein, or in aid of the execution of any power herein granted, or by mandamus or other appropriate proceeding for the enforcement of any other legal or equitable remedy as the Trustee shall deem most effectual in support of any of its rights or duties hereunder.

Section 12.03. Application of Funds. All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article XII or Article VIII of 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.

Section 12.04. Non-waiver. Nothing in this Article XII or in any other provision of this Indenture or in the Certificates shall affect or impair the obligation of the Board, which is absolute and unconditional, to pay or prepay the Installment Payments as provided in the Purchase Contract, or affect or impair the right of action, which is also absolute and unconditional, of the Certificate Owners to institute suit to enforce and collect such payment. No delay or omission of the Trustee or of any Owner of any of the Certificates to exercise any right or power arising upon the happening of any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or an acquiescence therein, and every power and remedy given by this Article XII to the Trustee or the Owners of Certificates may be exercised from time to time and as often as shall be deemed expedient by the Trustee or the Certificate Owners.

Section 12.05. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee or to the Certificate Owners is intended to be exclusive of any other remedy, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise.

Section 12.06. Power of Trustee to Control Proceedings. In the event that the Trustee, upon the happening of an Event of Default, shall have taken any action, by judicial proceedings or otherwise, pursuant to its duties hereunder, whether upon its own discretion or upon the request of the Owners of not less than 25% in aggregate principal amount of the Certificates then Outstanding, it shall have full power, in the exercise of its discretion for the best interests of the Owners of the Certificates, with respect to the continuance, discontinuance, withdrawal,

compromise, settlement or other disposal of such action; *provided, however*, that the Trustee shall not discontinue, withdraw, compromise or settle, or otherwise dispose of any litigation pending at law or in equity, without the consent of a majority in aggregate principal amount of the Certificates Outstanding.

Section 12.07. Limitation on Certificate Owners' Right to Sue. No Owner of any Certificate issued hereunder shall have the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon this Indenture, unless (a) such Owner shall have previously given to the Trustee written notice of the occurrence of an Event of Default hereunder; (b) the Owners of not less than 25% in aggregate principal amount of all the Certificates then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (c) said Owners shall 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 after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of Certificates of any remedy hereunder; it being understood and intended that no one or more Owners of Certificates shall have any right in any manner whatever by his or their action to enforce any right under this Indenture, except in the manner herein provided, and that all proceedings at law or in equity with respect to an Event of Default shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Owners of the Outstanding Certificates.

The right of any Owner of any Certificate to receive payment of said Owner's proportionate interest in the Installment Payments as the same become due, or to institute suit for the enforcement of such payment, shall not be impaired or affected without the written consent of such Owner, notwithstanding the foregoing provisions of this Section or any other provision of this Indenture.

ARTICLE XIII

MISCELLANEOUS

Section 13.01. Defeasance. If and when all Outstanding Certificates shall be paid and discharged in any one or more of the following ways then, at the election of the Board, and notwithstanding that any Certificates shall not have been surrendered for payment, all obligations of the Trustee and the Board under this Indenture with respect to all Outstanding Certificates shall cease and terminate, except only the obligation of the Trustee to pay or cause to be paid to the Owners of the Certificates not so surrendered and paid all sums due thereon, without further payment of interest or earnings thereon:

(a) By well and truly paying or causing to be paid the principal of and interest with respect to all Certificates Outstanding, as and when the same become due and payable;

(b) By depositing with the Trustee, in trust, at or before maturity, money which, together with the amounts then on deposit in the Installment Payment Fund, is fully sufficient to pay all Certificates Outstanding, including all principal thereof and interest and premium, if any thereon; or

(c) By irrevocably depositing with the Trustee, in trust, direct, non-callable obligations of the United States of America consisting of United States Treasury bills, certificates, notes and bonds (including State and Local Government Series), and non-callable zero coupon United States Treasury bonds in such amount as an independent certified public accountant shall certify and determine will, together with the interest to accrue thereon, the beginning cash deposit and amounts then on deposit in the Installment Payment Fund, together with the interest to accrue thereon, be fully sufficient, without reinvestment, to pay and discharge all Certificates (including all principal and interest) at or before their respective maturity dates, as provided in Section 9.1 of the Purchase Contract.

Any funds held by the Trustee, at the time of one of the events described in paragraphs (a) through (c) of this Section, which are not required for the payment to be made to Owners, shall be paid over to the Board.

Any Certificate or portion thereof in authorized denominations may be paid and discharged as provided in this Section; *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 hereof 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 referred to in paragraphs (b) through (c) of this Section, the Trustee shall give notice of such deposit by first class mail to the Owners.

If the Board makes the advance deposit required by Section 9.1 of the Purchase Contract, or prepayes the Installment Payments in full pursuant to Section 9.2 of the Purchase Contract, or pays all Installment Payments during the term of the Purchase Contract as the same become due and payable, any right, title and interest of the Trustee in and to each element of the Improvements shall be transferred to and vested in the Board. The Trustee agrees to take any and all steps and execute and record any and all documents reasonably required by the Board to evidence the termination of any right, title and interest of the Trustee in the Improvements.

Section 13.02. Notices. All written notices to be given under this Indenture shall be given by mail or personal delivery to the party entitled thereto at its address set forth below, or at such address as the party may provide to the other party in writing from time to time. Notice shall be effective either (i) upon deposit in the United States mail, postage prepaid (ii) upon deposit with

an overnight courier, (iii) upon the sending of a facsimile communication, or, in the case of personal delivery, upon delivery to the address set forth below:

If to the Board:

Vice President for Administrative Services
of the University and Treasurer of the Board
Western Illinois University
Sherman Hall 200
1 University Circle
Macomb, Illinois 61455-1390
Facsimile: (309) 298-1802
Telephone: (309) 298-1800

If to the Trustee:

U.S. Bank National Association
Corporate Trust Services
MK-IL-RY3B
209 South LaSalle Street, Suite 300
Chicago, Illinois 60604
Attention: Corporate Trust Administration, Vernita Anderson
Facsimile: (312) 325-8973
Telephone: (312) 325-8773

Section 13.03. Governing Law. This Indenture shall be construed and governed in accordance with the laws of the State.

Section 13.04. Binding Effect; Successors. This Indenture shall be binding upon and inure to the benefit of the parties and their respective successors and assigns. Whenever in this Indenture either the Trustee or the Board is named or referred to, such reference shall be deemed to include successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the Trustee or the Board shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 13.05. Execution in Counterparts. This Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same agreement.

Section 13.06. Destruction of Cancelled Certificates. Whenever in this Indenture provision is made for the surrender to or cancellation by the Trustee and the delivery to the Board of any Certificates, the Trustee may, upon the request of the Board Representative, in lieu of such cancellation and delivery, destroy such Certificates and deliver a certificate of such destruction to the Board.

Section 13.07. Waiver of Notice. Whenever in this Indenture the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 13.08. Separability of Invalid Provisions. In case any one or more of the provisions contained in this Indenture or in the Certificates shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such invalidity, illegality or unenforceability shall not affect any other provision of this Indenture, and this Indenture shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The parties hereto hereby declare that they would have entered into this Indenture and each and every other section, paragraph, sentence, clause or phrase hereof and authorized the delivery of the Certificates pursuant thereto irrespective of the fact that any one or more sections, paragraphs, sentences, clauses or phrases of this Indenture may be held illegal, invalid or unenforceable.

Section 13.09. Filing; Bills of Sale. The Trustee shall be responsible for the filing of any continuation statements as may be required by law in order to continue the effectiveness of any U.C.C. filing made upon the initial execution and delivery of the Certificates and for filing any supplemental instruments or continuation statements which it is advised in an Opinion of Counsel are required in order to continue the perfection of any security interest created by this Indenture and shall hold all financing documents, bills of sale, and transfer same, as required by the provisions of this Indenture.

IN WITNESS WHEREOF, the parties have executed this Indenture as of the date and year first above written.

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By _____
Authorized Officer

Attest

By _____
Authorized Officer

BOARD OF TRUSTEES OF WESTERN
ILLINOIS UNIVERSITY

(SEAL)

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

Attest

By _____
Chair

INSTALLMENT PURCHASE CONTRACT

by and between

U.S. BANK NATIONAL ASSOCIATION

and

BOARD OF TRUSTEES
OF WESTERN ILLINOIS UNIVERSITY

Dated as of [Date] 1, 2010

INSTALLMENT PURCHASE CONTRACT

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and is only for convenience of reference.)

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INSTALLMENT PURCHASE CONTRACT

THIS INSTALLMENT PURCHASE CONTRACT (the “*Purchase Contract*”), dated as of [Date] 1, 2010, by and between U.S. BANK NATIONAL ASSOCIATION, a national banking association duly organized and existing under the laws of the United States of America, as Trustee (the “*Trustee*”), and the BOARD OF TRUSTEES OF WESTERN ILLINOIS UNIVERSITY, a body corporate and politic of the State of Illinois (the “*Board*”);

WITNESSETH:

WHEREAS, pursuant to the Acquisition Agreement (as defined herein) the Trustee has agreed to cause the acquisition, construction and equipping of, or improvements to, certain real and personal property described in *Exhibit B* hereto (the “*Improvements*”); and

WHEREAS, the Trustee has proposed to sell such Improvements to the Board, and the Board is authorized pursuant to the laws of the State, including but not limited to the Western Illinois University Law, 110 ILCS 690/35-1 *et seq.* and the State University Certificates of Participation Act, 110 ILCS 73/1 *et seq.* (collectively, the “*Acts*”), to enter into purchase contracts and issue certificates of participation therein for such purposes:

NOW, THEREFORE, in consideration of the above premises and of the mutual covenants hereinafter contained and for other good and valuable consideration, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS AND EXHIBITS

Section 1.1. Definitions. Unless the context otherwise requires, the capitalized terms used but not defined in this Purchase Contract shall have the meanings specified in the Indenture of Trust dated as of [Date] 1, 2010, by and between the Trustee and the Board.

Section 1.2. Exhibits. The following Exhibits are attached to, and by reference made a part of, this Purchase Contract:

Exhibit A: The schedule of Installment Payments to be paid by the Board hereunder with respect to the Improvements, showing each Installment Payment Date and the amount of each Installment Payment.

Exhibit B: The description of the Improvements.

ARTICLE II

REPRESENTATIONS, COVENANTS AND WARRANTIES

Section 2.1. Representations, Covenants and Warranties of the Board. The Board represents, covenants and warrants to the Trustee as follows:

(a) *Authorization.* The Constitution and the Acts authorize the Board to enter into this Purchase Contract, the Acquisition Agreement and the Indenture and to enter into the transactions contemplated by and to carry out its obligations under all of the aforesaid agreements, and the Board has duly authorized and executed all of the aforesaid agreements. The maximum annual debt service for the Board's total certificate of participation obligation does not now, and will not, exceed the limit imposed by Section 30 of the State Universities Certificate of Participation Act (110 ILCS 73/30) *et seq.*

(b) *No Violations.* The execution and delivery of this Purchase Contract, the Acquisition Agreement, the Indenture and the Official Statement dated [Date] __, 2010, relating to the Certificates, and the adoption of the Board's Resolution dated December 18, 2009, relating to the Certificates and the fulfillment of and compliance with the terms and conditions hereof or thereof, and the consummation of the transactions contemplated hereby or thereby, do not conflict with or result in any violation of, a breach of or constitute a default under, the Board's Bylaws, any resolution adopted by the Board, any law or administrative regulation or any of the terms, conditions or provisions of any judgment, decree, loan agreement, note, resolution, indenture, mortgage, deed of trust or other agreement or instrument to which the Board is now a party or by which the Board or any of its property is bound, or result in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of the Board, or upon the Improvements, except Permitted Encumbrances.

(c) *Execution and Delivery.* The Board has duly authorized, executed and delivered this Purchase Contract in accordance with the laws of the State and upon such execution and delivery this Purchase Contract will be a valid and binding agreement of the Board pursuant to its provisions.

(d) *Budget Requests.* For each fiscal year of the State during the term of this Purchase Contract the Board will include in its annual budget request for Western Illinois University to the legislature of the State during each appropriation period a request for an appropriation for the University sufficient to make 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 covenants to include in each annual operating budget for Western Illinois University an amount of Legally Available Nonappropriated Funds which, when combined with State appropriated funds, will be sufficient to make the Installment Payments and Additional Payments when due in each fiscal year.

(e) *Additional Debt.* The Board shall incur no obligations secured by a lien or payment priority on the Board's appropriation superior to the rights of the Owners of the Certificates.

(f) *No Impairment.* The Board agrees that once a final appropriation by the State of funds necessary to make Installment Payments and Additional Payments for each fiscal year has been made by the State, the Board will not take any actions which would impair its ability to make Installment Payments and Additional Payments under this Purchase Contract from such appropriations during such fiscal year and shall make such payments to the Trustee as set forth in Section 4.4 hereof.

Section 2.2. Representations, Covenants and Warranties of the Trustee. The Trustee represents, covenants and warrants to the Board as follows:

(a) *Due Organization and Existence.* The Trustee is a banking association duly organized and existing under the laws of the United States of America and is qualified to do business in the State; has power to enter into this Purchase Contract, the Acquisition Agreement and the Indenture; is possessed of full power to own, hold, acquire, construct, improve and equip the Improvements, and to lease and sell the same; and has duly authorized the execution and delivery of all of the aforesaid agreements.

(b) *No Encumbrances.* The Trustee will not pledge the Installment Payments or other amounts derived from the Improvements and from its other rights under this Purchase Contract, and will not transfer or encumber its interest in the Improvements, except as provided under the terms of this Purchase Contract and the Indenture.

(c) *No Violations.* To the best knowledge of the officers and employees of the Trustee immediately responsible for discharging the Trustee's responsibilities under this Purchase Contract, neither the execution and delivery of this Purchase Contract, the Acquisition Agreement, or the Indenture, nor the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Trustee is now a party or by which the Trustee or any of its property is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of the Trustee, or upon the Improvements, except Permitted Encumbrances.

(d) *No Assignments.* Except as provided herein, the Trustee will not assign this Purchase Contract, its right to receive Installment Payments from the Board, or its duties and obligations hereunder to any other person, firm or corporation so as to impair or violate the representations, covenants and warranties contained in this Section 2.2.

(e) *Disclaimer.* The Board acknowledges that the Improvements being purchased hereby are simultaneously being acquired by the Trustee at the Board's request pursuant to the Acquisition Agreement specifically for the purpose of selling the

Improvements back to the Board pursuant to the terms hereof; the Improvements will be purchased on the basis of specifications and requirements furnished by the Board; and the Trustee has not held itself out as having knowledge or skill particular to the Improvements or made any affirmations of fact regarding the Improvements.

ARTICLE III

DEPOSIT OF MONEYS; ACQUISITION OF THE IMPROVEMENTS

Section 3.1. Deposit of Moneys. On the Closing Date, the Trustee will transfer the net proceeds of the sale of the Certificates to the Board for deposit into the Acquisition Fund to pay Acquisition Costs and Delivery Costs.

Section 3.2. Acquisition of the Improvements. (a) The Trustee shall undertake the Improvements in accordance with the applicable Improvements Documents to the extent and only to the extent that the Board discharges the Trustee's responsibilities under this Section 3.2. The Board hereby agrees to cause the Improvements to be acquired, constructed and equipped solely as the Trustee's agent hereunder and will undertake the Improvements in accordance with the applicable Improvements Documents. Each Improvement Contract has been or shall be awarded by the Board to a Contractor authorized to do business with the Board, and such Improvement Contract shall be awarded after such public bidding and following such procedures as may be required by the applicable laws relating to the awarding of contracts of a similar nature by the Board.

(b) The Board, as agent of the Trustee for such purpose, agrees to acquire, construct and equip the Improvements in accordance with the construction and acquisition schedule prepared therefor as the same may be revised from time to time.

(c) If an Event of Default shall occur prior to the delivery of the Completion Certificate required under Section 4.3 hereof, the moneys remaining in the Acquisition Fund shall be disbursed by the Board to the Trustee and be used as provided in the Indenture.

Section 3.3. Licenses for Improvements. In consideration of the Trustee's agreement to undertake the Improvements in accordance with, and subject to the terms, conditions and limitations hereof, the Board hereby grants to the Trustee an irrevocable license (which shall be considered as coupled with an interest) to enter onto the sites of the Improvements (the "Sites") for the purposes of (a) acquiring, constructing and equipping the Improvements on the Sites and (b) ingress and egress to and from the Sites in connection with the acquisition, construction and equipping of the Improvements. The license granted hereby shall be subject to (i) all liens and encumbrances affecting the Sites from time to time, whether now existing or hereafter arising and (ii) the Board's absolute right to use and enjoyment with respect to the Sites, subject only to the terms, conditions and limitations of this Purchase Contract.

Section 3.4. Right to Inspect Improvements Documents. The Board shall have and keep on file and available for inspection by the Trustee copies of the Improvements Documents (except Improvements Documents that are in the possession of the Trustee), throughout the Term of this Purchase Contract, or as soon after the commencement of the Term of this Purchase Contract as such Improvements Documents shall become available to the Board. Neither the Improvements Documents nor any changes or amendments thereto shall (a) cause the Improvements to be used for any purpose prohibited by this Purchase Contract or by the Constitution and laws of the State or (b) adversely affect the ability of the Board to meet its obligations hereunder.

Section 3.5. Financing the Improvements; Amendment of Exhibit B. For the purpose of paying Acquisition Costs and Delivery Costs, the Board hereby directs the Trustee (which direction the Trustee hereby accepts) to execute and deliver the Certificates pursuant to the Indenture and to deposit the proceeds from the sale thereof as provided in Section 3.1 hereof. The description of the Improvements in *Exhibit B* may be supplemented or amended at any time by resolution of the Board upon receipt of a Favorable Opinion of Special Counsel with respect to such supplement or amendment.

Section 3.6. Disbursements from the Acquisition Fund. The Trustee has, in the Indenture, authorized the Board to make payments from the Acquisition Fund to pay Acquisition Costs and Delivery Costs.

Section 3.7. Unexpended Proceeds. All excess moneys remaining in the Acquisition Fund and not required for payment of Delivery Costs and Acquisition Costs shall be used as described in Section 3.02(c) of the Indenture.

ARTICLE IV

AGREEMENTS TO SELL AND ACQUIRE; TERMINATION OF THIS PURCHASE CONTRACT; INSTALLMENT PAYMENTS; ADDITIONAL PAYMENTS; TITLE TO THE IMPROVEMENTS

Section 4.1. Sale and Acquisition. The Trustee hereby sells the Improvements to the Board, and the Board hereby acquires the Improvements from the Trustee, upon the terms and conditions set forth in this Purchase Contract.

Section 4.2. Term of Agreement; Termination. (a) The Term of this Purchase Contract shall commence on the date hereof, and continue until October 1, 20__, unless terminated pursuant to Sections 4.2(b), 4.2(c) or 4.2(d) hereof (the "*Expiration Date*"). If the Indenture shall be discharged by its terms prior to the Expiration Date, the Term of this Purchase Contract shall thereupon end.

(b) This Purchase Contract and the Board's obligations to pay Installment Payments and Additional Payments hereunder shall be subject to termination 60 days after the Board

certifies to the Trustee that (i) 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 to be paid from State-appropriated funds (an “*Event of Nonappropriation*”) and (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.

(c) The Board is granted the option to terminate this Purchase Contract on any date on or after October 1, 20___. In order to exercise such option to terminate this Purchase Contract, the Board shall give written notice to the Trustee, not less than 60 days prior to the date of termination, that is exercising its option to terminate this Purchase Contract. If the Board exercises such option to terminate this Purchase Contract, Installment Payments due after the termination date are subject to prepayment in whole on the date of termination as set forth in Section 9.3(a) hereof.

(d) Failure of the Board to provide for the payments to the Trustee required by Section 4.4 hereof may terminate all of the Board’s right, title and interest in this Purchase Contract and to all of the Improvements as provided in Section 8.2 hereof.

Section 4.3. Possession. Following the acquisition, construction and equipping of the Improvements by the Trustee, the Board agrees to take possession of the Improvements and deliver a written certificate of possession and acceptance of such Improvements (the “*Completion Certificate*”) to the Trustee within 30 days after the acquisition, construction and equipping of all of the Improvements has been completed.

Section 4.4. Installment Payments.

(a) *Obligation to Pay.* Subject to the provisions of Section 4.2 and Article IX hereof, the Board agrees to pay to the Trustee, its successors and assigns, as payment for the purchase price of the Improvements, the total Installment Payments in each fiscal year (denominated into components of principal and interest) for the Improvements in the respective amounts specified in *Exhibit A*. No later than the business day before April 1 and October 1 of each fiscal year, 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. Any amount held in the Installment Payment Fund on any Installment Payment Date (other than amounts required for payment of past due principal or interest with respect to any Certificates not presented for payment) shall be credited towards the Installment Payments then due and payable; and no Installment Payments need be made on any Installment Payment Date if the amounts then held in the Installment Payment Fund on such date are at least equal to the Installment Payments then required to be paid. The Board’s obligation to make Installment Payments hereunder shall not be subject to the Board’s acceptance, use or occupancy of the Improvements.

(b) *Effect of Prepayment.* In the event that the Board prepays all remaining Installment Payments in full pursuant to Article IX hereof, the Board’s obligations under this Purchase

Contract shall thereupon cease and terminate, including but not limited to the Board's obligation to pay Installment Payments under this Section.

(c) *Rate on Overdue Payments.* In the event the Board should fail to make any of the payments required in this Section 4.4, the payment in default shall continue as an obligation of the Board until the amount in default shall have been fully paid, and the Board agrees to pay the same with interest thereon at the rate borne by the related Certificates, to the extent permitted by law, from the date of default to the date of payment.

(d) *Fair Purchase Value.* The Installment Payments for Improvements for each payment period during the term of this Purchase Contract shall constitute the total payment for such Improvements for such payment period, and shall be paid by the Board in each payment period for the continued quiet use and enjoyment of such Improvements during each such period for which said payment is to be paid. The parties hereto have agreed and determined that the total Installment Payments for the Improvements represent the fair purchase value of such Improvements. In making such determination, consideration has been given to the appraised value of such Improvements, other obligations of the parties under this Purchase Contract, the uses and purposes which may be served by the Improvements and the Acquisition Costs and the benefits therefrom which will accrue to the Board and the general public.

(e) *Establishment of Trust.* The Board understands and agrees that all interest of the Trustee in and to the Improvements and the Installment Payments have been granted in trust, pursuant to the Indenture, for the benefit of the Owners of the Certificates, and the Board hereby assents to the establishment of such trust. The Board hereby agrees to pay to the Trustee at the Trustee's designated corporate trust operations office, or to the Trustee at such other place as the Trustee shall direct in writing, all payments payable by the Board pursuant to this Section 4.4 and all amounts payable by the Board pursuant to Article IX hereof.

Section 4.5. Quiet Enjoyment. During the Term of this Purchase Contract, and subject to the completion of the acquisition, construction and equipping of the Improvements as evidenced by the delivery to the Trustee from the Board of the Completion Certificate required under Section 4.3 hereof, the Trustee shall provide the Board with quiet use and enjoyment of the Improvements, and the Board shall during such Term peaceably and quietly have and hold and enjoy the Improvements, without suit, trouble or hindrance from the Trustee, except as expressly set forth in this Purchase Contract. The Trustee will, at the request of the Board and at the Board's cost, join in any legal action in which the Board asserts its right to such possession and enjoyment to the extent the Trustee may lawfully do so. Notwithstanding the foregoing, the Trustee shall have the right to inspect the Improvements as provided in Section 6.2 hereof.

Section 4.6. Title. During the Term of this Purchase Contract, the Board shall hold title to the Improvements and any and all additions which comprise fixtures, repairs, replacements or modifications thereof. Upon the delivery of this Purchase Contract, title to the Improvements then in existence will automatically vest in the Board without action by the Trustee, and title to all Improvements acquired after the delivery of this Purchase Contract shall automatically vest in the Board upon their acquisition by the Trustee, without action by the Trustee.

Section 4.7. Additional Payments. In addition to the Installment Payments, the Board shall pay when due as Additional Payments 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), and any amounts advanced by the Trustee under Sections 5.5 and 5.7 hereof.

Section 4.8. Limitation on Liability. THE BOARD'S OBLIGATION TO MAKE INSTALLMENT PAYMENTS UNDER THIS 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 THIS 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.

ARTICLE V

OPERATION; MAINTENANCE; TAXES; INSURANCE; AND OTHER MATTERS

Section 5.1. Operation, Maintenance, Utilities, Taxes and Assessments. Throughout the Term of this Purchase Contract, as part of the consideration for the purchase of the Improvements, all operation, improvement, repair and maintenance of the Improvements shall be the responsibility of the Board, and the Board shall pay for or otherwise arrange for the payment of all utility services supplied to the Improvements, which may include, without limitation, janitor service, security, power, gas, telephone, light, heating, water and all other utility services, and shall pay for or otherwise arrange for the payment of the cost of the operation of the Improvements and the repair and replacement of the Improvements resulting from ordinary wear and tear or want of care on the part of the Board or any assignee or lessee thereof. In exchange for the Installment Payments herein provided, the Trustee agrees to provide only the Improvements, as hereinbefore more specifically set forth.

The Board shall also pay or cause to be paid all taxes and assessments of any type or nature, if any, charged to the Trustee or the Board affecting the Improvements or the respective interests or estates therein; *provided* that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the Board shall be obligated to pay only such installments as are required to be paid during the Term of this Purchase Contract as and when the same become due.

The Board or any lessee may, at the Board's or such lessee's expense and in its name, in good faith contest any such taxes, assessments, utility and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom and shall provide the Trustee with full security against any loss or forfeiture which might arise from such contest and any appeal therefrom, unless the Trustee shall notify the Board or such lessee that, in the opinion of counsel,

by nonpayment of any such items, the interest of the Trustee in the Improvements will be materially endangered or the Improvements or any part thereof will be subject to loss or forfeiture, in which event the Board or such lessee shall promptly pay such taxes, assessments or charges or provide the Trustee with full security against any loss which may result from nonpayment, in form satisfactory to the Trustee.

Section 5.2. Modification of Improvements. The Board and any lessee shall, at their own expense, have the right to remodel any Improvements or to make additions, modifications and improvements to the Improvements. All such additions, modifications and improvements shall thereafter comprise part of the Improvements and be subject to the provisions of this Purchase Contract. Such additions, modifications and improvements shall not in any way damage any Improvements or cause them to be used for purposes other than those authorized under the provisions of State and federal law; and the Improvements, upon completion of any additions, modifications and improvements made thereto pursuant to this Section, shall be of a value which is not substantially less than the value of such Improvements immediately prior to the making of such additions, modifications and improvements. The Board will not permit any mechanic's or other lien to be established or remain against the Improvements for labor or materials furnished in connection with any remodeling, additions, modifications, improvements, repairs, renewals or replacements made by the Board or any lessee or assignee pursuant to this Section; *provided that* if any such lien is established and the Board shall first notify or cause to be notified the Trustee of the Board's or any lessee's intention to do so, the Board or any lessee may in good faith contest any lien filed or established against the Improvements, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom and shall provide the Trustee with full security against any loss or forfeiture which might arise from the nonpayment of any such item, in form satisfactory to the Trustee. The Trustee will cooperate fully in any such contest, upon the request and at the expense of the Board or such lessee.

Section 5.3. General Liability, Property and Casualty Insurance. The Board shall maintain or cause to be maintained, throughout the Term of this Purchase Contract, a program of liability, property and casualty insurance and/or self-insurance as authorized under the laws of the State to assume such risks, and of such types and in such amounts as are customary for similar institutions carrying on similar activities. Such liability, property and casualty 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. All policies with respect to the Improvements shall name the Trustee as an additional insured. A certificate of the Board Representative evidencing compliance with this Section shall be delivered to the Trustee upon issuance of the Certificates and annually thereafter upon request of the Trustee.

Section 5.4. 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 *Exhibit B* hereto 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 Section 9.1 hereof 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 \$5000 of principal amount in each year.

Section 5.5. Advances. If the Board shall fail to perform any of its obligations under this Article the Trustee may, but shall not be obligated to, take such action as may be necessary to cure such failure, including the advancement of money, and the Board shall be obligated to repay as an Additional Payment all such advances as soon as possible, with interest at the rate of 3% per annum from the date of the advance to the date of repayment in accordance with the State Prompt Payment Act.

Section 5.6. Installation of Board's Equipment. The Board and any lessee may at any time and from time to time, in its sole discretion and at its own expense, install or permit to be installed other items of equipment or other personal property in or upon the Improvements. All such items shall remain the sole property of the Board, in which the Trustee shall not have any interest, and may be modified or removed by such party at any time provided that such party shall repair and restore any and all damage to the Improvements resulting from the installation, modification or removal of any such items. Nothing in this Purchase Contract shall prevent the Board and any lessee from purchasing or leasing items to be installed pursuant to this Section under a lease or conditional sale agreement, or subject to a Trustee's lien or security agreement, as security for the unpaid portion of the purchase price thereof, provided that no such lien or security interest shall attach to any part of the Improvements.

Section 5.7. Liens. The Board shall 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 herein provided and Permitted Encumbrances. Except as expressly provided in this Article, the Board shall 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 shall arise at any time. The Board shall reimburse the Trustee for any expense incurred by it in order to discharge or remove any such pledge, lien, charge, encumbrance or claim.

ARTICLE VI

DISCLAIMER OF WARRANTIES; ACCESS

Section 6.1. Disclaimer of Warranties. THE TRUSTEE MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY THE BOARD OF THE IMPROVEMENTS OR ANY ITEM THEREOF, OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE IMPROVEMENTS OR ANY ITEM THEREOF. IN NO EVENT SHALL THE TRUSTEE BE LIABLE FOR INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES, IN CONNECTION WITH OR ARISING OUT OF THIS PURCHASE CONTRACT, THE ACQUISITION AGREEMENT, OR THE INDENTURE FOR THE EXISTENCE, FURNISHING, FUNCTIONING OR BOARD'S USE OF THE IMPROVEMENTS.

Section 6.2. Access to the Improvements. The Board agrees that the Trustee and any Trustee Representative, and the Trustee's successors or assigns, shall have the right at all reasonable times to examine and inspect the Improvements. The Board further agrees that the Trustee, any such Representative, and the Trustee's successors or assigns shall have such rights of access to the Improvements as may be reasonably necessary to cause the proper maintenance of the Improvements in the event of failure by the Board to perform its obligations hereunder.

ARTICLE VII

ASSIGNMENT, LEASING AND AMENDMENT

Section 7.1. Assignment and Leasing by the Board. This Purchase Contract may not be assigned by the Board. The Improvements may be leased in whole or in part by the Board only with the written consent of the Trustee, and subject to all of the following conditions:

- (i) This Purchase Contract and the obligation of the Board to make Installment Payments and Additional Payments hereunder shall remain obligations of the Board;
- (ii) The Board shall, within 30 days after the delivery thereof, furnish or cause to be furnished to the Trustee, a true and complete copy of such lease; and
- (iii) No such lease by the Board shall cause any of the Improvements to be used for a purpose other than a governmental or proprietary function authorized under the provisions of the Constitution and laws of the State.

Section 7.2. Amendment of This Purchase Contract. Neither the Trustee nor the Board will alter, modify or cancel, or agree or consent to alter, modify or cancel this Purchase Contract, excepting only such alteration or modification as may be permitted by Article IX of the Indenture or amendments to *Exhibit B* contemplated by Section 3.5 or Section 5.4(b) hereof.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

Section 8.1. Events of Default Defined. The following shall be “events of default” under this Purchase Contract and the terms “events of default” and “default” shall mean, whenever they are used in this Purchase Contract, with respect to the Improvements, any one or more of the following events:

(i) Failure by the Board to pay any Installment Payment or other payment required to be paid hereunder, including, without limitation, any mandatory prepayment required pursuant to Section 9.3 hereof at the time specified herein.

(ii) Failure by the Board to observe and perform any covenant, condition or agreement on its part to be observed or performed under the Indenture or this Purchase Contract, other than as referred to in clause (i) of this Section, 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, however*, 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) The filing by the Board of a voluntary petition in bankruptcy, or failure by the Board promptly to lift any execution, garnishment or attachment, or adjudication of the Board as a bankrupt, or assignment by the Board for the benefit of creditors, or the entry by the Board into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the Board in any proceedings instituted under the provisions of the federal bankruptcy statute, as amended, or under any similar acts which may hereafter be enacted.

Section 8.2. Remedies on Default. Whenever any event of default referred to in Section 8.1 hereof shall have happened and be continuing, it shall be lawful for the Trustee to exercise any and all remedies available pursuant to law or granted pursuant to this 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 received by the Board but not paid by the Board to the Trustee. Each and every covenant hereof to be kept and performed by the Board is expressly made a condition and upon the breach thereof the Trustee may, as provided below, to the extent permitted by law, exercise

any and all rights of entry and reentry upon the Improvements and also, at its option, with or without such entry, may terminate this Purchase Contract; *provided*, that no such termination shall be effected either by operation of law or acts of the parties hereto, except only in the manner herein expressly provided. In the event of such default:

(a) In the event the Trustee does not elect to terminate this Purchase Contract in the manner hereinafter provided for in subparagraph (b) hereof, to the extent permitted by law, the Board hereby irrevocably appoints the Trustee as the agent and attorney-in-fact of the Board to sell or lease its interests in the Improvements in the event of default by the Board in the performance of any covenants herein contained to be performed by the Board and to remove all Improvements consisting of personal property whatsoever situated and to place such property in storage or other suitable place in the State of Illinois, for the account of and at the expense of the Board, and, to the extent permitted by law, the Board hereby exempts and agrees to save harmless the Trustee from any costs, loss or damage whatsoever arising or occasioned by any such entry upon and sale or lease of the Improvements and the removal and storage of such personal property by the Trustee or its duly authorized agents in accordance with the provisions herein contained. To the extent permitted by law, the Board hereby waives any and all claims for damages caused or which may be caused by the Trustee in taking possession of the Improvements as herein provided and all claims for damages that may result from the destruction of or injury to the Improvements and all claims for damages to or loss of any personal property belonging to the Board that may be in, upon or connected to the Improvements. The Board agrees that the terms of this Purchase Contract constitute full and sufficient notice of the right of the Trustee to sell or lease the Improvements without effecting a surrender of this Purchase Contract, and further agrees that no acts of the Trustee in effecting such sale or lease shall constitute a surrender or termination of this Purchase Contract irrespective of the term for which such sale or lease is made or the terms and conditions of such sale or lease, or otherwise, but that, on the contrary, in the event of such default by the Board the right to terminate this Purchase Contract shall vest in the Trustee to be effected in the sole and exclusive manner hereinafter provided for in subparagraph (b) hereof.

(b) Upon the occurrence of an event of default hereunder, the Trustee at its option may terminate this Purchase Contract and, to the extent permitted by law, lease or sell all or any portion of its interests in the Improvements. 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 interests in the Improvements shall be deposited in the Installment Payment Fund and applied to Installment Payments in order of payment date. Neither notice to pay Installment Payments or Additional Payments due or to deliver up title to and possession of the Improvements given pursuant to law nor any proceeding in unlawful detainer taken by the Trustee shall of itself operate to terminate this Purchase Contract and no termination of this Purchase Contract on account of default by the Board shall be or become effective by operation of law, or otherwise, unless and until the Trustee shall have given written notice to the Board of the election on the part of the Trustee to terminate this Purchase Contract. The Board covenants and agrees that no

surrender of the Improvements or any termination of this Purchase Contract shall be valid in any manner or for any purpose whatsoever unless stated or accepted by the Trustee by such written notice. Additionally, to the extent permitted by law, the Board hereby exempts and agrees to save harmless the Trustee from any costs, loss or damage whatsoever arising or occasioned by any removal of the personal property of the Board by the Trustee or the duly authorized agents thereof in accordance with the provisions contained in this Purchase Contract.

Section 8.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Trustee is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Purchase Contract or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Trustee to exercise any remedy reserved to it in this Article it shall not be necessary to give any notice, other than such notice as may be required in this Article or by law.

Section 8.4. Agreement to Pay Attorneys' Fees and Expenses. In the event either party to this Purchase Contract should default under any of the provisions hereof and the nondefaulting party should employ attorneys or incur other expenses for the collection of moneys or the enforcement or performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees that it will on demand therefor pay to the nondefaulting party the reasonable fees of such attorneys and such other expenses so incurred by the nondefaulting party.

Section 8.5. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Purchase Contract should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

Section 8.6. Application of Proceeds. All proceeds received from the sale, lease or other disposition of the Improvements under this Article VIII (after payment therefrom of all expenses incurred in the collection thereof), and all other amounts derived by the Trustee as a result of an event of default hereunder, shall be deposited in the Installment Payment Fund to be applied as provided in the Indenture.

Section 8.7. Trustee and Certificate Owners to Exercise Rights. Such rights and remedies as are given to the Trustee under this Article VIII have been granted in trust under the Indenture, to which the Board hereby consents. Such rights and remedies shall be exercised by the Trustee and the Owners of the Certificates as provided in the Indenture.

ARTICLE IX

PREPAYMENT OF INSTALLMENT PAYMENTS

Section 9.1. Security Deposit. Notwithstanding any other provision of this Purchase Contract, the Board may on any date secure the payment of all or any portion of Installment Payments by a deposit with the Trustee of: (i) an amount which is sufficient to pay all or any portion of unpaid Installment Payments, including the principal and interest components thereof, in accordance with the Installment Payment Schedule set forth in *Exhibit A* or (ii) 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, as the Board shall instruct at the time of said deposit. In the event of a deposit pursuant to this Section sufficient to pay, or provide for the payment of, all unpaid Installment Payments, all obligations of the Board under this Purchase Contract, and all security provided by this 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 the deposit made by the Board pursuant to this Section. Said deposit shall be deemed to be and shall constitute a special fund for the payment of Installment Payments in accordance with the provisions of this Purchase Contract.

Section 9.2. Purchase Option. On or after an Event of Nonappropriation and a 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 the termination of this Purchase Contract pursuant to Section 4.2(c) hereof, the Board shall exercise its option to purchase all of the Improvements pursuant to Section 9.3 hereof by paying the Prepayment price of principal and accrued interest on all of the Certificates to the date that this Purchase Contract is to be terminated. Such Prepayment shall be deposited by the Trustee in the Installment Payment Fund to be applied to the redemption of the Certificates pursuant to Section 4.01 or Section 4.02 of the Indenture. The Board shall give the Trustee notice of its intention to exercise its option not less than 60 days in advance of the date of exercise.

Section 9.3. Prepayments. The Installment Payments are subject to prepayment by the Board as follows:

- (a) the Installment Payments due after October 1, 20__, are subject to optional prepayment by the Board in whole or in part, as provided in Section 4.02 of the Indenture;
- (b) the Installment Payments due on October 1, 20__ and October 1, 20__ are subject to mandatory prepayment by the Board in part as provided in Section 4.03 of the Indenture; and
- (c) the Installment Payments are subject to prepayment by the Board in whole on any date on which this Purchase Contract is terminated by the Board because of an Event of Nonappropriation and a 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, and the Board has exercised its option to make such prepayment as provided in Section 4.01 of the Indenture.

Section 9.4. Credit for Amounts on Deposit. In the event of prepayment of the principal components of the Installment Payments in full under this Article IX, such that the Indenture shall be discharged by its terms as a result of such prepayment, all amounts then on deposit in the Installment Payment Fund or the Acquisition Fund not needed for the acquisition of the Improvements shall be credited as set forth in the Tax Certificate.

ARTICLE X

MISCELLANEOUS

Section 10.1. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed to have been received either (i) upon deposit in the United States mail postage prepaid (ii) upon deposit with an overnight courier or (iii) upon the sending of a facsimile communication:

If to the Board:

Vice President for Administrative Services and
Treasurer of the Board
Western Illinois University
Sherman Hall
1 University Circle
Macomb, Illinois 61455-1390
Facsimile: (309) 298-1802
Telephone: (309) 298-1800

If to the Trustee:

U.S. Bank National Association
Corporate Trust Services
MK-IL-RY3B
209 South LaSalle Street, Suite 3000
Chicago, Illinois 60604
Attention: Corporate Trust Administration, Vernita Anderson
Facsimile: (312) 325-8973
Telephone: (312) 325-8773

The Trustee and the Board, by notice given hereunder, may designate different addresses to which subsequent notices, certificates or other communications will be sent.

Section 10.2. Binding Effect. This Purchase Contract shall inure to the benefit of and shall be binding upon the Trustee and the Board and their respective successors and assigns.

Section 10.3. Severability. In the event any provision of this Purchase Contract shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 10.4. Net-net-net Installment Sale. This Purchase Contract shall be deemed and construed to be a “net-net-net installment sale” and the Board hereby agrees that the Installment Payments shall be an absolute net return to the Trustee, free and clear of any expenses, charges or set-offs whatsoever, irrespective of any defense or any right of recoupment or counterclaim which the Board may have against the Trustee.

Section 10.5. Further Assurances and Corrective Instruments. The Trustee and the Board agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Improvements hereby acquired or intended so to be for carrying out the expressed intention of this Purchase Contract.

Section 10.6. Amendments. This Purchase Contract may be supplemented or amended as permitted by Section 9.01 of the Indenture.

Section 10.7. Execution in Counterparts. This Purchase Contract may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 10.8. Applicable Law. This Purchase Contract shall be governed by and construed in accordance with the laws of the State.

Section 10.9. Trustee and Board Representatives. Whenever under the provisions of this Purchase Contract the approval of the Trustee or the Board is required, or the Trustee or the Board is required to take some action at the request of the other, such approval or such request shall be given for the Trustee by a Trustee Representative and for the Board by a Board Representative, and any party hereto shall be authorized to rely upon any such approval or request.

Section 10.10. Captions. The captions or headings in this Purchase Contract are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Section of this Purchase Contract.

[SIGNATURE PAGE TO FOLLOW]

DRAFT

IN WITNESS WHEREOF, the Trustee has caused this Purchase Contract to be executed in its corporate name by its duly authorized officer; and the Board has caused this Purchase Contract to be executed in its name by its duly authorized officers, as of the date first above written.

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By _____
Authorized Officer

Attest:

By _____
Authorized Officer

BOARD OF TRUSTEES OF WESTERN ILLINOIS
UNIVERSITY

(SEAL)

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

Attest

By _____
Chair

EXHIBIT A

SCHEDULE OF INSTALLMENT PAYMENTS

The following shows the Installment Payments to be paid pursuant to the Purchase Contract:

PAYMENT DATE	INTEREST (\$)	PRINCIPAL (\$)	TOTAL (\$)
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DRAFT

EXHIBIT B

DESCRIPTION OF IMPROVEMENTS

1. *Heating Plant.* Improvements to the Heating Plant, including replacing the coal masonry stack, updating the coal handling system, relocating electrical equipment, recasing and retubing a gas boiler, installing a variable frequency drive and economizer on a gas boiler, installing a boiler blowdown heat recovery system and several related miscellaneous projects.
2. *Campus Steam Line Replacements (Phase I).* Installation of new steam lines and related facilities.
3. *Sprinkler Systems.* The construction and acquisition of sprinkler systems for student residence halls.

DRAFT

ACQUISITION AGREEMENT

by and between

U.S. BANK NATIONAL ASSOCIATION

and

BOARD OF TRUSTEES OF WESTERN ILLINOIS UNIVERSITY

Dated as of [Date] 1, 2010

ACQUISITION AGREEMENT

THIS ACQUISITION AGREEMENT (the "*Acquisition Agreement*"), dated as of [Date] 1, 2010, between U.S. BANK NATIONAL ASSOCIATION, a national banking association duly organized and existing under the laws of the United States of America, as trustee (the "*Trustee*"), and the BOARD OF TRUSTEES OF WESTERN ILLINOIS UNIVERSITY, a body corporate and politic of the State of Illinois (the "*Board*");

RECITALS

The Board desires to finance the acquisition, construction and equipping of, or improvements to, the Improvements more fully described in the Purchase Contract (as hereinafter defined) under an installment purchase arrangement and the Trustee is willing to purchase, or cause to be purchased, the Improvements and sell the same to the Board under a certain Installment Purchase Contract, dated as of [Date] 1, 2010 (the "*Purchase Contract*"), between the Trustee and the Board, all on the terms and conditions hereinafter set forth.

In consideration of the mutual covenants herein contained, the Trustee and the Board hereby agree as follows:

Section 1. Definitions. Unless the context otherwise requires, the capitalized terms used but not defined in this Acquisition Agreement shall have the meanings specified in the Indenture of Trust dated as of [Date] 1, 2010, by and between the Trustee and the Board.

Section 2. Assignment to Trustee. Other than as set forth in Section 3 hereof, the Board does hereby assign, convey, transfer and set 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 damages 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 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 thereafter will automatically so vest in the Board upon acquisition, without action by the Trustee.

Section 3. Reservation of Rights. 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, the Board hereby 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.

Section 4. Power of Attorney. The Board does hereby constitute the Trustee the true and lawful attorney of the Board, irrevocably, with full power (in the name of the Board or otherwise) to ask, require, demand, receive, compound and give acquittance for any and all moneys and claims for money due and to become due under, or arising out of, the Improvement Contracts to the extent that the same have been assigned hereby, to endorse any checks or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings which to the Trustee may seem to be necessary or advisable in the premises.

Section 5. Purchase of Improvements. The Board, on behalf of the Trustee agrees, subject to the delivery of the invoice or invoices and other conditions set forth in the Purchase Contract and the Indenture, to pay or cause to be paid to the respective Contractors the cost of the Improvements then to be purchased constituting the invoice price of such Improvements.

Section 6. Further Assurances. The Board agrees that at any time and from time to time, upon the written request of the Trustee, the Board will promptly and duly execute and deliver any and all such further instruments and documents and take such further action as the Trustee may reasonably request in order to obtain the full benefits of this Acquisition Agreement and of the rights and powers herein granted.

Section 7. Representations. The Board hereby represents and warrants that the Improvement Contracts are assignable in accordance with this Acquisition Agreement, are in full force and effect and are enforceable in accordance with their respective terms and neither the Contractors (to the best of the Board's knowledge) nor the Board is in default thereunder. The Board hereby further represents and warrants that the Board has not assigned or pledged, and hereby covenants that it will not assign or pledge so long as this Acquisition Agreement shall remain in effect, the whole or any part of the rights hereby assigned or reserved or to be assigned to anyone other than the Trustee.

Section 8. Governing Law. This Agreement, and all of the rights and obligations hereunder, including matters of construction, validity and performance, shall be governed by the laws of the State of Illinois.

Section 9. Assignment. The Trustee, concurrently with the execution and delivery of this Acquisition Agreement, has entered into the Indenture, under which the Trustee assigns all of its right, title and interest in and to this Acquisition Agreement. The Board hereby consents to such assignment.

Section 10. Amendments, Changes and Modifications. This Acquisition Agreement may be amended or any of its terms modified only (i) as provided in Section 9.01 of the Indenture and (ii) by a written document duly authorized, executed and delivered by the Board and the Trustee.

Section 11. Severability. If any provision of, or any covenant, obligation or agreement contained in this Acquisition Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, that determination shall not affect any other provision, covenant, obligation or agreement, each of which shall be construed and enforced as if the invalid or

unenforceable portion were not contained in this Acquisition Agreement. Such invalidity or unenforceability shall not affect any valid or enforceable application thereof, and each such provision, covenant, obligation or agreement shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

Section 12. Execution in Counterparts. This Acquisition Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 13. Captions. The captions or headings in this Acquisition Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provision or Section of this Acquisition Agreement.

[SIGNATURE PAGE TO FOLLOW]

DRAFT

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first above written.

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By _____
Authorized Officer

Attest:

By _____
Authorized Officer

BOARD OF TRUSTEES OF WESTERN ILLINOIS
UNIVERSITY

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

(SEAL)

Attest:

By _____
Chair