Finance and Administration Committee

Aurora University

Resolution to Issue $15,000,000 in Tax-Exempt Bonds

WHEREAS, Aurora University (the "University") is an Illinois not-for-profit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), which is exempt from federal income taxation under Section 501(a) of the Code; and

WHEREAS, the Board of Trustees of Aurora University and its Finance and Administration Committee have previously reviewed, discussed, and approved various capital projects and the financing thereof in part with proceeds of tax-exempt bonds issued on behalf of the University by the City of Aurora, Kane, DuPage, Will and Kendall Counties, Illinois (the "Issuer"); and

WHEREAS, the administration is recommending a Proposed Plan of Financing as attached to this resolution whereby the University shall cause the Issuer to issue Adjustable Rate Demand Economic Development Revenue Bonds, Aurora University, Series 2020 (the "Series 2020 Bonds") in an aggregate principal amount not to exceed $15,000,000 (plus any costs of issuance to be paid from the bond proceeds) with a maturity not to exceed thirty (30) years from the date of issuance; and

WHEREAS, the University believes such Proposed Plan of Financing is necessary, desirable, and in the best interests of the University to fulfill and maintain its mission; and

WHEREAS, the Finance and Administration Committee of the Aurora University Board of Trustees voted to recommend approval of the of the Proposed Plan of Financing and its related documents in all respects as summarized in the attachments to this resolution at its meeting 25 October 2019;

BE IT THEREFORE RESOLVED, the Aurora University Board of Trustees does hereby approve the Proposed Plan of Financing and its related documents in all respects as summarized in the attachments to this resolution.

BE IT FURTHER RESOLVED, the Aurora University Board of Trustees does hereby further approve the issuance of the Series 2020 Bonds in a principal amount not to exceed $15,000,000 (plus any costs of issuance to be paid from the bond proceeds) in accordance with the Proposed Plan of Financing as attached to this resolution and subject to appropriate insertions and revisions in order to comply with the provisions of the Transaction Documents (as defined below). Each of the President and the Vice President for Finance (each an "Authorized Officer" and collectively, the "Authorized Officers") is hereby authorized to act on behalf of the University and the Aurora University Board of Trustees and to execute and deliver on behalf of the University all documents, which may be attested to by the Secretary of the University, if necessary, causing the issuance of the Series 2020 Bonds in one or more series, determining the date of the Series 2020 Bonds, and any additional or different designation or title by which the Series 2020 Bonds shall be known, the price at which the Series 2020 Bonds will be sold, the years of maturity, the principal amount to mature in such years, the interest payment and record dates, the price and terms upon which the Series 2020 Bonds shall be subject to redemption, if any, and all other matters related to the issuance, sale, and delivery of the Series 2020 Bonds, each such series of Series 2020 Bonds with substantially such terms as provided for in the Proposed Plan of Financing attached to this resolution, with such changes in such other terms as provided for in the final Transaction Documents. Execution of said final Transaction Documents by an Authorized Officer shall constitute full approval of any such changes as and for the Series 2020 Bonds; and

BE IT FURTHER RESOLVED, the Aurora University Board of Trustees does hereby further approve that the Authorized Officers are hereby authorized and empowered to prepare the listed documents below (collectively, the "Transaction Documents") and that the Authorized Officers of the University are each individually authorized and directed for and on behalf of and in the name of the University to execute and deliver the Transaction Documents (with any changes therein approved as aforesaid) and to perform, or to cause to be performed, the University's obligations thereunder:

1. One or more Trust Indentures between the Issuer and the Trustee;
2. One or more Loan Agreements between the University and the Issuer;
3. One or more Promissory Notes of the University issued pursuant to the Loan Agreement(s);
4. One or more Bond Purchase Agreements among the University, the Issuer and the Underwriter;
5. Offering Statements relating to the Series 2020 Bonds with certain information concerning the University, its operations and intended use of funds as provided by the University's officers and administrators which will be used in connection with the marketing and sale of the Series 2020 Bonds and relied upon by purchasers of the Series 2020 Bonds;
6. One or more Continuing Disclosure Agreements of the University;
7. One or more Remarketing Agreements between the University and Robert W. Baird & Co.;
8. One or more Reimbursement Agreements between the University and the Bank;
9. One or more Tax Exemption Certificates and Agreements among the University, the Issuer and the Trustee; and
10. Other agreements, certificates or documents as may be necessary to cause the issue of the Series 2020 Bonds.

BE IT FURTHER RESOLVED, the Aurora University Board of Trustees does hereby further approve that the Authorized Officers of the University are each authorized and directed to do, or cause to be done, all acts and things (including, without limitation, the execution and delivery of all affidavits, agreements, acknowledgements, amendments, certificates, consents, directions, requests or other documents in such form and containing such provisions, as may be considered necessary or desirable, the approval on behalf of the University of the form, content, necessity or desirability of any such affidavit, agreement, acknowledgement, amendment, certificate, consent, direction, request or other document to be conclusively evidenced by any such Authorized Officer's execution thereof on behalf of the University) as may seem to such officer to be necessary or desirable (i) to perform the University's obligations under the Transaction Documents, (ii) to perform or take actions required or permitted to be taken by the University under the Transaction Documents; and (iii) to carry out the intents and purposes of these resolutions; and

BE IT FURTHER RESOLVED, the Aurora University Board of Trustees does hereby further approve that all prior resolutions or actions heretofore undertaken prior to the date hereof in connection with the preparation of any Transaction Documents, the issuance of the Series 2020 Bonds and the undertaking of the issuance of the tax-exempt bonds are hereby ratified and approved in all material respects. All prior resolutions of this Board or any part thereof in conflict with any or all of the foregoing resolutions are hereby repealed to the extent of such conflict.

26 October 2019

AURORA UNIVERSITY

PROPOSED PLAN OF FINANCING
SERIES 2020 BONDS

1. The City of Aurora, Kane, DuPage, Will and Kendall Counties, Illinois (the "Issuer") will issue its Adjustable Rate Demand Economic Development Revenue Bonds, Aurora University, Series 2020 (the "Series 2020 Bonds") under a Trust Indenture ("Indenture") dated on or about January 16, 2020 between the Issuer and The Bank of New York Mellon Trust Company, National Association (the "Trustee"), as trustee.

2. The aggregate principal amount of the Series 2020 Bonds shall not exceed $15,000,000 (plus any costs of issuance to be paid from the bond proceeds).

3. The Series 2020 Bonds will have a final maturity not to exceed thirty (30) years from the date of issuance with no required principal amortization, except as incorporated in the Reimbursement Agreement as referenced in #6 below.

4. The Series 2020 Bonds will bear interest at varying rates, depending upon whether they are in a daily (interest rate set daily), weekly (interest rate set weekly), adjustable or fixed rate (interest rate set at the beginning of each applicable period) mode. Initially, the Series 2020 Bonds will be in a weekly mode. Series 2020 Bonds in a daily or weekly rate mode may be optionally tendered for purchase at par at any time to the Trustee and then remarketed by Robert W. Baird & Co., as remarketing agent under a Remarketing Agreement dated on or about January 16, 2020 among and between the University, the Issuer and the remarketing agent. Series 2020 Bonds in a daily or weekly rate mode can be redeemed prior to maturity at any time at par at the direction of the University upon delivery of requisite notice to the bondholders. Series 2020 Bonds in an adjustable or fixed rate mode can also be redeemed under more limited circumstances at certain times prior to the maturity at the direction of the University, subject to the terms and conditions of the Indenture.

5. BMO Harris Bank N.A. (the "Bank") will provide a direct pay letter of credit (the "Letter of Credit") to secure payment of the principal of and interest on, and the purchase price for the Series 2020 Bonds (except those in a fixed rate mode or an adjustable rate period of more than 365 days which will not be secured by the Letter of Credit, subject to the terms and conditions of the Indenture) pursuant to a Reimbursement Agreement dated on or about January 16, 2020 subject to terms and conditions materially consistent with the summary term sheet attached to this Proposed Plan of Financing (the "Reimbursement Agreement").

6. The Bank Reimbursement Agreement will require the amortization of principal materially consistent with the amortization schedule attached to this Proposed Plan of Financing, which principal payments will be made pursuant to the optional redemption provisions under the Indenture.

7. In the Official Statement for the sale of the Series 2020 Bonds, potential purchasers are advised to base their investment decisions for the sale of the Series 2020 Bonds solely upon

the good faith and credit of the Bank. The University's present or future financial condition should not be a relevant factor to a purchaser's decision.

8. The Series 2020 Bonds are limited obligations of the Issuer payable solely from payments to be made by the University under the Loan Agreement (described below) and other funds pledged under the Indenture (including drawings under the Letter of Credit and proceeds of remarketed Series 2020 Bonds) and do not constitute debt of the Issuer or the State of Illinois.

9. Under the Reimbursement Agreement, the University is obligated to immediately reimburse the Bank for drawings under the Letter of Credit (except for drawings to pay the purchase price of tendered Series 2020 Bonds not remarketed, which can be repaid over a two-year term of the Letter of Credit, subject to extension) with interest at the Bank Rate, as defined.

10. The Issuer will sell the Series 2020 Bonds to Robert W. Baird & Co. (the "Underwriter") pursuant to a Bond Purchase Agreement dated on or about January 16, 2020 among and between the University, the Issuer, and the Underwriter. The purchase price shall be 100% of the principal amount of the Series 2020 Bonds. The Underwriter will receive an underwriting fee not to exceed 0.60% of the principal value of securities issued. The Underwriter shall make a public offering of the Series 2020 Bonds rated by Moody's Investors Service based on the ratings of the Bank as issuer of the Letter of Credit. The Series 2020 Bonds shall be marketed through an Official Statement describing the transaction as approved by the University and the Issuer.

11. The Issuer shall loan the Series 2020 Bonds sale proceeds to the University pursuant to a Loan Agreement with the University dated on or about January 16, 2020 (the "Loan Agreement"), with the loan being evidenced by the University's Promissory Note, Series 2020 in the principal amount of the Series 2020 Bonds to be dated its date of delivery (the "Note"). The Loan Agreement and the Note obligate the University to make payments sufficient to pay principal (whether at maturity or upon redemption or acceleration), premium (if any), and interest on the Series 2020 Bonds when due and to pay (or cause to pay) the purchase price of the Series 2020 Bonds tendered in accordance with the Indenture. The obligations are satisfied to the extent of drawings under the Letter of Credit and proceeds from remarketing of tendered Series 2020 Bonds.

12. The proceeds from the sale of the Series 2020 Bonds and the loan to the University shall be used by the University to finance the new construction of certain educational and infrastructure facilities including, but not limited to, a multi-level parking facility, a library/student union facility, a student residence hall, and a facility that will house certain student and alumni academic and career support functions as well as property acquisitions and the renovation, improvement and equipping of certain existing facilities. The aggregate costs of completion will be partially financed with Series 2020 Bonds proceeds. The University will fund the remaining cost of such projects through a combination of contributions, operating earnings, and government support.

Dated: 8/30/19

BMO Harris Bank

Summary of Terms and Conditions

Borrower:	Aurora University (the "Borrower")
Facilities:	Credit enhancement in the form of Direct Pay Letters of Credit and Reimbursement Agreements ("Facilities" or "DPLOC"s) in the below amounts or a mutually agreed upon alternative: 1. Up to $13,200,000, plus required interest coverage 2. Up to $12,185,000, plus required interest coverage 3. Up to $29,630,000, plus required interest coverage
Purpose:	1. To provide credit enhancement in connection with tax-exempt Series 2002 adjustable rate demand revenue bonds, with a final bond maturity on March 1, 2032. 2. To provide credit enhancement in connection with tax-exempt Series 2019A variable rate demand revenue bonds, with a final bond maturity on March 1, 2044. 3. To provide credit enhancement in connection with tax-exempt Series 2019B variable rate demand revenue bonds, with a final bond maturity on March 1, 2049.
Use of Bond Proceeds:	1. To refinance bonds enhanced by Fifth Third, outstanding notes payable, and to finance various capital expenditures. 2. To refund the Series 2004 variable rate demand bonds. 3. To refinance the Bank's existing term loan and finance certain projects on the Borrower's campus related to the new Learning Commons.
Stated Expiration Date:	11/01/2022
Facility Fees:	60 bps annually, paid quarterly in advance on a 360-day per year basis
Amortization:	Schedule to be based on what was prepared by Baird or a mutually agreed upon alternative.
Default Interest Rate:	Base Rate + 2.0%
Term Out:	In the event of a failure to successfully remarket the bonds supported by the above DPLOCs and so long as there is no Event of Default and all Representations and Warranties are true, Borrower may utilize a 2 year term out on a stepped up amortization of eight equal quarterly

payments of principal plus interest beginning thirty days after a draw on the DPLOC(s).

Term Out Rate: Base Rate + 2.0%

Base Rate: Defined as the higher of (i) Prime, (ii) Fed Funds + 2%, (iii) LIBOR + 3%, or (iv) 5%; to begin thirty days after a draw on the Facility.

Security: Unsecured. Negative pledge on all assets.

Financial Covenants: No changes to the existing financial covenants contained within the current Reimbursement and Loan Agreements, including but not limited to:

Debt Service Coverage Ratio at a minimum of 1.25x annually: The ratio of Income Available for Debt Service to Debt Service Requirements for that period.

Asset Maintenance Ratio at a minimum of 0.40x, as of 9/30 and 3/31: The ratio of Unrestricted and Temporarily Restricted Cash and Investments at such time to Indebtedness.

Reporting Requirements: No changes to the existing reporting requirements contained within the current Reimbursement and Loan Agreements, including but not limited to:

- Quarterly unaudited financial statements within 45 day of each fiscal quarter end
- Audited financial statements within 120 days of each fiscal year end
- Compliance certificate to accompany both quarterly and audited financial statements, including any financial covenant calculations when due
- Preliminary operating budget no later than June 30th of each year
- Final operating budget approved by the Board no later than October 31st of each year
- Enrollment report, including the number of applicants, number of acceptances, number of students matriculating and total enrollment, not later than October 31st of each year

Other Covenants, Terms and Conditions: No changes to the other existing covenants, terms and conditions contained within the current Reimbursement and Loan Agreements, including but not limited to:

- No more than $750,000 in Capital Lease Obligations outstanding at any one time
- No additional Indebtedness unless the Borrower demonstrates an ability to maintain an Asset Maintenance ratio of at least

0.60 to 1.0, including the additional Indebtedness.

Usual and customary terms and conditions, representations and warranties, affirmative and negative covenants, and events of default.

Conditions Precedent: Usual and customary conditions for like situated borrowers and the Facility's type, as well as the following:

- Receipt of draft audited financial statements as of 6/30/19 demonstrating covenant-defined Income Available for Debt Service not less than $11,800,000.
- Receipt of initial Fall 2019 enrollment numbers evidencing numbers in line with Fall 2019 enrollment previously provided to the Bank.

Representations and Warranties: Usual representations and warranties for like situated Borrowers and Facilities, and similar to the Reimbursement and Loan Agreements in effect, including, without limitation, absence of material adverse change, absence of material litigation, absence of default or potential default.

Events of Default: Usual and customary for facilities of this type, including inaccurate or false representations or warranties, cross default with other debt agreements, insolvency, bankruptcy, ERISA, violation of covenants, invalidity or repudiation, unsatisfied judgments and material adverse change in Borrower's financial condition or business.

Legal Expenses: All legal expenses to be reimbursed by the Borrower.

The credit facilities described in this discussion document is a basis for further discussions and is not a commitment to lend. Any extension of any facility is subject to approval by the BMO Harris Credit Process and documentation satisfactory to the bank and its counsel.

Aurora University, Illinois

Refund 2004 and Term Loan, $15.0 MM New Money

REVISED AMORTIZATION MODEL - RETIRE ORIGINAL DEBT FIRST

		2019 BONDS	
ISSUE NAME:	**Series 2002**	**Series 2019**	**Series 2020**
TYPE:	**Adjustable Rate Demand Revenue Bonds**	**Tax Exempt Variable Rate Revenue Bonds**	**Tax Exempt Variable Rate Revenue Bonds**
ORIGINAL PAR:	**$14,000,000**	**$26,515,000**	**$15,300,000**
DATED DATE:	**October 9, 2002**	**December 31, 2019**	**January 31, 2020**
DUE:	**March 1**	**March 1**	**March 1**
EARLIEST CALL:	**On Any Date in Weekly Mode**	**Any Business Day @ par**	**Any Business Day @ par**

Fiscal Year: June 30	Series 2002 Principal	Series 2002 Coupon	Series 2002 Interest	Series 2002 Total	Series 2019 Principal	Series 2019 Coupon	Series 2019 Interest	Series 2019 Total	Series 2020 Principal	Series 2020 Coupon	Series 2020 Interest	Series 2020 Total	Principal	Interest	Total	Debt Outstanding
2019																
2020	$1,670,000	2.750%	$173,044	$1,843,044		2.750%	$370,658	$370,658		2.750%	$213,881	$213,881	$1,670,000	$757,583	$3,359,692	$53,345,000
2021	$1,900,000	2.750%	$304,013	$2,204,013		2.750%	$729,163	$729,163		2.750%	$420,750	$420,750	$1,900,000	$1,453,925	$3,353,925	$51,445,000
2022	$1,955,000	2.750%	$251,384	$2,206,384		2.750%	$729,163	$729,163		2.750%	$420,750	$420,750	$1,955,000	$1,401,297	$3,356,297	$49,490,000
2023	$2,010,000	2.750%	$197,244	$2,207,244		2.750%	$729,163	$729,163		2.750%	$420,750	$420,750	$2,010,000	$1,347,156	$3,357,156	$47,480,000
2024	$2,065,000	2.750%	$141,591	$2,206,591		2.750%	$729,163	$729,163		2.750%	$420,750	$420,750	$2,065,000	$1,291,503	$3,356,503	$45,415,000
2025	$2,130,000	2.750%	$84,356	$2,214,356		2.750%	$729,163	$729,163		2.750%	$420,750	$420,750	$2,130,000	$1,234,269	$3,364,269	$43,285,000
2026	$1,470,000	2.750%	$30,319	$1,500,319	$715,000	2.750%	$724,247	$1,439,247		2.750%	$420,750	$420,750	$2,185,000	$1,175,316	$3,360,316	$41,100,000
2027		2.750%	$0	$0	$2,245,000	2.750%	$694,066	$2,939,066		2.750%	$420,750	$420,750	$2,245,000	$1,114,816	$3,359,816	$38,855,000
2028		2.750%	$0	$0	$2,305,000	2.750%	$631,916	$2,936,916		2.750%	$420,750	$420,750	$2,305,000	$1,052,666	$3,357,666	$36,550,000
2029		2.750%	$0	$0	$2,370,000	2.750%	$568,081	$2,938,081		2.750%	$420,750	$420,750	$2,370,000	$988,831	$3,358,831	$34,180,000
2030		2.750%	$0	$0	$2,435,000	2.750%	$502,459	$2,937,459		2.750%	$420,750	$420,750	$2,435,000	$923,209	$3,358,209	$31,745,000
2031		2.750%	$0	$0	$2,505,000	2.750%	$435,016	$2,940,016		2.750%	$420,750	$420,750	$2,505,000	$855,766	$3,360,766	$29,240,000
2032		2.750%	$0	$0	$2,570,000	2.750%	$365,681	$2,935,681		2.750%	$420,750	$420,750	$2,570,000	$786,431	$3,356,431	$26,670,000
2033					$1,420,000	2.750%	$302,913	$1,722,913		2.750%	$420,750	$420,750	$1,420,000	$723,663	$2,143,663	$25,250,000
2034					$1,460,000	2.750%	$263,588	$1,723,588		2.750%	$420,750	$420,750	$1,460,000	$684,338	$2,144,338	$23,790,000
2035					$1,500,000	2.750%	$223,163	$1,723,163		2.750%	$420,750	$420,750	$1,500,000	$643,913	$2,143,913	$22,290,000
2036					$1,540,000	2.750%	$181,638	$1,721,638		2.750%	$420,750	$420,750	$1,540,000	$602,388	$2,142,388	$20,750,000
2037					$1,580,000	2.750%	$139,013	$1,719,013		2.750%	$420,750	$420,750	$1,580,000	$559,763	$2,139,763	$19,170,000
2038					$1,625,000	2.750%	$95,253	$1,720,253		2.750%	$420,750	$420,750	$1,625,000	$516,003	$2,141,003	$17,545,000
2039					$1,675,000	2.750%	$50,222	$1,725,222		2.750%	$420,750	$420,750	$1,675,000	$470,972	$2,145,972	$15,870,000
2040					$570,000	2.750%	$11,756	$581,756	$1,150,000	2.750%	$412,844	$1,562,844	$1,720,000	$424,600	$2,144,600	$14,150,000
2041						2.750%	$0	$0	$1,765,000	2.750%	$376,991	$2,141,991	$1,765,000	$376,991	$2,141,991	$12,385,000
2042						2.750%	$0	$0	$1,815,000	2.750%	$328,109	$2,143,109	$1,815,000	$328,109	$2,143,109	$10,570,000
2043						2.750%	$0	$0	$1,865,000	2.750%	$277,853	$2,142,853	$1,865,000	$277,853	$2,142,853	$8,705,000
2044						2.750%	$0	$0	$1,920,000	2.750%	$226,188	$2,146,188	$1,920,000	$226,188	$2,146,188	$6,785,000
2045									$1,285,000	2.750%	$177,753	$1,462,753	$1,285,000	$177,753	$1,462,753	$5,500,000
2046									$1,320,000	2.750%	$142,175	$1,462,175	$1,320,000	$142,175	$1,462,175	$4,180,000
2047									$1,355,000	2.750%	$105,634	$1,460,634	$1,355,000	$105,634	$1,460,634	$2,825,000
2048									$1,395,000	2.750%	$68,097	$1,463,097	$1,395,000	$68,097	$1,463,097	$1,430,000
2049									$1,430,000	2.750%	$29,494	$1,459,494	$1,430,000	$29,494	$1,459,494	$0
OUTSTANDING:	**$13,200,000**		**$1,181,950**	**$14,381,950**	**$26,515,000**		**$9,205,479**	**$35,720,479**	**$15,300,000**		**$10,353,269**	**$25,653,269**	**$55,015,000**	**$20,740,698**	**$76,687,808**	
CALLABLE:	**$13,200,000**				**$26,515,000**				**$15,300,000**				**$55,015,000**			

NOTES:

Series 2002:
- Assumes 2.75% all-in rate (1.50% rate as of 7/4/19 +1.25% Fees).
- Excludes possible impact from swap agreements
- LOC expires 4/1/20

2019 Bonds:
- Assumes 2.75% all-in rate (1.50% rate as of 7/4/19 +1.25% Fees).
- Refunds Series 2004 Bonds and Term Loan
- Excludes possible impact from swap agreements