OFFICIAL NOTICE OF SALE

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BOARD OF TRUSTEES OF ILLINOIS STATE UNIVERSITY
Certificates of Participation
(Capital Improvement Project), Series 2011

The Board of Trustees of Illinois State 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 ________, ______ __, 2011, 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 physical certificates representing their interest in the purchased Certificates unless the book-entry system is terminated. The Certificates are dated the Date of Delivery 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, 2011. 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 ________ __, 2011 (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 certificates if term maturities are optionally designated by the Purchaser, see below) on April 1, in each of the years and in the amounts as follows:

Maturity**	Principal Amount*	Maturity**	Principal Amount*
April 1, 2012		April 1, 2023	
April 1, 2013		April 1, 2024	
April 1, 2014		April 1, 2025	
April 1, 2015		April 1, 2026	
April 1, 2016		April 1, 2027	
April 1, 2017		April 1, 2028	
April 1, 2018		April 1, 2029	
April 1, 2019		April 1, 2030	
April 1, 2020		April 1, 2031	
April 1, 2021		April 1, 2032	
April 1, 2022			

* 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

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 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 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 OF ILLINOIS AND ARE NOT REQUIRED TO BE REPAID, AND MAY NOT BE REPAID, 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.

Certificate Insurance

The Board is applying for a commitment to issue a certificate insurance policy to insure the scheduled payment of principal and interest on the Certificates and anticipates that the Certificates will be pre-qualified for the acquisition of such certificate insurance **at the Purchaser's option and cost,** by a least one or more providers of such certificate insurance. Prospective Purchasers of the Certificates should inquire with individual insurers if the Certificates have been pre-qualified. If the successful Purchaser opts to acquire certificate insurance, then all of the Certificates will be so insured and the Purchaser will pay the insurance premium.

Optional Designation of Term Certificates by the Purchaser

Potential Purchasers of the Certificates will have the option to designate and aggregate some or all of the Certificates as 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 (________ __, 2011). 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 6.50% per annum; and

(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 ($________) or greater than 105% ($________) 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.

A Good Faith Deposit in the amount of $200,000 is only required of the winning bidder for the Certificates. The winning bidder for the Certificates is required to submit such Good Faith Deposit payable to the order of the Board in the form of a wire transfer in federal funds as instructed by the Board's Financial Advisor, John S. Vincent & Company LLC. The winning bidder shall submit the Good Faith Deposit not later than 1 p.m. Central Time the same day the award is made. The winning bidder should provide as quickly as it is available, evidence of wire transfer by providing the Board the federal funds reference number. If the Good Faith Deposit is not received in the time allotted, the bid of the winning bidder may be rejected and the Board may direct the next lowest bidder to submit a Good Faith Deposit and thereafter may award the sale of the Certificates to the same. If the winning bidder fails to comply with the Good Faith Deposit requirement as described herein, that bidder is nonetheless obligated to pay to the Board the sum of $200,000 as liquidated damages due to the failure of the winning bidder to timely deposit the Good Faith Deposit.

Submission of a bid to purchase the Certificates serves as acknowledgement and acceptance of the terms of the Good Faith Deposit requirement.

The Good Faith Deposit so wired will be retained by the Board until the delivery of the Certificates, at which time the Good Faith Deposit will be applied against the purchase price of the Certificates or the Good Faith Deposit will be retained by the Board as partial liquidated damages in the event of the failure of the successful bidder to take up and pay for such Certificates in compliance with the terms of this Official Notice of Sale and of its bid. No interest on the Good Faith Deposit will be paid by the Board. The balance of the purchase price must be wired in federal funds to the account detailed in the closing memorandum, simultaneously with delivery of the Certificates.

<u>Wire Instructions for Good Faith Deposit:</u>

Institution:	[To Be Provided]
Credit to:	
ABA#:	
Account #:	
For Further Credit To:	
Contact Name & Phone # :	

Action awarding the Certificates or rejection of all bids will be taken not later than one hour 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 announced via The Thomson Municipal News Wire at the internet website address www.tm3.com and subject to confirmation by the Financial Advisor of the Board not later than noon (Central Time) on the day preceding the bid opening.

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 announced via The Thomson Municipal News Wire at the internet website address www.tm3.com not later than noon (Central Time) on the day preceding the scheduled bid opening. 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, including an amount sufficient to fully pay the Certificate Insurance Premium (if acquired), 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: ______ __, 2011

Time: ____ A.M., Central Time

(b) Electronically via ***PARITY*** pursuant to this Official Notice of Sale, until ____ A.M., Central Time, on ______ __, 2011, 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 BIDCOMP/PARITY at (212) 849-5021.

Every bid must be unconditional and irrevocable. 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 Illinois State University – Illinois State University Certificates of Participation (Capital Improvement Project), Series 2011," 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 750) of final Official Statements. The successful bidder agrees to supply to John S. Vincent & Company 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 in certificate form at the time of the delivery of the Certificates, a confirmation of the initial prices to the public (not including bond houses and brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which 10% or more of each maturity has been sold, or, if as of such time, 10% or more of such maturity has not been sold, the price at which the Purchaser has made a bona fide offering of such maturity to the public (not including bond houses and brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) and at which price the Purchaser expected to sell the Certificates, or such other certification as approved by Special Counsel. The written certification (the "Certification of Purchaser") to be executed by the successful bidder will be provided by Special Counsel following the sale of the Certificates and will reflect any change in the maturities of the Certificates by the Board as described above under the caption "Modification of Principal Amounts."

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 Board Counsel that there is no litigation pending or to its knowledge, threatened, affecting the legality of the Certificates.

Tax Exemption

The opinion of Chapman and Cutler LLP, Chicago, Illinois, Special Counsel, will state that, subject to compliance by the Board of Trustees of Illinois State University with certain covenants, under present law the portion of each Installment Payment made by the Board to the Trustee, as trustee for the owners of the Certificates, and denominated as and comprising interest pursuant to the Purchase Contract, is excludable from gross income of the owners thereof for federal income tax purposes, and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. See "TAX EXEMPTION" in the Preliminary Official Statement. Interest on the Certificates is not exempt from present Illinois income taxes.

Potential Conflicts

By submitting a bid, any bidder makes the representation that it understands Special Counsel represents the Board in this Certificate transaction and, if such bidder has retained Special Counsel in an unrelated matter, such bidder represents that the signatory to the bid is duly authorized to, and does consent to and waive for and on behalf of such bidder any conflict of interest of Special Counsel arising from any adverse position to the Board in this matter; such consent and waiver shall supersede any formalities otherwise required in any separate understandings, guidelines or contractual arrangements between the bidder and Special Counsel.

Delivery and Payment

The Certificates are expected to be ready for delivery through the facilities of DTC on or about ______ __, 2011, and at delivery will be registered in the name of Cede & Co., as described above. Payment for the Certificates must be made in the 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 applying for CUSIP numbers for each maturity of the Certificates and 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 ___ day of ______, 2011.

Board of Trustees of
Illinois State University

/s/ Daniel T. Layzell

Daniel T. Layzell
Treasurer, Board of Trustees
Illinois State University

OFFICIAL BID FORM

_______ __, 2011

Dr. Daniel T. Layzell
Treasurer, Board of Trustees
Illinois State University
c/o John S. Vincent & Company LLC
208 S. LaSalle Street, Suite 1625
Chicago, IL 60604

Dear Dr. Layzell:

For $________* Illinois State University, Certificates of Participation (Capital Improvement Project), Series 2011 (the "Certificates"), dated as of the Date of Delivery and 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 105% of the Par Amount of Certificates)

The $________* 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%, not greater than 6.50%, a zero rate of interest may not be named, and each interest rate shall not be less than the interest rate of any preceding maturity) for the Certificates of each designated April 1 maturity[(1)]:

Maturity Date[(1)]	**Principal Amount***	**Interest Rate**
April 1, 2012		____________%
April 1, 2013		____________%
April 1, 2014		____________%
April 1, 2015		____________%
April 1, 2016		____________%
April 1, 2017		____________%
April 1, 2018		____________%
April 1, 2019		____________%
April 1, 2020		____________%
April 1, 2021		____________%
April 1, 2022		____________%
April 1, 2023		____________%
April 1, 2024		____________%
April 1, 2025		____________%
April 1, 2026		____________%
April 1, 2027		____________%
April 1, 2028		____________%
April 1, 2029		____________%
April 1, 2030		____________%
April 1, 2031		____________%
April 1, 2032		____________%

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* Subject to adjustment as provided in the Official Notice of Sale under "Optional Designation of Term Certificates by the Purchaser" and "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 four term certificate 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.

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

Maturities Designated and Aggregated	Principal Amount	Maturities Designated and Aggregated	Principal Amount
20_____ through 20____	____________	20_____ through 20____	____________
20_____ through 20____	____________	20_____ through 20____	____________
20_____ through 20____	____________	20_____ through 20____	____________
20_____ through 20____	____________	20_____ through 20____	____________

(add more term certificates, as needed)

As evidence of our good faith, upon notification of award we will wire transfer the sum of $200,000 in accordance with the Official Notice of Sale.

Wire Instructions:

Amount: $200,000

Institution:
Credit to:
ABA#:
Account #:
For Further Credit To:
Bank Contact:

Dated: ___________________________

Respectfully submitted:

Name: ___________________________
(Account Manager)

By: ______________________________

Address: __________________________

____

City: ____________ State: _______

This bid was accepted and the Certificates sold on ________ __, 2011 and receipt is hereby acknowledged of the wire transfer of $200,000 in accordance with the terms of the Official Notice of Sale.

____

Treasurer, Board of Trustees
Illinois State University

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 ______________%.

The cost of the Certificate Insurance Premium included in your bid (if acquired) is: $__________________ and name of certificate insurer is: ________________________________.

PRELIMINARY OFFICIAL STATEMENT DATED __________ __, 2011

NEW ISSUE — **Standard & Poor's** — **Moody's**

BOOK-ENTRY-ONLY — **Ratings: (See "DESCRIPTION OF RATINGS," herein)**

Subject to compliance by the Board with certain covenants, in the opinion of Chapman and Cutler LLP, Special Counsel, under present law, the portion of each Installment Payment made by the Board under the Purchase Contract and denominated as interest and received by the owners of the Certificates is excludable from gross income of the owners thereof for federal income tax purposes, and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but such interest is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Chapman and Cutler LLP expresses no opinion for federal income tax purposes as to any moneys received in payment of or with respect to the Certificates subsequent to the termination of the Board's obligations under the Purchase Contract. See "TAX EXEMPTION" herein for a more complete discussion. Interest with respect to the Certificates is not exempt from present Illinois income taxes.

$________ *

Certificates of Participation
(Capital Improvement Project), Series 2011
Evidencing Proportionate Interests in
Installment Payments to be Made by the
BOARD OF TRUSTEES OF ILLINOIS STATE UNIVERSITY

Dated: Date of Delivery — **Due: April 1, as shown below**

The Certificates of Participation (Capital Improvement Project), Series 2011 (the "Certificates") are being issued to finance various ECM projects and improvements to Hovey Hall, 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 Illinois State University (the "Board") under an Installment Purchase Contract (the "Purchase Contract") with U.S. Bank National Association, Chicago, Illinois, 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 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 term of the Purchase Contract will expire on April 1, 2032, 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, lease or other disposition of the Trustee's interests in the Improvements, in which case there is no assurance of any payment of the principal of or interest on the Certificates. See "CERTIFICATE OWNERS' RISKS."

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

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

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

Maturity Amounts, Interest Rates, Prices, Yields and CUSIP[1] Numbers

Year (April 1)	Principal Amount	Interest Rate	Price	Yield	CUSIP	Year (April 1)	Principal Amount	Interest Rate	Price	Yield	CUSIP
2012						2023					
2013						2024					
2014						2025					
2015						202\6					
2016						2027					
2017						2028					
2018						2029					
2019						2030					
2020						2031					
2021						2032					
2022											

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, as Special Counsel to the Board, and to certain other conditions. Certain legal matters will be passed upon for the Board by its Counsel, Posegate & Denes, P.C., Springfield, Illinois, and for the Trustee by its counsel, ________________________________. John S. Vincent & Company LLC is serving as financial advisor to the University. It is expected that the Certificates will be available for delivery through the facilities of DTC on or about _________ __, 2011.

SEALED BIDS FOR THE CERTIFICATES WILL BE RECEIVED ON __________ __, 2011, 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 __________ __, 2011

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* Preliminary, subject to change.

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

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

The information set forth herein has been obtained from the Board and other sources which are believed by the Board to be reliable, but such information is not guaranteed as to accuracy or completeness by, and is not to be construed as a promise or guarantee of, the Trustee or the Purchaser. Statements regarding specific documents, including the Certificates, are summaries of and subject to the detailed provisions of such documents and are qualified in their entirety by reference to each such document, copies of which will be on file with the Board and the Financial Advisor and will be provided upon request. This Official Statement contains, in part, estimates and matters of opinion, which are not intended as statements of fact, and no representation is made as to the correctness of such estimates and opinions, or that they will be realized. 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 circumstance, create any implication that there has been no change in the affairs of the Board or the University or the information or opinions contained in this Official Statement since the date of this Official Statement.

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 BOND RESOLUTION 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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OFFICIAL STATEMENT

relating to

$________ *

Certificates of Participation
(Capital Improvement Project), Series 2011
Evidencing Proportionate Interests in
Installment Payments to be Made by the
BOARD OF TRUSTEES OF ILLINOIS STATE UNIVERSITY

INTRODUCTION

This Official Statement, including the cover page and appendices hereto (the "Official Statement"), is provided to prospective purchasers in connection with the sale and delivery of Certificates of Participation (Capital Improvement Project), Series 2011 (the "Certificates") in the aggregate principal amount of $___________* representing proportionate interests of the registered Owners thereof in payments to be made by the Board of Trustees of Illinois State University (the "Board") as installment purchase payments (the "Installment Payments"), pursuant to the provisions of the Installment Purchase Contract dated as of ________ __, 2011 (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 ________ __, 2011 (the "Indenture") between the Board and the Trustee.

The Board, as governing body of Illinois State University (the "University" or "ISU"), 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 (the "Improvements") at the University. See "THE IMPROVEMENTS" herein. The Certificates are being issued to pay (i) the costs of the Improvements, [(ii) a portion of the interest due on the Certificates on October 1, 2011,] and (iii) the costs of issuing the Certificates.

Pursuant to the Indenture, the Trustee will hold for the benefit of the Certificate Owners (i) its right, title and interest in and to the Improvements and the Acquisition Agreement dated as of ________ __, 2011 between the Trustee and the Board (the "Acquisition Agreement"); (ii) all right, title and interest of the Board in and to the Improvements and the Improvement Contracts, provided

* Preliminary, subject to change.

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 all Improvements acquired after the date of delivery of the Purchase Contract will automatically so vest in the Board upon acquisition without action by the Trustee; (iii) all right, title and interest of the Board in the Acquisition Agreement and the Purchase Contract, but excluding the Board's option to terminate or renew the Purchase Contract and 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 right, title and interest 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, if any, with respect to spare parts under the Improvement Contracts, the right to obtain instructions and data under 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 ILLINOIS STATE UNIVERSITY

The University is governed by the Board which is composed of seven voting members who serve staggered six-year terms and are appointed by the Governor of the State of Illinois, with the advice and consent of the Illinois Senate, and one voting student member, who serves a one-year term. The Board is responsible for the general supervision and management of the educational program and the lands, buildings and other properties of the University and the control of the revenues and expenditures in support thereof. The President of the University is the chief executive officer of the University and is responsible for executing Board policies and managing the University on a day-to-day basis.

Additional information regarding the Board and the University is set forth in "APPENDIX A – ILLINOIS STATE 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 with respect to the maturity dates of the Certificates and in the interest portion of the Installment Payments due and payable semiannually, to and including such maturity date, at the rates set forth on the cover page of this Official Statement. Interest represented by the Certificates will be payable on April 1 and October 1, commencing October 1, 2011. The principal represented by the Certificates, and the premium, if any, 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 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 each 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 next preceding Interest Payment Date to the next date preceding the date of its execution, unless: (i) executed on an Interest Payment Date, in which case interest will accrue from such Interest Payment Date, (ii) executed prior to October 1, 2011, in which case interest accrues from the 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 or made available for payment with respect to the Outstanding Certificates, unless the Certificate is executed after a Special Record Date and before the following Special Interest Payment Date, in which event interest is payable from the scheduled Interest Payment Date next preceding such date of execution.

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 are subject to redemption on any date on or after April 1, 2021, 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 direction of the Board, upon at least 35 days' prior written notice from the Board to the Trustee.

[*Effect of Call for Redemption*. On the date designated for redemption by notice given as provided below, 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 in the Indenture, interest on the Certificates so called for redemption shall cease to accrue, such Certificate shall cease to be entitled to any benefit or security thereunder 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.]

NOTICE OF REDEMPTION

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

With respect to any optional redemption of the Certificates, unless moneys sufficient to pay the principal of, premium, if any, 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 Board Representative, shall be invested in United States Government Securities which mature on such date or dates as necessary to provide funds on a timely basis for such redemption. If such moneys are not received by the redemption date, such notice shall be of no force and effect, the Trustee shall not redeem such Certificates, the redemption price shall not be due and payable and the Trustee shall give notice, in the same manner in which the notice of redemption was given, that such moneys were not so received and that such Certificates will not be redeemed.

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

PARTIAL REDEMPTION

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

Certificates in the minimum authorized denominations for purposes of selecting Certificates to be redeemed.

TRANSFER AND EXCHANGE

See "BOOK-ENTRY 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. [The Certificates may be transferred or exchanged only upon surrender thereof at the designated corporate trust office of the Trustee with a written instrument of transfer satisfactory to the Trustee duly executed by the Owner or its duly authorized attorney. As a condition to such transfer or exchange, the Owner shall pay to the Trustee any tax or other governmental charge in connection therewith.]

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.

Fiscal Year Ending (June 30)*	Principal	Interest	Total
2012	$	$	$
2013			
2014			
2015			
2016			
2017			
2018			
2019			
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			

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

BOOK-ENTRY SYSTEM

GENERAL PROVISIONS

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

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Certificates. The Certificates will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Certificate will be issued for each maturity of the Certificates, 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, and 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 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 as described in the Indenture.

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

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

SUCCESSOR SECURITIES DEPOSITORY; DISCONTINUATION OF BOOK-ENTRY SYSTEM

In the event that (i) the Board determines that DTC is incapable of discharging its responsibilities described in the Indenture and in the blanket letter of representations from the Board and accepted by DTC (the "Representation Letter"), (ii) the Representation Letter shall be terminated for any reason or (iii) the Board determines that it is in the best interest of the Beneficial Owners of the Certificates that they be able to obtain certificated Certificates, the Board will notify DTC and the Direct Participants of the availability through DTC of certificated Certificates and the Certificates will no longer be restricted to being registered in the Certificate Register 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 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 UNDER THE PURCHASE CONTRACT DOES NOT CONSTITUTE A DEBT OF THE BOARD OR THE STATE

OF ILLINOIS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION. THE INSTALLMENT PAYMENTS REQUIRED UNDER THE PURCHASE CONTRACT INCURRED BY THE BOARD ARE NOT SECURED BY THE FULL FAITH AND CREDIT OF THE STATE OF ILLINOIS AND ARE NOT REQUIRED TO BE REPAID, AND MAY NOT BE REPAID, DIRECTLY OR INDIRECTLY FROM TAX REVENUE. 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 April 1, 2032, (the "Expiration Date") unless terminated earlier in accordance with its terms.

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 pay 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.

Termination of Purchase Contract at the Option of the Board. The Board has the option to terminate the Purchase Contract on any date on or after April 1, 2021, upon written notice to the Trustee at least 60 days prior to the termination date.

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, or interest on, the outstanding Certificates.

For a further discussion of certain risks associated with the termination of the Purchase Contract, see "CERTIFICATE OWNERS' RISKS – Termination of the Purchase Contract" and "– Limited Nature of the Improvements."

SOURCES OF PAYMENTS

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

The Illinois Constitution of 1970 requires the General Assembly to appropriate moneys for the purpose of operating and maintaining all State institutions of higher learning. Such moneys are derived from taxation as well as from other sources as determined by the General Assembly to insure the proper maintenance of the institutions. State-appropriated funds represent a significant percentage of the Board's operating revenues.

State appropriated funds approved for the University for Fiscal Year 2010 represented no change from the original appropriations approved for Fiscal Year 2009 and included $4,644,430 of American Recovery and Reinvestment Act of 2009 (ARRA) funds. State appropriated general funds approved for the University in July 2010 for Fiscal Year 2011 are $79,789,500. There can be no assurance that the full amount of the approved appropriations will be ultimately received or received in a timely fashion, or that approved appropriations will continue to be made at the current level. As of December 31, 2010, less than 1% of the Fiscal Year 2011 appropriations have been received by the University.

The State Finance Act, 30 ILCS 105/13.5, provides that State appropriations for operations to the Board, and to the boards of all of the other public universities, shall identify the amounts appropriated for personal services, State contributions to social security for Medicare, contractual services, travel, commodities, equipment, operation of automotive equipment, telecommunications, awards and grants, and permanent improvements (each a line item), rather than provide for appropriations in a single, combined amount. [The University's appropriation for Fiscal Years 2010 and 2011 is provided as a single amount for personal services rather than by various line items.].

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

Outstanding Auxiliary Facilities System ("AFS") Revenue Bonds of the Board are secured by a pledge of Tuition and certain Fees. 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 such system, to the extent system revenues, and other available funds, are insufficient therefor. As of June 30, 2010, there was $103,876,284.15 of AFS Revenue Bonds outstanding.

The Board retains the option to issue additional bonds with a pledge of Tuition and certain Fees in accordance with the provisions of the resolutions authorizing the AFS Revenue Bonds.

OTHER LEGALLY AVAILABLE FUNDS

Legally Available Nonappropriated Funds include 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), certain investment income, and indirect cost recoveries on grants and contracts. None of the net revenues of the AFS are Legally Available Nonappropriated Funds.

Net Tuition and Fees pledged to the AFS Bonds were $129,111,664 in Fiscal Year 2009 and $143,613,372 in Fiscal Year 2010. Maximum annual debt service on the AFS Revenue Bonds in any future year is currently $10,129,511 in Fiscal Year 2016.

The Certificates of Participation (Capital Improvement Projects), Series 2008, issued on behalf of the Board in the original principal amount of $22,230,000, are currently outstanding in the principal amount of $21,405,000. Maximum annual debt service on the Series 2008 Certificates is $1,722,750, occurring in Fiscal Year 2023.

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 Illinois State University Law (110 ILCS 675/20-1 et. seq.), 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 enrolls 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. Public Act 96-1293 signed into law July 26, 2010, further amended Illinois State University Law (110 ILCS 675/20-1 et.seq.), and the laws of all of the other public universities in Illinois, to provide that an undergraduate student who has for 4 continuous academic years been charged no more than the tuition amount charged at the time he or she first enrolled in the University shall be charged tuition not to exceed the amount the University charged students who first enrolled in the University for the academic year following the academic year the student first enrolled in the University for a maximum of 2 additional continuous academic years.

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 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 (or Less Discount)	
Estimated Investment Earnings [(1)]	
Total Sources of Funds	$
Uses of Funds	
Project Costs	$
Purchaser's Discount	
[Capitalized Interest]	
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

PURPOSE

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

1. Construction of energy conservation improvements, primarily HVAC, water and lighting related projects, in Milner Library, the Science Laboratory Building and the Central Heating Plan. The improvements will cost approximately $8.5 million and are projected to yield utility savings of at least $15.5 million over the twenty year period. In addition the improvements should result in significant operational and maintenance cost savings to the University. The University has entered into a guaranteed energy savings contract with NORESCO to both construct the improvements and guarantee the utility savings for the initial two year period after completion.

2. Construction and furnishing of Hovey Hall improvements at a cost of approximately $5.5 million. Hovey Hall is located on the central part of campus and contains university administrative offices including the Office of Admissions. The scope of this project includes the major remodeling of the recently vacated first floor to provide for a more welcoming entrance to the Office of Admissions as well as accommodate the relocation of the Office of Financial Aid to Hovey Hall for improved accessibility for prospective students. It also includes the repair of the exterior building envelope.

3. Other improvements, additions and land acquisition that may be subsequently approved by the Board.

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 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.

[To the extent that payments to be made by the Board under the Purchase Contract are to be made from appropriated funds of the State, there is no assurance that the State will appropriate funds to the Board on an annual basis sufficient for that purpose.

To the extent that payments to be made by the Board under the Purchase Contract are to be made from Legally Available Nonappropriated Funds, there is no assurance that the Board will budget such funds on an annual basis sufficient for that purpose or that amendments to State law will not limit the funds available to the Board for that purpose.]

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 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 that are designed for academic, athletic and administrative 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 property insurance, as well as liability 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 may 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 offices in Chicago, Illinois, are located at 209 S. LaSalle Street, Chicago, Illinois. The Trustee will enter into the Acquisition Agreement, Purchase Contract and the Indenture to facilitate the financing of the Improvements. The Trustee is not financially liable for the Installment Payments and the Certificate Owners will have no right to look to the Trustee for payment of the Certificates. The obligations of the Trustee with respect to the Certificates and the Improvements are limited to those specifically provided for in the Purchase Contract and the Indenture.

TAX EXEMPTION [UPDATE AS NEEDED]

GENERAL

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

Subject to the Board's compliance with the above-referenced covenants, under present law, in the opinion of Chapman and Cutler LLP, Special Counsel, the portion of each Installment Payment made by the Board under the Purchase Contract and denominated as and comprising interest pursuant to the Purchase Contract (i) is excludable from the gross income of the Owners thereof for federal income tax purposes and (ii) is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations. Interest represented by the Certificates is taken into account, however, in computing an adjustment used in determining the federal alternative minimum tax for certain corporations.

CHAPMAN AND CUTLER LLP EXPRESSES NO OPINION FOR FEDERAL INCOME TAX PURPOSES AS TO ANY MONEYS RECEIVED IN PAYMENT OF OR WITH RESPECT TO THE CERTIFICATES SUBSEQUENT TO TERMINATION OF THE BOARD'S OBLIGATION UNDER THE PURCHASE CONTRACT.

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

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

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

The issue price (the "Issue Price") for each maturity of the Certificates is the price at which a substantial amount of such maturity of the Certificates is first sold to the public. The Issue Price of each maturity of the Certificates may be different from the price set forth, or the price corresponding to the yield set forth, on the cover page hereof. If the Issue Price of a maturity of the Certificates is less than the principal amount payable at maturity, the difference between the Issue Price of each such maturity of the Certificates (the "Discount Certificates") and the principal amount payable at maturity is original issue discount.

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

Based upon the stated position of the Illinois Department of Revenue under Illinois income tax law, accreted original issue discount on such Discount Certificates is subject to taxation as it accretes, even though there may not be a corresponding cash payment until a later year. Owners of Discount Certificates should consult their tax advisors with respect to the state and local tax consequences of original issue discount on such Discount Certificates.

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

If a Certificate is purchased at any time for a price that is less than the Certificate's stated redemption price at maturity or, in the case of a Discount Certificate, its Issue Price plus accreted original issue discount (the "Revised Issue Price), the purchaser will be treated as having purchased a Certificate with market discount subject to the market discount rules of the Code (unless a statutory de minimis rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Certificate is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser's election, as it accrues. Such treatment would apply to any purchaser who purchases a Discount Certificate for a price that is less than its Revised Issue Price. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such Certificate. Purchasers should consult their tax advisors regarding the potential implications of market discount with respect to the Certificates.

An investor may purchase a Certificate at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as "bond premium" and must be amortized by an investor on a constant yield basis over the remaining term of the Certificate in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax-exempt bond. The amortized bond premium is treated as a reduction in the tax-exempt interest received. As bond premium is amortized, it reduces the investor's basis in the Certificate. Investors who purchase a Certificate at a premium should consult their tax advisors regarding the amortization of bond premium and its effect on the Certificate's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Certificate.

There are or may be pending in the Congress of the United States legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or adversely affect the market value of the Certificates. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to securities issued prior to enactment. Prospective purchasers of the Certificates should consult their tax advisors regarding any pending or proposed federal tax legislation. Special Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Internal Revenue Service (the "Service") has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the Certificates. If an audit is commenced, under current procedures the Service may treat the Board as a taxpayer and the Certificate holders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Certificates until the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax-exempt obligations, including the Certificates, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Certificate owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Certificate owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

Interest with respect to the Certificates is not exempt from present Illinois income taxes. Ownership of the Certificates may result in state and local tax consequences to certain taxpayers. Special Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Certificates. Prospective purchasers of the Certificates should consult their tax advisors regarding the applicability of any such state and local taxes.

LITIGATION

To the best of the knowledge of appropriate Board officials, there are no lawsuits pending or threatened against the Board that question its right to enter into the financing documents or the validity or enforceability thereof or to consummate the transactions described therein or herein; nor are there lawsuits pending or threatened against the Board 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 effect upon the financial condition of the University.

LEGAL MATTERS

Certain legal matters incident 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"), who has been retained by, and acts as, Bond Counsel and Special Counsel to the Board. The proposed form of such opinion is attached hereto as APPENDIX D. Certain legal matters will be passed upon for the Board by its Counsel, Posegate & Denes, P.C., Springfield, Illinois, and for the Trustee by ____________________________________.

PURCHASE

The Purchaser or successful bidder for the Certificates has agreed, subject to certain customary conditions precedent to closing, to purchase the Certificates from the Board at an aggregate purchase price of $__________ (which is equal to the original principal amount of the Certificates, plus/less a net premium/discount of $__________, less an underwriting discount of $__________ and less the certificate insurance premium of $________, if any). The Purchaser will be obligated to purchase all of the Certificates if any are purchased.

FINANCIAL ADVISOR

John S. Vincent & Company LLC is serving as Financial Advisor to the University on debt and capital related issues, including the issuance of the Certificates.

FINANCIAL STATEMENTS

The audited financial statements of the University as of and for the Fiscal Year ended June 30, 2010 are set forth in APPENDIX B hereto.

Audited financial statements for Illinois State University for the fiscal years ended June 30, 2009, 2008, 2007 and 2006 are on file with and may be obtained from each Nationally Recognized Municipal Securities Information Repository 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 Finance & Planning, Illinois State University, Room 302 Hovey Hall, 1100 Office of the Vice President, Normal, IL 61790-1100.

DESCRIPTION OF RATINGS

Moody's Investors Service ("Moody's") and Standard & Poor's Ratings Services, a Division of The McGraw Hill Companies, Inc. ("Standard & Poor's") have assigned ratings of "___" and "___," respectively, to the Certificates. Moody's and Standard & Poor's currently view the outlook on their respective ratings as ________. The Board and the University furnished to Moody's and Standard & Poor's certain information and materials, some of which may not have been included in this Official Statement. No application has been made to any other rating agency for the purpose of obtaining an additional rating on the Certificates.

Such ratings express only the views of above rating agencies. An explanation of the significance of each of the ratings may be obtained from the rating agency furnishing the same. The ratings are not a "market" rating nor a recommendation to buy, sell or hold the Certificates, and the ratings and the Certificates should be evaluated independently. There is no assurance that any of such ratings will continue for any given period of time or will not be revised, or withdrawn entirely by such rating agency, if, in its judgment, circumstances so warrant. 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 Purchaser in complying with certain provisions of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"), the Board has agreed in a Continuing Disclosure Agreement to provide to certain parties certain annual financial information and operating data and notices of certain material events. The proposed form of the Continuing Disclosure Agreement is included as APPENDIX E to this Official Statement. The Board represents that it has not failed to comply in all material respects with each and every undertaking previously entered into by it pursuant to 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 [Purchase Contract or]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.

MISCELLANEOUS

The foregoing summaries or descriptions of the Certificates, the Indenture, the Purchase Contract, the Acquisition Agreement, and other related documents and all references to other materials not purporting to be quoted in full are only brief outlines of certain provisions thereof and do not constitute complete statements of such documents or provisions and reference is hereby made to the complete documents relating to such matters for further information, copies of which are publicly available for inspection at the offices of the Financial Advisor to the University, John S. Vincent & Company LLC, 208 South LaSalle Street, Suite 1625, Chicago, Illinois 60604, or at the University's Office of the Vice President for Finance and Planning, 302 Hovey Hall, Normal, Illinois 61790-1100.

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 Illinois State University.

BOARD OF TRUSTEES OF ILLINOIS STATE UNIVERSITY

BY: ____

Treasurer, Board of Trustees

APPENDIX A

ILLINOIS STATE UNIVERSITY

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APPENDIX A

ILLINOIS STATE UNIVERSITY

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ILLINOIS STATE UNIVERSITY

GENERAL

Illinois State University was the first public institution of higher education established in the State of Illinois. The University opened in 1857 as Illinois State Normal School, offering a two-year degree. In 1907, the institution was changed from a two-year college to a four-year degree-granting university. In 1964, the name of the institution was changed to Illinois State University. On January 1, 1996, the Board was established pursuant to the University Law and succeeded to all rights, powers and duties relating to the governance of the University that were previously vested in the Board of Regents. The University Law sets forth the powers and duties of the Board and the University.

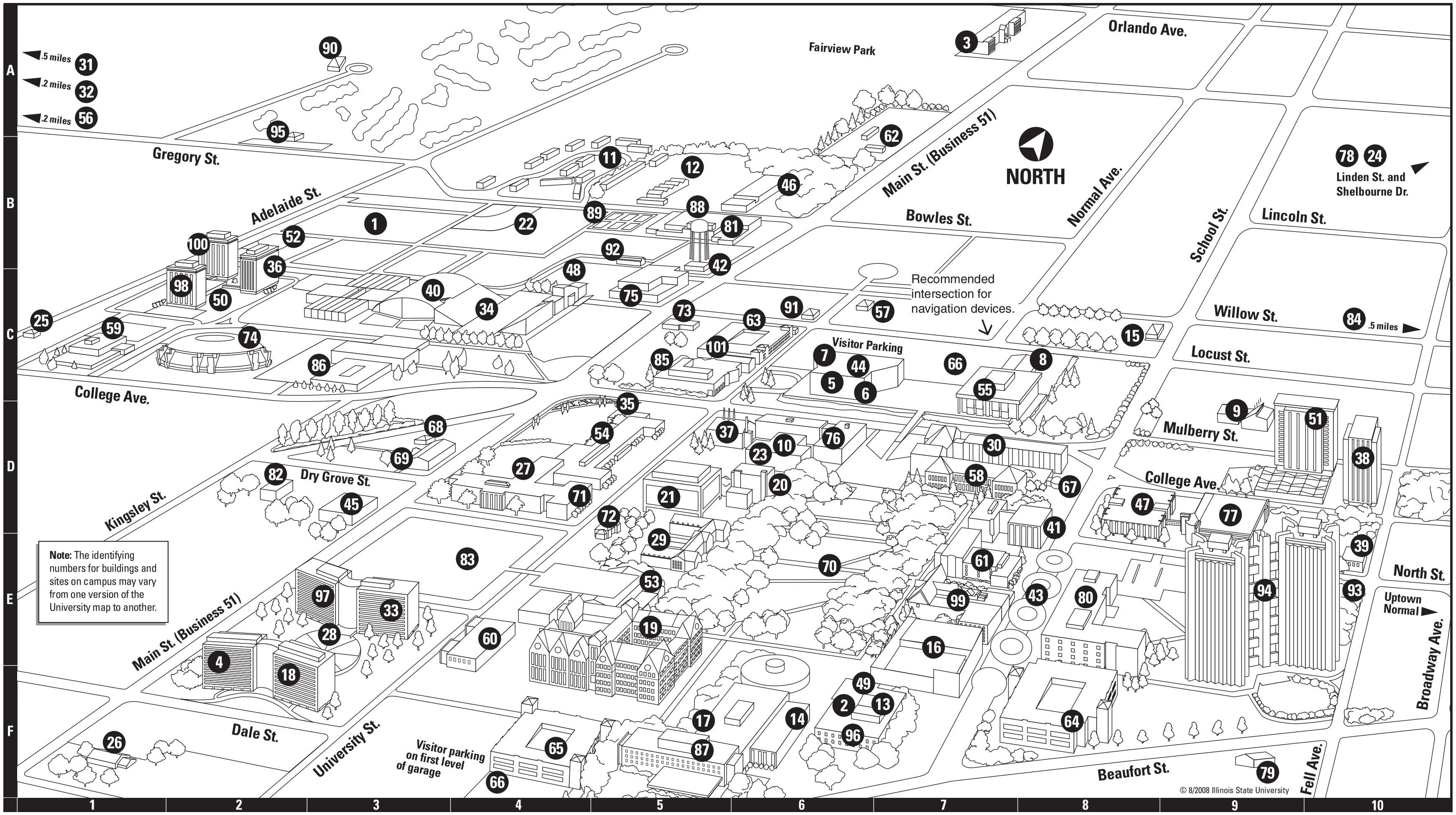
The University is a coeducational, residential university with six colleges and [34] academic departments/schools that offer more than 199 programs of study. The University's Graduate School coordinates 53 master's, specialist and doctoral programs. The University is accredited by the Commission on Institutions of Higher Education of the North Central Association of Colleges and Secondary Schools. The teacher preparation programs are accredited by the National Council for Accreditation of Teacher Education and are certified by the Illinois State Board of Education. In addition, the University holds discipline-based accreditation from 25 accrediting agencies.

Illinois State University is located in the twin-city community of Bloomington-Normal, with a population of approximately 150,000, and is centrally located 137 miles southwest of Chicago and 164 miles northeast of St. Louis. Because of its easy access in a region of strong economic growth and its multidimensional profile, the University is able to respond to the varied needs and interests of its constituents and to contribute to the development of its students as responsible citizens. The University enrolls students from throughout Illinois, 49 other states, the District of Columbia, and 60 foreign countries. Students are mentored by a faculty that includes numerous teacher-scholars recognized at national and international levels, and all are dedicated to superior teaching.

MISSION STATEMENT

The following mission statement of the University was adopted on February 6, 2002 and amended on May 7, 2008: "We at Illinois State University work as a diverse community of scholars with a commitment to fostering a small-college atmosphere with large-university opportunities. We promote the highest academic standards in our teaching, scholarship, public service and the connections we build between them. We devote all of our resources and energies to creating the most supportive and productive community possible to serve citizens of Illinois and beyond."

In 2000, Illinois State University launched a new strategic planning process known as *Educating Illinois* to advance the Board of Trustees' vision for the University and build upon the institution's heritage and recent accomplishments. The second revision of the *Educating Illinois* strategic plan known as *Educating Illinois 2008-2014: Priorities for Illinois' First Public University* was endorsed by each of the University governance groups in spring 2008 and is now in its implementation phase. The ultimate aim of the plan is to guide Illinois State University in being the first-choice university for high-achieving, motivated students who seek an individualized educational experience combined with the resources of a large university. Additional information about the plan can be found at http://educatingillinois.illinoisstate.edu.



ILLINOIS STATE UNIVERSITY

Illinois' first public university

1 Adelaide Soccer Field B3
2 Allen Theatre F6
3 Alumni Center A7
4 Atkin Hall E2
5 Bone Student Center C6
6 Braden Auditorium C6
7 Brown Ballroom C6
8 Bowling & Billiards Center C8
9 Campus Religious Center D9
10 Capen Auditorium D6
11 Cardinal Court B5
12 Carter Harris Building B5
13 Centennial East F7
14 Centennial West F6
15 Center for Intercultural Relations C8
16 Center for the Performing Arts E7
17 Center for the Visual Arts F5
18 Colby Hall F2
19 College of Business Building E5
20 Cook Hall D6
21 DeGarmo Hall D5
22 Duffy Bass Field B4
23 Edwards Hall D6
24 Energy House B10
25 Eyestone School Museum C1
26 Facilities Planning Building F1
27 Fairchild Hall D4
28 Feeney Dining Center E3
29 Fell Hall E5
30 Felmley Hall D7
31 Gregory Street Property A1
32 Gregory Street Complex A1
33 Hamilton Hall E3
34 Hancock Stadium C4
35 Hayden Auditorium D5
36 Haynie Hall C2
37 Heating Plant D5
38 Hewett Hall D10
39 Honors Program E10
40 Horton Field House C3
41 Hovey Hall D8
42 Hudelson Building B5
43 *In Exchange* E8
44 InfoCentre C6
45 Instructional Technology and Development Center D3
46 John Green Food Service Building B6
47 Julian Hall D8
48 Kaufman Football Building C4
49 Kemp Recital Hall F6
50 Linkins Dining Center C2
51 Manchester Hall D10
52 Marian Kneer Softball Stadium B2
53 McCormick Hall E5
54 Metcalf School D5
55 Milner Library C7
56 Motorcycle Driving Range A1
57 Motorcycle Safety Program Office C7
58 Moulton Hall D7
59 Nelson Smith Building C1
60 Office of Residential Life Building E4
61 Old Union E7
62 Parking and Transportation Building, Bill Waller B7
63 Parking Garage, North University Street C6
64 Parking Garage, School Street F8
65 Parking Garage, South University Street F4
66 Parking, Visitor C7 and F4
67 Planetarium D8
68 Professional Development Annex D3
69 Professional Development Building D3
70 Quad E6
71 Rachel Cooper D4
72 Rambo House D5
73 Recreation Services Building C5
74 Redbird Arena C2
75 Ropp Agriculture Building C5
76 Schroeder Hall D6
77 Science Laboratory Building D9
78 Shelbourne Apartments B10
79 Southeast Chiller Plant F9
80 Stevenson Hall E8
81 Stroud Auditorium B6
82 Student Accounts Building D2
83 Student Fitness and Kinesiology Recreation Building (under construction) E4
84 Student Recreation Building C10
85 Student Services Building C5
86 Turner Hall C3
87 University Galleries F5
88 University High School B5
89 University High School Tennis Courts B5
90 University (President's) Residence A3
91 *Vidette* Building C6
92 Vitro Center B5
93 Watterson Dining Center E10
94 Watterson Towers E9
95 Weibring Golf Club A2
96 Westhoff Theatre F6
97 Whitten Hall E3
98 Wilkins Hall C2
99 Williams Hall E7
100 Wright Hall B2
101 211 North University Street C5

CAMPUS

The University campus covers 970 acres and includes 154 buildings containing approximately 6.9 million gross square feet of space. Major classroom buildings are centrally located and are surrounded by the library and recreational, social, and residential structures. Most facilities are accessible to the handicapped.

The Milner Library, completed in 1976, contains over three million individual items and study space for 3,000 students. Each of the six floors of the library provides a variety of study areas—individual carrels, small tables, conference rooms, and lounge chairs—all located adjacent to books, periodicals and other library materials.

Other University facilities include an 18-hole golf course, a 360-acre farm, recreational fields, and other open areas for student and public use. The University also has a 3,500-seat auditorium, a student center and a recreation facility for bowling and other activities. Intercollegiate and intramural sports are frequently scheduled in the 10,200 seat Redbird Arena, in the 5,000-seat Horton Field House and in Hancock Stadium (which has an all weather playing surface). In addition, a 170,000 sq. ft. recreation facility will open in January 2011 and will serve the Campus Recreation Services, Kinesiology and Recreation programs, students, faculty, and staff. Residential structures include high rise buildings of 28, 18, 12 and 10 story heights, as well as dormitories of only a few stories in height. See "ILLINOIS STATE UNIVERSITY AUXILIARY FACILITIES SYSTEM" in the Official Statement.

BOARD OF TRUSTEES

The University is governed by the Board of Trustees which is composed of seven voting members who serve staggered six-year terms and are appointed by the Governor of the State of Illinois, with the advice and consent of the Illinois Senate, and one voting student member, who serves a one-year term. The Board is responsible for the general supervision and management of the educational program and the lands, buildings and other properties of the University and the control of the revenues and expenditures in support thereof. The President of the University is the chief executive officer of the University and is responsible for executing Board policies and managing the University on a day-to-day basis.

The present members, officers and principal staff of the Board and the principal officers of the University are set forth below. As of January 1, 2011, there is one vacant Trustee position.

Officers of the University

C. Alvin Bowman	President
Sheri Noren Everts	Vice President for Academic Affairs and Provost
Daniel T. Layzell	Vice President for Finance and Planning
Erin Minne	Vice President for University Advancement
Steven L. Adams	Vice President for Student Affairs

PRINCIPAL OFFICERS OF THE UNIVERSITY

C. Alvin Bowman. Dr. Bowman assumed office as the seventeenth president of Illinois State University on March 1, 2004 after serving as Interim President since June 1, 2003. He previously served as interim Vice President for Academic Affairs and Provost during the 2002 – 2003 academic year. Dr. Bowman joined Illinois State University in 1978 as a faculty member in Speech Pathology and Audiology and was named chair of that department in 1994. He earned his Ph.D. in Speech Pathology from the University of Illinois in 1979. He received his master's from Eastern Illinois University in 1976 and his bachelor's from Augustana College in 1975.

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

.*Sheri Noren Everts*. Dr. Everts became the Vice President for Academic Affairs and Provost at Illinios State University in July, 2008. Beginning in 1994, Dr. Everts was a faculty member in the Department of Teacher Education at the University of Nebraska-Omaha and was promoted to Professor in 2004. In 2000 she was named Assistant to the Vice Chancellor for Academic Affairs at the University of Nebraska-Omaha. In 2003 she was appointed to Assistant Vice Chancellor for Academic and Student Affairs and Associate Vice Chancellor in 2004. In 2006 she was named Acting Vice Chancellor and in 2007 Interim Senior Vice Chancellor. Dr. Everts received a Bachelor's degree in English and Secondary Education, a Master's in Literacy Education and English, and a Ph.D. in Administration, Curriculum and Instruction, from the University of Nebraska-Lincoln.

The Vice President for Academic Affairs and Provost provides leadership for the management of academic budgeting processes, program development and evaluation, long range facilities planning, and provostial guidance for interdisciplinary relationships among colleges and other academic administrative units.

Daniel T. Layzell. Dr. Layzell became Vice President of Finance and Planning at Illinois State Univeristy in September, 2009. Immediately prior to joining the University, he served as Associate Vice President for Planning and Administration at the University of Illinois. Prior to that he served as Deputy Director of Planning and Budgeting for the Illinois Board of Higher Education. He also previously was a partner in the higher education practice of MGT of America, Inc., a consulting firm based in Tallahassee, Florida, director of policy analysis and research for the University of Wisconsin System, and a budget analyst for the Arizona Legislature. He has been an adjunct faculty member in the graduate higher education programs at the University of Illinois at Urbana-Champaign, Florida State University, and University of Wisconsin-Madison. Dr. Layzell has a Ph.D. in Higher Education from Florida State University, an A.M. in Labor and Industrial Relations from the University of Illinois at Urbana-Champaign, and a B.S. in Economics and Business Administration from Illinois College.

The Vice President for Finance and Planning provides leadership to the areas of Administrative Information Systems, Business Services, Comptroller's Office, Facilities Services, Human Resources, Institutional Research/University Planning and the University Budget Office in the support of the campus community.

Erin Minne. Ms. Minne became Vice President for Institutional Advancement at Illinois State University in June, 2010. Immediately prior to joining the University she served as the Vice President for Development at the University of Iowa Foundation where she managed a $500 million campaign for the academic medical center and provided oversight for campaigns for the colleges of Public Health and Dentistry. She received her bachelor's degree from Oakland University in Michigan and her master's degree from Saint Mary's University of Minnesota. She has also held positions at Michigan Technological University, Boysbille of Michigan, American Cancer Society, and Orchard's Children's Services.

The Vice President for University Advancement provides leadership for the areas of Alumni Services, Constituent Relations, University Marketing and Communication, and Leadership Gift and Special Initiatives. She also serves as Executive Director of the Illinois State University Foundation.

Steven L. Adams. Mr. Adams became the Vice President for Student Affairs at Illinois State University in July, 2006. He has spent his entire 35-year career at Illinois State University, serving in major administrative positions in Academic Affairs including Assistant Vice President for Enrollment Management and Academic Services and as Director of Admissions. He has received the lifetime achievement award from the Illinois Association of College Admission Counseling, the distinguished service award from the Illinois Association of College Admission Counseling, the distinguished service award from the Illinois American College Testing (ACT) Council, and is a member of the Illinois Basketball Hall of Fame and Illinois State University Athletics Hall of Fame as the recipient of the Stretch Miller award. Mr. Adams earned his baccalaureate degree in Business Administration from Illinois Wesleyan University, completed graduate work in Counselor Education at Illinois State University, and was a Fellow in the Education Policy Fellowship Program in Washington, D.C.

The Vice President for Student Affairs provides leadership for the areas of Student Life, Bone Student Center and Braden Auditorium, Student Counseling Services, the Career Center, Disability Concerns, Intercultural Programs and Services, Recreation Services, University Housing, Campus Dining, Student Health Services, Student Dispute Resolution Services, Student Legal Services and Commencement.

APPROPRIATIONS BY THE STATE OF ILLINOIS

The University annually receives appropriations from the General Assembly of the State, which are to be applied to the educational and general expenditures of the University. In addition, payments are made by the State on behalf of the University for employee benefits and retirement contributions. The State funding received by the University for the past five Fiscal Years is set forth below:

State Funding to the University
Fiscal Year ended June 30
(in 000's)

	2006	2007	2008	2009	2010
Current Operating Funds	$ 80,452	$ 81,528	$ 83,057	$ 82,991	$ 85,146
Payments on behalf of University	41,326	46,693	53,493	59,581	78,553
Total	$ 121,778	$ 128,221	$ 136,550	$ 142,572	$ 163,699

Source: Compiled by the Office of the Treasurer of the Board from audited Financial Reports of the University for Fiscal Years 2006-2010.

The Governmental Accounting Standards Board ("GASB") Statement 24 (Accounting and Financial Reporting for Certain Grants and Other Financial Assistance) requires state universities to recognize in their financial statements and notes the amount the State of Illinois contributes to the State Universities Retirement System of Illinois ("SURS") on behalf of the University employees. The amount recognized each year has been a relatively consistent amount. However, on July 2, 2003, SURS received additional funding proceeds from the State of Illinois as a result of House Bill 3759. The funding increase resulted from the State's issuance of pension related bonds which benefited from the favorable interest rate environment. This resulted in a substantial increase in the amount recognized as on-behalf revenues and benefit expenditures in the University's financial statements. [The Fiscal Year 2004 amount was approximately $103 million versus the Fiscal Year 2003 amount of $35 million.]

[In addition, for Fiscal Years 2006, 2007, 2008, 2009 and 2010 the State provided approximately $4.7 million, $2.8 million, $10.2 million, $7.6 million and $5.8 million, respectively, in Capital Funds for University projects.]

There can be no assurance that appropriations will continue to be made at the current level or received in a timely fashion.

COLLEGIATE ORGANIZATION

Undergraduate academic programs and courses are offered by the University in 34 academic departments that are organized into the Colleges of Applied Science and Technology, Arts and Sciences, Business, Education, Fine Arts, and Nursing.

The Graduate School offers master's degree programs in most fields in which undergraduate programs are available and doctoral degree programs in Audiology, Biological Sciences, Curriculum and Instruction, Educational Administration, English, Math Education, Nursing, School Psychology and

Special Education. The University offers off-campus courses, workshops and conferences designed for adults who wish to improve themselves professionally.

FACULTY

As of the Fall term 2010, the University's faculty totaled 1,184 members, 877 of which are full time. Of the full time faculty, approximately 81% are tenured/tenure track and approximately 79% hold a terminal degree in their field.

STUDENT ENROLLMENT

Approximately 93% to 94% of enrolled students are Illinois residents paying in-state tuition rates. Set forth below are on-campus enrollments (excluding extension and similar courses offered by the University) for the past five academic years with respect to Fall semester registration.

Actual Enrollment Statistics (Fall Semester)

	Head Count			Full-Time Equivalent		
	Undergraduate	Graduate	Total	Undergraduate (15 hrs)	Graduate (12 hrs)	Total
2006	17,842	2,419	20,261	16,539	1,365	17,904
2007	17,655	2,449	20,104	16,356	1,366	17,722
2008	17,949	2,501	20,450	16,629	1,374	18,003
2009	18,344	2,512	20,856	16,943	1,444	18,387
2010	18,254	2,508	20,762	16,924	1,470	18,394

STUDENT ADMISSIONS

The University administers a selective admissions program that has resulted in a freshman class with an average ACT score of 24.1 for the last five years. The entering freshman class for Fall semester 2010 achieved a mean ACT score of 24.1; the state and national averages for a comparable class were 20.7 and 21.0, respectively.

Illinois State University ACT Scores

2006	2007	2008	2009	2010
23.9	24.2	23.9	24.3	24.1

Set forth below are the admissions data for undergraduate freshmen and transfer students for the past five years.

New Freshmen

Fall Term	Completed Applications	Acceptances	Percent Accepted	Enrollment	Percent Enrolled (Of Acceptances)
2006	12,071	8,218	68.1%	3,200	38.9%
2007	12,550	8,461	67.4%	3,145	37.2%
2008	13,549	8,699	64.2%	3,394	39.0%
2009	14,114	8,711	61.7%	3,033	34.8%
2010	13,671	9,141	66.9%	3,190	34.9%

Transfer Students*

Fall Term	Completed Applications	Acceptances	Percent Accepted	Enrollment	Percent Enrolled (Of Acceptances)
2006	4,063	2,995	73.7%	1,788	59.7%
2007	3,649	3,020	82.8%	1,725	57.1%
2008	3,724	3,028	81.3%	1,704	56.3%
2009	3,993	3,381	84.7%	1,926	57.0%
2010	3,730	3,064	82.1%	1,838	60.0%

* Excludes Unclassified

FINANCIAL AID TO STUDENTS

Financial aid to students of the University in Academic Year 2009-2010 totaled $200,908,547. A total of 11,748 students received loans with a value of $115,673,069, representing approximately 58 percent of the total financial aid to students. Of the total, 444 loans, valued at $910,962 were made through the federally-funded Perkins Student Loan Program, and 22,032 loans, valued at $100,825,200, were made through the Federal Direct Student Loan Program, 24 loans, valued at $86,000, were made through the Federal Nursing Loan Program and 1,555 loans, valued at $13,850,907, were made through private lenders.

A total of 10,246 students received scholarships, grants, fellowships and traineeships in Academic Year 2009-2010, with a value of $67,375,581, representing approximately 34 percent of the total financial aid to students. Of the total, 6,867 awards, valued at $18,573,919, were provided from federal funds; 5,992 awards, valued at $23,129,475, came from state funds; and 10,053 awards, valued at $25,672,187, were provided from University grants and scholarships and from private donors.

Tuition waivers, valued at $11,532,066, for Academic Year 2009-2010, were received by 3,714 students, and represented approximately 6 percent of the total financial aid.

Approximately 9 percent of financial aid to students was in the form of student employment to regular students and to graduate assistants. In Academic Year 2009-2010, the University provided approximately 5,800 jobs from which students earned a total of $17,859,896.

The University received funds and commitments that permitted financial aid to students in Academic Year 2010-2011 to be at a level essentially equal to that described above for academic year 2009-2010. There is no assurance that the amounts of federal and state financial aid to students will be available in the future at the same levels and under the same terms and conditions as presently apply. Any changes in the availability of federal and state financial aid may affect the University's enrollment but the impact of any such changes cannot be assessed at this time.

TUITION AND FEES

Set forth below is a schedule of the yearly tuition and fees charged by the University to new full-time undergraduate students who were Illinois residents for the Fiscal Years 2007-2011.

Undergraduate Tuition and Fees
Illinois State University
(Yearly Fees—New Full-time Student—Illinois Resident)

Fiscal Years	Tuition and Fees	Room and Board	Combined Costs
2007	7,724	6,148	13,872
2008	8,697	6,848	15,545
2009	9,492	7,458	16,950
2010	10,209	7,882	18,091
2011	11,077	8,128	19,205

The cost is based on 15 credit hours. Students taking 16 or more credit hours pay the per credit hour charge for each additional hour.

On July 22, 2003, the Governor of the State signed into law Public Act 93-0228 which amended the University Law (110 ILCS 675/20-1 et.seq.), 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 enrolls 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. In addition, the Board extended this guarantee to include mandatory fees and made it available to out of state students. Neither the Public Act nor the Board's resolution include room and board or other charges. Public Act 96-1293, signed into law July 26, 2010, further amends Illinois State University Law (110-ILCS 675/20-1 et. seq.), and the laws of all the other public universities in Illinois, to provide that an undergraduate student who has for 4 continuous academic years been charged no more than the tuition amount charged at the time he or she first enrolled in the University shall be charged tuition not to exceed the amount the University charged students who first enrolled in the University for the academic year following the academic year the student first enrolled in the University for a maximum of 2 additional continuous academic years.

EMPLOYEE RELATIONS

Employees of the Board, except faculty, principal administrative employees and student workers, are covered, pursuant to statute, by the State Universities Civil Service System, a separate entity of the State of Illinois under the control of the State-wide University Civil Service Merit Board. Of the University's approximately 3,380 faculty, administrative and nonacademic employees, approximately 760 civil service employees were represented under a total of 14 separate collective bargaining agreements as of June 30, 2010.

The Illinois Educational Labor Relations Act gives faculty members at public universities the right to engage in collective bargaining. The University tenure/tenure track faculty voted in October 1986 not to have a collective bargaining unit. Beginning in August 2004, approximately 380 non-tenure track faculty were represented by a collective bargaining agreement under the Non-Tenure Track Faculty Association/Illinois Education Association-National Education Association. Approximately 435 are currently represented under such an agreement.

STATE UNIVERSITIES RETIREMENT SYSTEM OF ILLINOIS

Retirement benefits are provided for substantially all University employees under a contributory retirement plan administered by the State Universities Retirement System of Illinois (the "Retirement System"). Approximately 3,320 employees of the University participated in the Retirement System as of July 1, 2010. In addition to the contribution by employees, an employer contribution is made by the State of Illinois, including contributions made on behalf of employees of the Retirement System. Historically, the employer contribution has been paid from funds appropriated by the Illinois General Assembly. The employer contribution with respect to employees of those facilities that presently or will comprise part of the Auxiliary Facilities System is not currently and is not expected to become a liability or expense of the System. However, as with other state appropriations made with respect to the University, the continued receipt of such funds is subject to annual appropriation by the General Assembly and there is no assurance of such continued appropriations. See "—Appropriations by the State of Illinois," above and Audited Financial Statements from the Report of the Treasurer of Illinois State University for the Fiscal Year Ended June 30, 2010– Note __, included as APPENDIX B.

The liabilities of the Retirement System relating to payments to University participants are not liabilities of the Board or the Auxiliary Facilities System, but are liabilities of the Retirement System, again subject to continued annual appropriations by the General Assembly.

REVENUES AND EXPENDITURES OF THE UNIVERSITY

The following table (which is prepared primarily on an accrual basis) summarizes the revenues and expenditures of the University for the Fiscal Years ended June 30, 2006 through 2010.

Illinois State University
Revenues and Expenditures, Fiscal Years 2006-2010 (1)

	2006	2007	2008	2009	2010
Revenues:					
State Appropriations from the General Revenue Fund	$ 85,159,663	$ 84,357,343	$ 93,235,371	$ 88,760,806	$ 92,730,309
Student Tuition and Fees	95,396,990	108,622,959	122,216,375	137,167,496	152,516,115
Grants, Contracts and Gifts	37,737,469	35,898,279	38,088,216	38,454,207	45,033,273
Sales and Services of Educational Activities	2,193,079	2,459,794	2,621,885	2,461,319	2,634,827
Payments on Behalf of University	42,162,796	47,704,900	54,600,334	60,802,887	79,867,958
Other Sources	23,630,872	27,110,748	28,635,066	30,580,660	28,254,778
Auxiliary Enterprises (2)	61,863,707	67,175,847	71,253,164	73,181,556	81,017,810
Total Revenues	$348,144,576	$373,329,870	$410,650,411	$431,408,931	$482,055,070
Expenditures by Function:					
Instruction	$ 92,774,766	$ 97,774,921	$102,858,228	$106,796,366	$109,969,512
Research	13,585,119	14,498,859	13,945,458	14,317,400	14,202,048
Public Service	15,367,448	12,062,844	15,246,220	16,373,915	15,098,876
Academic Support	11,213,328	12,628,600	12,740,712	13,628,645	14,190,544
Student Services	27,754,643	30,506,471	31,615,841	33,845,827	35,310,245
Institutional Support	24,010,967	24,070,803	25,096,887	28,555,692	27,299,921
Operation of Plant	21,603,708	23,771,074	26,185,861	27,499,940	29,536,156
Depreciation	14,782,677	14,869,618	15,394,481	16,719,631	17,939,398
Staff Benefits	974,807	2,273,063	1,734,276	1,573,954	1,220,296
Student Aid	17,832,447	18,732,693	21,189,266	23,817,198	31,674,364
Payments on Behalf of University	41,325,783	46,692,888	53,493,304	59,580,738	78,553,377
Other	4,879,309	4,653,395	5,071,268	5,204,348	5,682,015
Auxiliary Enterprises (2)	46,480,617	47,664,808	51,007,542	51,784,687	61,583,757
Total Expenditures	$332,585,619	$350,200,037	$375,579,344	$399,698,341	$442,260,509
Net Revenues Over Expenditures	$ 15,558,957	$ 23,129,833	$ 35,071,067	$ 31,710,590	$39,794,561

Notes:

(1) The financial data summarized in the table is extracted from the annual audited financial statements of the University for the Fiscal Years ended 2006 through 2009 and unaudited for Fiscal Year 2010, which are included or incorporated herein by reference. See, "FINANCIAL STATEMENTS" herein

(2) As used in the table, Auxiliary Enterprises refers to the Auxiliary Facilities System.

ADDITIONAL FINANCING

The University anticipates issuing approximately $15 million in Auxiliary Facilities System bonds in 2012 for the financing of renovations to Hancock Stadium.

AUXILIARY FACILITIES SYSTEM

DESCRIPTION OF FACILITIES

The following facilities presently comprise the Auxiliary Facilities System (the "AFS" or "System"):

Student Fitness Center. The Student Fitness Center is a 170,000 square foot facility opened in January 2011, that houses the Campus Recreation Department and the School for Kinesiology and Recreation. The Center provides state of the art recreation facilities for the entire campus community and includes over 22,000 square foot of cardio and weight training space, four fitness studios, multiple sport courts, an indoor track, swimming pool, climbing wall, a snack bar, locker facilities and administrative spaces.

Redbird Arena. Redbird Arena seats approximately 10,200 people for basketball, volleyball, concerts and other events on a 5½ acre site located across from the University's other arena, Horton Field House. Redbird Arena also contains meeting rooms, offices and storage space. Prominent features of Redbird Arena include an innovative cable dome truss roof with a flexible silicone or teflon coated membrane and insulation sandwich. The building's exterior, constructed of brick masonry veneer, is architecturally compatible with the other buildings on campus. Redbird Arena contains 163,075 gross square feet, with a net programmed area of about 99,638 square feet. Construction of Redbird Arena was completed in January 1989.

Other Athletic-Recreation Facilities. In addition to Redbird Arena, University athletics are centered in Hancock Stadium and Horton Field House, both built in 1961. Also included is the 18-hole University golf course. A considerable number of competitive athletic events, sponsored by the Department of Intercollegiate Athletics, is held in these three areas. In addition, Campus Recreation schedules a variety of non-credit recreational programs in the stadium and field house. In 2000, the Kaufman Building, a 16,000 square foot facility consisting of locker rooms, training facilities and administrative offices, was added to Hancock Stadium to house the University football program. In 2008, McCormick Hall, a 60,000 sq. ft. facility that houses two gymnasiums and a swimming pool, was added to the System and was renovated with proceeds of the Series 2008 AFS Bonds to be physically connected to the Student Fitness Center.

Center for Performing Arts. The Center for Performing Arts was built to accommodate both the training and subsequent presentations of the performing arts. The facility provides space for an 800 to 1,000 seat music concert hall with orchestra pit and a 500 seat theatrical performance hall. Associated support and service spaces include dressing rooms, a "Green Room," warm-up room, costume construction area, craft room, sewing/dye room, scene and paint shop, property shop and storage. The Center for Performing Arts contains 60,000 gross square feet, with a net programmed area of about 40,000 square feet. Construction of the Center for Performing Arts was completed in March 2002.

Residence Halls and Apartments. Ten student residence halls, including the 26-story twin Watterson Towers, provide housing for 6,763 single students. Also included are the 100 apartments at Shelbourne for students and their families.

Bone Student Center. Built in the early 1970s, Bone Student Center contains a banking facility, Barnes & Noble book store, Burger King, Einstein Bros. Bagels, Freshëns, McAlister's Deli, Pizza Hut and various other Campus Dining Service venues, banquet facilities, table service dining, specialty store, copy shop, the 3,500-seat Braden Auditorium, administrative offices and multi-purpose areas. Faculty, administrators and students use the center for a great variety of activities. Concerts, dances, conferences, stage shows and exhibits are held in the Student Center.

Student Services Building. The Student Services Building was completed in 1992. The proceeds of the Series 1989 Bonds were used to finance this facility. The Student Services Building contains approximately 70,000 gross square feet and provides space for the following activities and functions: Student Health Services, Student Health Insurance, Student Counseling Center, Career Services, Student Government Association and other student organizations.

Parking Facilities. The University currently provides 8,723 parking spaces for faculty, staff and students. Faculty and staff currently are charged $96 per year for open parking privileges, and students are charged $79 per year. Reserved parking costs $376 per year for faculty, staff and students. During the most recent Fiscal Year, approximately 9,500 parking decals were sold by the University.

Storage Facilities. In 2000, the University acquired two warehouse buildings located on six acres of land in a commercial development just north of Interstate Highway 55 approximately 4 miles north of campus. The 79,200 square foot facility will be used as high quality storage space, freeing up other space on campus.

Replacement Value. The replacement value of all housing, parking, student center and services and athletic-recreation facilities comprising the existing System is currently estimated to be $696,435,011.

HOUSING ROOM, BOARD RATES AND APARTMENT RENT

The room and board rate in the residence halls for the 2009-2010 academic year ranged from $7,882 to $9,748 for multiple occupancy with a 5-day unlimited meal plan. The current comparable room and board rate for the 2010-2011 academic year ranges from $8,128 to $10,042. Regular single rooms are available for an additional cost of $2,380 per year and large single rooms are available for an additional $3,072 per year.

The University also owns and operates student apartments with 49 one-bedroom units and 51 two-bedroom units. Rent ranges from $508 to $563 per month.

ALTERNATE HOUSING

In June 2010, the University entered into an agreement with the Collegiate Housing Foundation (CHF-Normal LLC) a non-profit limited liability company organized and validly existing under the laws of Alabama for the development of a 896 bed student apartment housing complex to house Illinois State University students. The complex will be constructed, owned and financed with tax exempt debt by CHF-Normal LLC. The facility will be constructed on University land and will be managed by the University. Construction is scheduled to begin in February, 2011, with completion by August, 2012. Rent is expected to range from $565 to $797 per month.

The University requires that freshmen who have not previously attended the University reside in University-operated residence halls for their first four semesters in residence. Students transferring to the University as sophomores must reside in University-operated residence halls for their first two semesters in residence. Off-campus housing available to students includes private apartment complexes which generally have higher rents than University housing. There are no private dormitories available. Some [31] sororities and fraternities have houses which accommodate approximately [1,800] student members.

APPENDIX B

FINANCIAL AUDIT FROM
THE FINANCIAL STATEMENT REPORT OF ILLINOIS STATE UNIVERSITY
FOR THE YEAR ENDED JUNE 30, 2010

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APPENDIX C

SUMMARY OF CERTAIN LEGAL DOCUMENTS

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APPENDIX C

SUMMARY OF CERTAIN LEGAL DOCUMENTS

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 ________ 1, 2011, by and between the Trustee and the Board, and any duly authorized and executed amendment thereto.

"Acquisition Costs" means the price paid or to be paid by the Trustee to cause the acquisition, development and implementation of the Improvements in accordance with the Acquisition Agreement, together with all other costs and expenses incidental to such acquisition, development and implementation, including but not limited to capitalized interest, if any, for a period determined by the Board Representative and the salaries of certain designated employees of the Board employed in connection with the acquisition, development and implementation of the Improvements prior to the date the related Improvements are placed in service.

"Acquisition Fund" means the fund by that name established and held in trust by 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 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.

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

"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 defined therein, 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."

"Favorable Opinion of Special Counsel" means, 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 will not impair the exclusion of the interest component of Installment Payments paid with respect to the Certificates from gross income for purposes of federal income taxation (subject to the inclusion of any exceptions contained in the opinion delivered upon original issuance of the Certificates). See also the information in this APPENDIX C under "INDENTURE – Form of Opinion of Special Counsel."

"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 Indenture, as may be supplemented or amended as set forth in the Purchase Contract.

"Indenture" means the Indenture of Trust, dated as of ________ __, 2011, by and between the Board and the Trustee, together with any amendments or supplements thereto permitted to be made thereunder.

"Installment Payment Fund" means the fund by that name established and held by the Trustee pursuant to the Indenture.

"Installment Payments" means all 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.

"Purchase Contract" means the Installment Purchase Contract, dated as of ________ __, 2011, by and between the Board and the Trustee, together with any duly authorized and executed amendment thereto.

"State" means the State of Illinois.

"Tax Certificate" means any agreement or certificate of the Board which the Board may execute in order to establish and maintain the exclusion from gross income for federal income tax purposes of the interest component of the Installment Payments payable with respect to the Certificates.

PURCHASE CONTRACT

PURCHASE OF IMPROVEMENTS

The Trustee agrees to sell the Improvements to the Board pursuant to the terms and conditions set forth in the Purchase Contract. The term of the Purchase Contract begins on ________ __, 2011 and continues through and including April 1, 2032, unless terminated prior thereto (the "Expiration Date"). (See "SECURITY FOR THE CERTIFICATES – Termination of Purchase Contract" in the body of this Official Statement.) If the Indenture shall be discharged by its terms prior to the Expiration Date, the term of the Purchase Contract shall thereupon end.

No later than the business day before October 1 and April 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. The Board's obligation to make Installment Payments under the Purchase Contract shall not be subject to the Board's acceptance, use or occupancy of the Improvements.

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 AND MAINTENANCE; MODIFICATION OF IMPROVEMENTS; LIENS

The Board, at its own expense, has agreed to pay for, or otherwise arrange for the payment of, all operation, improvement, repair and maintenance of the Improvements.

The Board must pay or cause to be paid all taxes, assessments, utility and other charges with respect to the Improvements.

The Board and any lessee has the power 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. 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.

INSURANCE

The Board is required to maintain, or cause to be maintained, throughout the term of the Purchase Contract, a program of liability 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.

The Board is required to maintain property insurance with a commercial insurer rated "B+" or better by Best or in the two highest rating categories of S&P and Moody's in an amount equal to the replacement cost of such Improvements.

PURCHASE OPTION; PREPAYMENT

On or after an Event of Nonappropriation, the Board may, or upon termination or failure to renew the Purchase Contract the Board shall, exercise its option to purchase all of the Improvements by paying the Prepayment price of principal and accrued interest on all of the Certificates to the date the Purchase Contract is terminated. Such amount will be deposited by the Trustee in the Installment Payment Fund and applied to the redemption of the Certificates in accordance with the Indenture.

SECURITY DEPOSIT

The Board may on any date secure the payment of all or any portion of Installment Payments by a deposit with the Trustee of cash or direct non-callable obligations of the United States of America, together with cash, if required, in such amount as will, together with interest to accrue thereon, be fully sufficient to pay all or any portion of unpaid Installment Payments on their respective Installment Payment Dates. In the event of a deposit sufficient to pay, or provide for the payment of, all unpaid Installment Payments, all obligations of the Board under the Purchase Contract, and all security provided by the Purchase Contract for said obligations, shall cease and terminate, excepting only the obligations of the Board to make, or cause to be made, Installment Payments from such deposit. This deposit will be deemed to be and will constitute a special fund for the payment of Installment Payments in accordance with the Purchase Contract.

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 $5000 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, including the condition that the Board furnish the Trustee with a Favorable Opinion of Special Counsel with respect to any such lease.

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; or

(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 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 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 lease or sell all or any portion of its interests in the Improvements. Any amounts received by the Trustee from such leasing or sale of the Improvements 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 or renew the Purchase Contract, certain of the Board's rights relating to title, use and enjoyment of the Improvements (as detailed in the Indenture), 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; 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 to approve amendments.

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 granted in the Indenture shall be administered by the Trustee 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.

FORM OF OPINION OF SPECIAL COUNSEL

In situations where a Favorable Opinion of Special Counsel or an opinion of Special Counsel is required or requested to be delivered under the Indenture or under the Purchase Contract after the date of delivery of the Certificates, the Trustee shall accept (unless otherwise directed by the Board) an opinion in such form and with such disclosures as may be required so that such opinion will not be treated as a "covered opinion" for purposes of the United States Treasury

Department regulations governing practice before the Internal Revenue Service (Circular 230), 31 CFR Part 10.

FUNDS

The Indenture creates the Acquisition Fund 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 Trustee 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 to pay interest on or principal of the Certificates, as determined by the Board Representative. 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 applied to the payment of debt service or redemption price of the Certificates, unless the Certificate Insurer otherwise directs.

Installment Payment Fund. The Trustee shall deposit into the Installment Payment Fund all Installment Payments, Additional Payments and Prepayments received by the Trustee, 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, premium, if any, 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 by the Board, including accrued interest, if any, and payment of any applicable fees to the Trustee, or provision for such redemption or payment has been made to the satisfaction of the Trustee, shall be withdrawn by the Trustee and remitted to the Board.

Investments. The Trustee is required to invest and reinvest all moneys held under the Indenture upon order of the Board Representative in Permitted Investments. The maturity date or the date on which any Permitted Investment may be redeemed at the option of the holder thereof must 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. 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 such time shall be deposited into the Installment Payment Fund and used to pay interest or principal on the Certificates, as directed by the Board Representative.

EVENT OF DEFAULT

Upon the occurrence of an Event of Default, the Trustee may, with the consent of the Certificate Insurer, and shall, at the direction of Owners of not less than 25% in aggregate principal amount of the Certificates then Outstanding, with the consent of the Certificate Insurer, 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.

No Owner of any Certificate may institute any suit, action or proceeding in equity or at law for any remedy under or upon the Indenture unless (a) such Owner has previously given written notice to the Trustee of such an 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 certain 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.

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

Fourth, to repay the Certificate Insurer for any amounts paid under the Policy.

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;

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

(j) to provide for any additional procedures, covenants or agreements necessary to maintain the exclusion of the interest component payable on the Certificates from the federal gross income of the Owners thereof.

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 sufficient with other available funds without reinvestment to pay and discharge all Certificates (including all principal and interest) 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 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 after the date of delivery of the Purchase Contract will 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, the Board reserves (a) the rights to demand, accept and retain all rights in and to all property, data and service which the Contractors are obligated to provide, or do provide, pursuant to the Improvement Contracts, (b) all rights, if any, with respect to spare parts as provided in the Improvement Contracts, (c) the right to obtain instructions and data pursuant to the Improvement Contracts and (d) the rights under all warranty and indemnity provisions contained in the Improvement Contracts.

Appendix D

Proposed Form of Opinion of Special Counsel

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APPENDIX D

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

[To be Dated the Closing Date]

Board of Trustees of
Illinois State University
302 Hovey Hall
Normal, Illinois 61790-1100

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 ________ __, 2011, between the Board of Trustees of Illinois State 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 acquisition, construction and equipping by the Board of improvements (the "*Improvements*"), more fully described in Exhibit A to the Indenture, 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 Posegate & Denes, P.C., Counsel to the Board, dated the date hereof.

(d) The form of the Certificates of Participation (Capital Improvement Project), Series 2011, issued in the aggregate principal amount of $________ (the "*Certificates*").

(e) Such other documents, certificates and other matters of fact and law, including the Internal Revenue Code of 1986, as amended (the *"Code"*), 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 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 also our opinion that, subject to the Board's compliance with certain covenants, under present law, the portion of each Installment Payment made by the Board to the Trustee, as trustee for the owners of the Certificates, and denominated as and comprising interest pursuant to the Purchase Contract, which is received by the owners of the Certificates, is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations under the Code, but is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. We express no opinion for federal income tax purposes as to any moneys received in payment of or with respect to the Certificates subsequent to the termination of the Board's obligations under the Purchase Contract. Failure to comply with certain of such Board covenants could cause such interest to be includable in gross income for federal income tax purposes retroactively to the date of issuance of the Certificates. Ownership of the Certificates may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Certificates.

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 upon our review of the laws and the facts that we deem relevant to render such opinion, and is not a guarantee of a result. Our 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.

Appendix E

Form of the Continuing Disclosure Agreement

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APPENDIX E

FORM OF THE CONTINUING DISCLOSURE AGREEMENT

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

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

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

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

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

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

"Commission" means the Securities and Exchange Commission.

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

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

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

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

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

"MSRB" means the Municipal Securities Rulemaking Board.

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

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

"State" means the State of Illinois.

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

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

4. Annual Financial Information Disclosure. Subject to Section 8 of this Agreement, the Board hereby covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements (in the form and by the dates set forth in Exhibit I to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information, and by such time so that such entities receive the information by the dates specified.

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.

BOARD OF TRUSTEES OF
ILLINOIS STATE UNIVERSITY

By:____
Treasurer, Board of Trustees

Dated ________ _, 2011 **Exhibit I**

ANNUAL FINANCIAL INFORMATION AND TIMING
AUDITED FINANCIAL STATEMENTS

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

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

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

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

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

Exhibit II

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

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

Exhibit III

Board of Trustees of Illinois State University
$________ Illinois State University Certificates of Participation
(Capital Improvement Projects), Series 2011

MATURITY DATE	CUSIP