

MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES
SOUTHERN ILLINOIS UNIVERSITY
DECEMBER 8, 2005

The regular monthly meeting of the Board of Trustees of Southern Illinois University convened on Thursday, December 8, 2005, at 10 a.m. in Ballroom "B" of the Student Center, Southern Illinois University, Carbondale, Illinois. The meeting was called to order. The following members of the Board were present:

Mr. Roger Tedrick, Chair
Dr. Sam Goldman
Ms. Tequia Hicks
Dr. Keith Sanders
Mr. Matt Townsend
Mr. Steve Wigginton

The following members of the Board were absent:

Dr. Ed Hightower, Vice-Chair
Mr. John Simmons, Secretary
Ms. Marquita Wiley

Executive Officers present were:

Dr. Duane Stucky, Interim President, SIU
Dr. Vaughn Vandegrift, Chancellor, SIUE
Dr. Walter Wendler, Chancellor, SIUC
Dr. John Haller, Jr., Vice President for Academic Affairs

Also present were Jerry Blakemore, General Counsel; and Misty Whittington, Executive Secretary of the Board.

The Secretary reported a quorum present.

NOTE: Copies of all background documents furnished to the Board in connection with the following matters have been placed on file in the Office of the Board of Trustees.

The Chair reported that on the prior evening at 6 p.m., members of the SIU Board of Trustees had dinner at Tom's Place in DeSoto, Illinois. The gathering was social in nature.

The Chair also reported that, pursuant to notice, at 7:30 a.m. at the Stone Center, members of the Board had breakfast with Dr. William Osborne, dean of the College of Engineering, SIU Carbondale. No action was taken.

The Chair recognized fellow trustee, Dr. Keith Sanders, for serving as liaison to the Board for the Presidential Search Advisory Committee. He thanked Dr. Sanders for his time spent serving with the committee members in addition to time spent with the Board during the search process.

Under Committee Reports, Mr. Tedrick gave the Executive Committee report. He stated that the Committee had not met since the last Board meeting.

Under Executive Officer Reports, President Stucky made his report to the Board. He reported that during the prior week the University's Federal Government Consultant Doug Richardson visited with many of the deans and associate deans at both campuses to begin the non-RAMP process for FY07. Dr. Stucky stated that the efforts had produced significant earmark grants for both campuses historically and that the University was hopeful that it would be able to secure additional federal funds for research.

President Stucky reported that the Illinois General Assembly would begin its Spring Session on January 11 with the adjournment scheduled for April 7. The Governor's budget address is set for February 15. He reported that during its November meeting, the state legislature's Commission on Government Forecasting and Accountability provided a preliminary revenue estimate for FY07 characterized as ordinary in the range of \$700 million in base revenue growth similar to that experienced in each of the last two fiscal years. According to the Commission, gross personal income taxes will see a rise, approximately 4.3 percent, with the resulting gain in net revenue estimated at \$360 million. Gross corporate income tax growth is estimated to fall to about 3 percent. Sales tax is expected to return to an historic average growth of approximately 3.9 percent with the rate of growth expected to generate a yearly gain of \$270 million.

President Stucky noted that Public Act 4 passed last year which sets the state pension contribution levels for FY06 and FY07 will result in a state pension contribution of \$1.37 billion for FY07. He mentioned that this is a reduction of \$1.13 billion over the estimated actuarial FY07 contribution previously required under a pension funding plan agreed to in 1994. The budget savings realized from the restructuring will be a key component in an FY07 spending proposal.

Dr. Vaughn Vandegrift, Chancellor, SIUE, made his report to the Board. He reported that on November 29, Governor Blagojevich greeted a crowd of nearly 500 in Rendleman Hall with news that SIU Edwardsville

would receive \$3 million for the planning and design of a new Science Building. He noted that further state funding of approximately \$50 million would be required to construct and renovate the Science Building which would include the renovation of the existing building and an additional 80,000 square foot Science Laboratory Building. He stated the need for a new facility was due to the age of the building and growing demand among students in the areas of sciences, nursing, pharmacy, engineering, and dental medicine.

Chancellor Vandegrift reported that Congressman John Shimkus announced nearly \$160,000 in federal money from the Economic Development Agency for the Southwest Illinois Advanced Manufacturing Center at SIU Edwardsville in the Engineering Building on November 28. The Center provides assistance to local businesses for prototype design and fabrication, production development, process optimization, and new technology development.

Chancellor Vandegrift reported that SIU Edwardsville Associate Geography Professor Mark Hildebrandt will be heading to Nepal as a Fulbright Scholar for a seven-month teaching post at Kathmandu University. The Chancellor reported that Dean of Graduate Studies and Research Steve Hansen received the 2005 Award for Outstanding Achievement in Research Administration from the National Council of University Research Administrators (NCURA). Dean Hansen received the award because of his commitment to the people in his professional life and his work to promote the needs of institutions of higher learning.

Chancellor Vandegrift reported that the Office of Instructional Services recently won the Outstanding Developmental Education Program Award from the Midwest Regional Association for Developmental Education. Instructional Services was cited for responding to the developmental needs of students across the spectrum and providing significant comprehensive services. The Chancellor announced that President and Chief Executive Officer of Forbes, Inc. Steve Forbes is scheduled to speak at SIU Edwardsville on January 10, 2006, in the Morris University Center, Meridian Ballroom. Chancellor Vandegrift noted that two fall commencement ceremonies are scheduled for Saturday, December 17, 2005, at SIU Edwardsville's Vadalabene Center.

Chancellor Vandegrift reported that the SIU Edwardsville volleyball team won its first-ever Great Lakes Valley Conference title and Heather Bonde was named All-American for the team. The Number 4 ranked men's soccer team lost its national semifinal contest to Franklin Pierce but finished the season with a 16-3-3 record. The Chancellor noted that it was the third appearance for the soccer team in the national semifinals in the last three seasons. He reported that men's and women's basketball are well underway and off to a good start in the season, and the wrestling team finished ninth at the recent Ashland Open with four Cougars being place winners.

Dr. Walter Wendler, Chancellor, SIUC, made his report to the Board. He reported that on November 14 he met with faculty in the College of Liberal Arts to talk about the Saluki Way Plan and proposed

tuition and fee increases. He noted the meeting was the beginning of a series of faculty meetings across the campus on a college-by-college basis. To date, he had met with all colleges except for the College of Medicine which is set for December 14.

Chancellor Wendler reported that on November 15 he attended the Economic Development Leaders of the Southern Region meeting at John A. Logan College which was organized by former Senator Larry Woolard. On November 15, the Chancellor also attended a Board meeting at the Murphysboro High School. The Chancellor noted that he had attended a series of meetings such as this meeting for the opportunity to talk about what is offered at Southern Illinois University Carbondale and to find out how the University can meet the higher educational aspirations of southern Illinoisans.

Chancellor Wendler reported that he had participated in meetings with the Administrative and Professional Staff Council, the Civil Service Council, and the Undergraduate Student Government for discussions about tuition and fee increases and the Saluki Way Plan. He noted that the students had demonstrated a level of appreciation for and understanding of the issues that face the University.

Chancellor Wendler reported that on November 17 the Marmaduke Estate gift was announced with a celebration in the College of Mass Communications in Studio One. He noted it was quite an evening that included the viewing of tape of Virginia Marmaduke.

Chancellor Wendler reported that he attended the Illinois Board of Higher Education meeting earlier in the week. He noted a discussion item of interest at the meeting was about new ways of delivering courses and the kinds of opportunities provided through web-delivered instruction. The Chancellor noted that two fall commencement exercises would be held on Saturday, December 17, at the Arena. He reported that there were 3,438 candidates for degrees including 2,650 candidates for undergraduate degrees, 13 candidates for law degrees, 676 candidates for master's degrees and 99 doctoral candidates.

Chancellor Wendler reported that during the month of November SIU Carbondale processed \$4.5 million in grants and contracts with a number of them being significant.

Trustee Sanders mentioned that he had come to know Virginia Marmaduke well when he served as dean of the College of Communications and Fine Arts. He noted that she was a smart, independent, savvy woman who was very special and an inspiration to the University's students. He noted that Virginia Marmaduke had left to the University more than \$1 million upon her death. Trustee Sanders thanked the Chancellor for honoring his friend.

Trustee Goldman joined Trustee Sanders in honoring Virginia Marmaduke. He commended those who worked on the fitting tribute to her.

Trustee Goldman noted that the Saluki Way plan was a creative initiative and one from which many could benefit. He expressed concern about its estimated costs of \$600 million, \$300 million for Saluki Way and

\$300 million for infrastructure, and that it was an extreme makeover of the SIU Carbondale campus. Trustee Goldman stated that he was pleased that the Chancellor was meeting with many people to look at the Saluki Way Plan and applauded the Chancellor for his efforts to raise funds. He noted that at the prior Board meeting an issue was raised about the reduction in academic programs for lack of finances. Trustee Goldman asked for clarification about how the University would plan to spend \$300 million on the Saluki Way Plan and at the same time eliminate academic programs due to lack of funding.

Chancellor Wendler observed that he was not sure that the programs which had been eliminated had been eliminated because funds were not available but rather that funds could better be expended on other academic programs.

Trustee Goldman noted that the Board had previously heard how the University needs additional funds for academics, personnel salaries, and other things, and he expressed concern about how the University would move into a \$300 million project for the Saluki Way Plan.

Chancellor Wendler stated that he was continuing to meet on a regular basis with different groups about the financing and fundraising for the project. The Chancellor observed that he thought it was important for the forward movement of the organization to have a clear sense of where it wants to go, why it is important, and then work out how to get there. The Chancellor stated that the University was looking for alternative sources of

funding while being careful about indebtedness so that the campus could continue to grow.

Trustee Goldman mentioned that he welcomed public statements not only from the Chancellor but from all that would give equal priority to the location of funding that goes to academic programs, student aid and support of staff, faculty, and Civil Service so that the community knows that the University's priority is in that direction.

Chancellor Wendler referred to a document that he planned to share with Trustee Goldman which detailed funding schemes until 2010 wherein \$253 million had been committed to academic priorities. He added that between 2003 and 2010, approximately 18 percent of tuition increases are allocated to students and approximately 55 percent are allocated to faculty and to academic programs.

Trustee Goldman acknowledged that he had received and reviewed the referenced document.

The Chair explained the procedures for the public comment and question portion of the Board's agenda. The Secretary called on Ms. Nina Hickland.

Ms. Hickland provided her presentation to the Board. By request of the speaker, comments are provided verbatim.

Hello my name is Nina Hickland, and I am here as president of the National Society of Black Engineers, SIUC chapter, and as a recipient of the Bridge to the Doctorate Fellowship. I am currently pursuing my master's of science in Electrical and Computer Engineering. The Bridge Fellowship has afforded me the opportunity to pursue my graduate work. My research area is radio frequency design utilizing carbon nanotube technology which I began researching while at IBM. The Bridge to the

Doctorate, Proactive Recruitment of Multicultural Professionals for Tomorrow, and Graduate Dean's Fellowship programs have attracted many top students as myself to SIU to study.

I would like to speak on the allegations that our fellowship selection process is "engaged in practices of discrimination against whites, non-preferred minorities and males." As the titles of these programs point out, these programs were created with purpose and intent: to provide a "bridge" for underrepresented individuals to complete a doctoral degree; to "proactively recruit multi-cultural professionals"; and to award deserving minority students fellowships, based on merit.

I am here for three reasons. One is to urge the Board to think carefully about settlement negotiations. I am here to ask that we not settle with the Justice Department over the charges of racial equality in the three fellowship programs. In doing so, we could effectively compromise the University's mission to promote diversity as minority students represent only 13 percent of the entire graduate school.

We recognize and understand the Michigan lawsuit cost upwards of \$26 million, we urge the Board of Trustees to resist the impulse to withdraw from this conflict. Therefore, secondly I ask that the University fight this lawsuit. The implications of this battle will affect higher education throughout the state and the nation.

And lastly, I ask that the students in these programs receive an official statement that ensures that we are financially supported by the University. As students, our job is to learn infinitely within our field. Therefore, we are dependent on our stipends and tuition waivers that allow us to focus 100 percent on academics. Please provide us some guarantee that the University will honor the contracts that we have signed.

The Board's policy on equal opportunity and affirmative action states that it is committed to a policy of equal opportunity for all persons and is committed to taking affirmative steps aimed at overcoming historical patterns of discrimination in our society. These fellowship programs are affirmative steps.

Concerned students will be rallying in support of these programs today from 10 a.m. to 3 p.m. in the Free Forum area. Additionally, we are asking that you join us on January 19 during our event, Sounds of Solidarity, as we listen to the stories of current Fellowship recipients and those students and colleagues who have benefited from their presence. Details of this event will be forwarded to the Board upon return of winter break.

The Chair explained the procedure for the Board's omnibus motion and he proposed that, after discussion, there would be taken up the following matters:

REPORTS OF PURCHASE ORDERS AND CONTRACTS.
OCTOBER 2005, SIUC AND SIUE

In accordance with III Bylaws 1 and 5 Policies of the Board C, summary reports of purchase orders and contracts awarded during the months of October 2005 were mailed to the members of the Board in advance of this meeting, copies were placed on file in the Office of the Board of Trustees, and these reports are hereby submitted for information and entry upon the minutes of the Board with respect to the actions of the Executive Committee.

CHANGES IN FACULTY-ADMINISTRATIVE PAYROLL – SIUC

The following changes in faculty-administrative payroll are submitted to the Board of Trustees for ratification in accordance with the Board Policy on Personnel Approval (2 Policies of the Board B). Additional detailed information is on file in the Office of the Chancellor. Where appropriate, salary is reported on a monthly basis and on either an academic year (AY) or fiscal year (FY) basis.

A. Continuing Appointment (If the person previously had a University appointment, it is so noted. Otherwise, the person is a new University employee.)

	<u>Name</u>	<u>Rank/Title</u>	<u>Department</u>	<u>Effective Date</u>	<u>Salary</u>
1.	Cameron, Kristen S.	Academic Advisor (50%)	ASA-School of Architecture	10/04/2005	\$ 1,200.00/mo \$14,400.00/FY
2.	Colwell, William B.	Chair* (100%)/ Professor (0%)	Educational Administration & Higher Education	09/30/2005	\$ 7,475.00/mo \$89,700.00/FY
3.	Cosgrove, Mark C.	Project Coordinator (Former: Associate Director)	Physical Plant	10/14/2005	\$ 5,605.00/mo \$ 67,260.00/FY
4.	Davis, Jessica J.	Director of Law Student Development*	School of Law	11/01/2005	\$ 4,507.00/mo \$54,084.00/FY

5.	Estes, Timothy	Admissions Coordinator*	Undergraduate Admissions	11/01/2005	\$ 2,524.00/mo \$30,288.00/FY
6.	Garvey, James E.	Associate Director of Fisheries & IL Aquaculture Center (75%)/ Associate Professor of Zoology (25%) (Former: Associate Professor of Fisheries & IL Aquaculture Center (75%)/ Associate Professor of Zoology (25%)	Fisheries & Illinois Aquaculture Center/Zoology	11/01/2005	\$ 6,851.75/mo \$82,221.00/FY (Previous salary- \$6,101.75/mo \$73,221.00/FY)
7.	Goro, Todd S.	Computer Information Specialist*	Information Technology	09/10/2005	\$ 3,914.00/mo \$46,968.00/FY
8.	Rhomberg, Vincent P.	Coordinator of Marketing & Public Information	Theater	10/01/2005	\$ 2,667.00/mo \$32,004.00/FY
9.	Waugh, Christopher K.	Chair (100%)/ Associate Professor (0%) (Former: Associate Professor 100%)	Workforce Education & Development	10/16/2005	\$ 7,500.00/mo \$90,000.00/FY (Previous Salary- \$ 5,985.00/mo \$53,865.00/AY)

*Change from term to continuing appointment.

B. Leaves of Absence With Pay –

	<u>Name</u>	<u>Type of Leave</u>	<u>Department</u>	<u>% of Leave</u>	<u>Date</u>
1.	Nicklows, John W.**	Sabbatical	Civil & Environmental Engineering	100%	01/01/2006- 05/15/2006

Purpose: Work on completion of a book titled "Comprehensive Urban Hydrologic Modeling Handbook for Engineers and Planners". The text is intended to serve as both textbook for undergraduate or graduate courses in surface water hydrology and as a handbook for practicing civil engineers. The book is particularly unique that it will focus on urban applications and that it will include over 120 solved example problems.

**Change in purpose for previously reported sabbatical.

C. Awards of Tenure – None to be Reported

D. Promotions – None to be Reported

CHANGES IN FACULTY-ADMINISTRATIVE PAYROLL-SIUE

The following changes in faculty-administrative payroll are submitted to the Board of Trustees for ratification in accordance with the Board Policy on Personnel Approval (2 Policies of the Board B). Additional detailed information is on file in the Office of the Chancellor. Where appropriate, salary is reported on a monthly basis and on either an academic year (AY) or fiscal year (FY) basis.

A. Continuing Appointment (If the person previously had a University appointment, it is so noted. Otherwise, the person is a new University employee.)

<u>NAME</u>	<u>RANK/TITLE</u>	<u>DEPARTMENT</u>	<u>EFFECTIVE DATE</u>	<u>SALARY</u>
1. Forsythe, Bethany	Assistant to the Director	Public Affairs	11/01/05	\$ 2,333.00/mo \$27,996.00/FY
2. Hawkins, Louella	Program Director (formerly: Acting)	University Services to ESL	11/01/05	\$ 4,734.00/mo \$56,808.00/FY (previous salary the same)

B. Leaves of Absence With Pay

NONE TO BE REPORTED

C. Awards of Tenure

NONE TO BE REPORTED

D. Awards of Promotion

NONE TO BE REPORTED

APPROVAL TO ACQUIRE AND DEMOLISH REAL ESTATE:
333 WEST CARPENTER,
SPRINGFIELD MEDICAL CAMPUS, SIUC

Summary

This matter seeks approval to acquire and demolish real property located at 333 West Carpenter, Springfield, Illinois, to expand the site for the SIU Cancer Institute on the Springfield campus. Funding in the amount of \$167,500 for this purchase will come from non-appropriated funds available to the School of Medicine derived from the practice of medicine.

Rationale for Adoption

In February 2000, the Board of Trustees approved the establishment of the SIU Cancer Institute. In fiscal year 2001, state funding was appropriated for the purchase of property and construction of the SIU Cancer Institute facility. The design architects for the SIU Cancer Institute have indicated that it is desirable to rotate the building in a westerly direction to improve access to the facility. To maintain proper clearances once this change occurs will require acquisition of this property. Acquisition will also enhance the University's plan to request the vacation of the alley through the SIU Cancer Institute site.

The University has obtained an appraisal of the property, which valued the property at \$78,500. The owner operates a business on the property and has agreed to sell the property for \$167,500, an amount exceeding the appraised value. It is believed that the cost to obtain the property through legal action may well exceed the \$89,000 difference between the appraised price and the asking price, and would further delay implementation of the project. It is estimated that additional funds of \$500 will be required for closing costs. Cost of demolition of the 1,122 square foot wood frame structure is estimated at \$12,000. Funding for this project will come from non-appropriated funds available to the School of Medicine derived from the practice of medicine.

The nature of this project and the source of funds cause it to be defined as a non-instructional, capital improvement. Consequently, approval of the Illinois Board of Higher Education will be required prior to the commitment of funds.

Considerations Against Adoption

University officers are aware of none.

Constituency Involvement

Not pertinent in this matter.

Resolution

BE IT RESOLVED, By the Board of Trustees of Southern Illinois University in regular meeting assembled, That:

(1) The request to purchase property at 333 West Carpenter, (parcel #14-28.0-430-011), Springfield, Illinois, Springfield, Illinois, at a total cost of \$167,500 plus closing costs estimated at \$500 be and is hereby approved.

(2) The demolition of the 1,122 square foot wood frame structure located at 333 West Carpenter Street, Springfield, Illinois, with an estimated cost of \$12,000 be and is hereby approved.

(3) Funding for this purchase shall be from non-appropriated funds available to the School of Medicine derived from the practice of medicine.

(4) The project be and is hereby recommended to the Illinois Board of Higher Education as a non-instructional, capital improvement.

(5) The President of Southern Illinois University be and is hereby authorized to take whatever action may be required in the execution of this resolution in accordance with established policies and procedures.

PROJECT AND BUDGET APPROVAL:
ROOF REPLACEMENT, UNIVERSITY HALL, SIUC

Summary

This matter seeks project and budget approval for replacing the roof on University Hall, Carbondale, Illinois. The estimated costs of the renovations are \$475,000. This project will be funded from external and/or internal financing as determined by the Board Treasurer. The debt payment will be repaid with SIUC Housing Operation Funds.

Rationale for Adoption

Approval is requested to replace approximately 26,700 square feet of roof on University Hall. During the University Hall facilities assessment, Plant and Service Operations detected roof leaks. In the past, University Housing has made short term repairs to the roof. In

addition, the Jackson County Health Department recommended that the roof over the kitchen be replaced. The project is scheduled to be completed during the summer of 2006.

The nature of this project and its source of funds cause it to be defined as a non-instructional capital improvement project. Consequently, approval of the Illinois Board of Higher Education is required prior to the commitment of funds.

This project is part of the University Housing Safety/Security Enhancement Plan approved at the November 10, 2005, Board of Trustees' meeting.

The Board of Trustees' consulting architect will be given the opportunity to review the drawings and specifications for this project.

Considerations Against Adoption

University officials are aware of none.

Constituency Involvement

The Residence Hall Association is aware of this project.

Resolution

BE IT RESOLVED, By the Board of Trustees of Southern Illinois University in regular meeting assembled, That:

(1) The project to replace the roof on University Hall, Carbondale, Illinois, be and is hereby approved at an approximate cost of \$475,000.

(2) Funding for this project shall be from external and/or internal financing as determined by the Board Treasurer. The debt payment will be repaid with SIUC Housing Operation funds.

(3) The project be and is hereby recommended to the Illinois Board of Higher Education for approval as a non-instructional, capital improvement project.

(4) The President of Southern Illinois University be and is hereby authorized to take whatever action may be required in the execution of this resolution in accordance with established policies and procedures.

REVISED BUDGET APPROVAL:
AUTOMATIC SPRINKLER SYSTEM INSTALLATION,
HIGH-RISE DORMITORIES, SIUC

Summary

This matter seeks revised budget approval to install automatic sprinkler systems in the Schneider Hall, Neely Hall and Mae Smith buildings on the Carbondale campus.

The currently approved budget for this three phase project is \$3,500,000. An increase of \$3,000,000 is now being requested. This will bring the total estimated cost for this project to \$6,500,000. The increase in the project budget will be funded from external and/or internal financing as determined by the Board Treasurer. The debt payment will be repaid with SIUC Housing Operation Funds.

Rationale for Adoption

Effective January 1, 2002, the Illinois State Fire Marshal's Office adopted the 2000 Fire Protection Association's Life Safety Code (NFPA 101), replacing the 1985 edition of the NFPA 101 previously enforced by that office. Under the 1985 edition of NFPA 101, the University was not required to place sprinkler systems in existing high-rise dormitories. However, the recently adopted 2000 edition mandates that all existing university residence halls be protected throughout by an approved supervised, automatic sprinkler system.

On April 8, 2004, the SIU Board of Trustees approved the project and budget for the installation of the sprinkler system in the high-rise residence halls on the Carbondale campus at an estimated cost of \$3,500,000. The Illinois Board of Higher Education, at their meeting on June 4, 2004, approved this project.

Each building consists of 17 floors and a basement. There are 16 floors of living space with 25 rooms per floor, or 400 rooms per building. Each building also contains offices, study areas and laundry rooms on each floor. The total square footage for all three buildings is approximately 583,900 square feet.

Phase one of this three-phase project, the design and installation of the sprinkler system for Schneider Hall, has been completed at a total cost of \$1,635,000. Phase two will be the installation of Mae Smith's system during the summer of 2006. The third and final phase, Neely Hall, will be completed in the summer of 2007.

The revised estimated cost of this project is \$6,500,000. This increase derived from a number of factors that occurred after the original estimates. During the design phase, numerous discussions with peer institutions were conducted. It was determined that a pre-action dry pipe sprinkler system be installed. This system helps to protect buildings against water damage due to fire sprinkler vandalism. The pre-action system requires enhanced water distribution and fire alarm systems as well as special requirements for installation and interior aesthetics. Market conditions also played a major role in the escalation of costs. Due to unpredictable events, materials, labor and delivery costs have increased dramatically within the past several months. The \$3,000,000 increase in the project budget for part of phase two and all of phase three will be funded from external and/or internal financing as determined by the Board Treasurer. The debt payment will be repaid with SIUC Housing Operation Funds. Phase one and part of phase two have been funded by Series 2004A Revenue Bonds.

The increase in estimated costs for this project is part of the University Housing Safety/Security Enhancement Plan approved at the November 10, 2005, Board of Trustees' meeting.

The Illinois Board of Higher Education approved the original project and budget at their meeting on June 4, 2004. Consequently, approval of the increase estimated cost by the Illinois Board of Higher Education will be required prior to the commitment of funds.

Considerations Against Adoption

University officers are aware of none.

Constituency Involvement

The Residence Hall Association is aware of this project.

Resolution

BE IT RESOLVED, By the Board of Trustees of Southern Illinois University in regular meeting assembled, That:

(1) The automatic sprinkler system project at the three high-rise dormitory buildings in University Housing be and is hereby approved at a revised estimated cost of \$6,500,000.

(2) Funding for this project shall be from external and/or internal financing as determined by the Board Treasurer. The debt payment will be repaid with SIUC Housing Operation funds.

(3) This revised project budget be and is hereby recommended to the Illinois Board of Higher Education as a non-instructional capital improvement.

(4) The President of Southern Illinois University be and is hereby authorized to take whatever action may be required in the execution of this resolution in accordance with established policies and procedures.

PROJECT AND BUDGET APPROVAL:
ROOF REPLACEMENT, TRUEBLOOD HALL, SIUC

Summary

This matter seeks project and budget approval for replacing the roof on Trueblood Hall, Carbondale, Illinois. The estimated costs of the renovations are \$650,000. This project will be funded from external and/or internal financing as determined by the Board Treasurer. The debt payment will be repaid with SIUC Housing Operation Funds.

Rationale for Adoption

Approval is requested to replace approximately 39,000 square feet of roof on Trueblood Hall. The University Park dining hall is located in Trueblood Hall. The existing roof on Trueblood Hall has experienced leaks which require periodic repairs. The rubber membrane on this type of roof shrinks (contracts) as it ages. As the rubber shrinks, the rubber pulls away from the skylights, creating tears and roof leaks. The roof was installed in 1991; its ten year warranty has expired.

This project is part of the University Housing Safety/Security Enhancement Plan approved at the November 10, 2005, Board of Trustees' meeting.

The nature of this project and its source of funds cause it to be defined as a non-instructional capital improvement project. Consequently, approval of the Illinois Board of Higher Education is required prior to the commitment of funds.

The Board of Trustees' consulting architect will be given the opportunity to review the drawings and specifications for this project.

Considerations Against Adoption

University officials are aware of none.

Constituency Involvement

The Residence Hall Association is aware of this project.

Resolution

BE IT RESOLVED, By the Board of Trustees of Southern Illinois University in regular meeting assembled, That:

(1) The project to replace the roof on Trueblood Hall, Carbondale, Illinois, be and is hereby approved at an approximate cost of \$650,000.

(2) Funding for this project shall be from external and/or internal financing as determined by the Board Treasurer. The debt payment will be repaid with SIUC Housing Operation funds.

(3) The project be and is hereby recommended to the Illinois Board of Higher Education for approval as a non-instructional, capital improvement project.

(4) The President of Southern Illinois University be and is hereby authorized to take whatever action may be required in the execution of this resolution in accordance with established policies and procedures.

PROJECT AND BUDGET APPROVAL:
REPLACEMENT OF ELECTRICAL SYSTEMS, PHASE III,
THOMPSON POINT, SIUC

Summary

This matter seeks project and budget approval for the third phase of a multiphase project to replace the electrical systems in the Thompson Point housing area on the Carbondale campus. Renovations will include the replacement of the electrical systems and associated lighting in Bailey Hall and Felts Hall. Additional circuitry will also be installed to meet the needs of the current student population. Phase one involved the replacement of electrical systems in Bowyer Hall and Steagall Hall and was completed by the end of summer in 2003. Phase two of the replacement of electrical systems completed Brown Hall and Pierce Hall in August 2004.

The estimated cost of phase three, Bailey Hall and Felts Hall, is \$600,000. This project will be funded from external and/or internal financing as determined by the Board Treasurer. The debt payment will be

repaid with SIUC Housing Operation Funds. Drawings and specifications will be prepared by Physical Plant Engineering Services.

Rationale for Adoption

The electrical systems in the residence halls of the Thompson Point housing area are original to the buildings and in need of replacement. The Bailey and Felts Hall buildings were constructed in 1956 and 1957 respectively. As technology has progressed, the needs of the current student population are placing a much greater demand on the electrical systems in the campus residence hall facilities. As part of an ongoing effort to update facilities and improve service, University Housing is now prepared to move forward with the replacement of the electrical systems and associated lighting in these two buildings in the Thompson Point area at an estimated cost of \$600,000. The renovations will replace the existing electrical panels, secondary circuit wiring, and all associated lighting. Additional circuits will also be included to allow for future needs.

This project is part of the University Housing Safety/Security Enhancement Plan approved at the November 10, 2005, Board of Trustees' meeting.

The nature of this project and its source of funds cause it to be defined as a non-instructional capital improvement project. Consequently, approval of the Illinois Board of Higher Education is required prior to the commitment of funds.

The Board of Trustees' consulting architect will be given the opportunity to review the drawings and specifications for this project.

Considerations Against Adoption

University officers are aware of none.

Constituency Involvement

This project has the approval of the Residence Hall Association.

Resolution

BE IT RESOLVED, By the Board of Trustees of Southern Illinois University in regular meeting assembled, That:

(1) The project to replace the electrical systems and associated lighting in Bailey Hall and Felts Hall on the Carbondale campus be and is hereby approved at an estimated cost of \$600,000.

(2) Funding for this project shall be from external and/or internal financing as determined by the Board Treasurer. The debt payment will be repaid with SIUC Housing Operation funds.

(3) The project be and is hereby recommended to the Illinois Board of Higher Education for approval as a non-instructional, capital improvement project.

(4) The President of Southern Illinois University be and is hereby authorized to take whatever action may be required in the execution of this resolution in accordance with established policies and procedures.

AWARD OF CONTRACTS: ENERGY PERFORMANCE CONTRACTING
SPRINGFIELD MEDICAL CAMPUS, SIUC

Summary

This matter seeks award of contracts for the first phase of facility improvement aimed at reducing utility consumption at the School of Medicine campus at Springfield, Illinois. The contracts to be awarded total \$198,534 which will be funded from Series 20004A Certificates of Participation and the debt service will be paid from the resulting energy and operational savings.

Rationale for Adoption

On March 2, 2004, the School of Medicine accepted Requests for Proposals from energy service companies (ESCOS) seeking a firm to identify, design and implement energy conservation measures on the Springfield Medical Campus. At its meeting on May 13, 2004, the Board of Trustees approved this project and an estimated budget of \$4,500,000. Project funding has been financed through the issuance of Series 2004A Certificates of Participation (COPS) and will be retired through the resulting energy and operational savings.

In July of 2005, the Board of Trustees approved a plan to terminate the services of the ESCO and to complete designs, bid and monitor construction using School of Medicine engineers and, where necessary, contractual A/E services.

The first phase of the project has been bid and award of contracts are requested to Prairie State Plumbing and Heating of Athens, Illinois, for plumbing work in the amount of \$53,112 and to Petersburg Plumbing and Heating, Illinois, for heating work in the amount of

\$145,422 for a total award amount of \$198,534. It is estimated these modifications will result in a utilities savings of \$39,000 per year. The project is expected to have a simple payback of 5.09 years.

Considerations Against Adoption

University officers are aware of none.

Constituency Involvement

Not pertinent in this matter.

Resolution

BE IT RESOLVED, By the Board of Trustees of Southern Illinois University in regular meeting assembled, That:

(1) The contract for the plumbing work for energy conservation modifications at the School of Medicine, Springfield, Illinois, be and is hereby awarded to Prairie State Plumbing and Heating of Athens, Illinois, in the amount of \$53,112.

(2) The contract for the heating work for energy conservation modifications at the School of Medicine, Springfield, Illinois, be and is hereby awarded to Petersburg Plumbing and Heating, Illinois, in the amount of \$145,422.

(3) Funding for this project will come from Series 2004A Certificates of Participation and the debt service will be paid from the resulting energy and operational savings.

(4) The President of Southern Illinois University be and is hereby authorized to take whatever action may be required in the execution of this resolution in accordance with established policies and procedures.

BID TABULATION						
Plumbing Contractor	PO:	Energy Performance Contracting -- Phase I				
		Bid Opening: 11/14/2005				
 Invitations: 8 No Bid: 0 No Reply: 3 BIDDERS		A D D	A D D	A D D	A D D	T O T A L
	B A S E B I D	A L T E R N A T I V E P-1	A L T E R N A T I V E P-2	A L T E R N A T I V E P-3	A L T E R N A T I V E P-4	A C C E P T E D
Prairie State Plumbing & Heating Athens, Illinois	\$53,122					\$53,122
E.L. Pruitt Company Springfield, IL	\$54,161					\$54,161
R.J. Power Plumbing & Heating Springfield, IL	\$63,459					\$63,459
Petersburg Plumbing & Heating Petersburg, Illinois	\$76,546					\$76,546
Henson Robinson Company Springfield, IL	\$87,158					\$87,158

BID TABULATION						
Heating Contractor		PO: 13375-6948		Energy Performance Contracting -- Phase I		
		Bid Opening:		11/14/2005		
 Invitations: 9 No Bid: 0 No Reply: 4 BIDDERS		A D D	A D D	A D D	A D D	T O T A L
	B A S E B I D	A L L T E R N A T I V E H-1	A L L T E R N A T I V E H-2	A L L T E R N A T I V E H-3	A L L T E R N A T I V E H-4	A C C E P T E D
Petersburg Plumbing & Heating Petersburg, Illinois	\$145,422					\$145,422
E.L. Pruitt Company Springfield, IL	\$148,328					\$148,328
Henson Robinson Company Springfield, IL	\$164,819					\$164,819
Prairie State Plumbing & Heating Athens, Illinois	\$167,179					\$167,179
R.J. Power Plumbing & Heating Springfield, IL	\$169,400					\$169,400

APPROVAL OF A FACILITY LEASE FOR
SOUTHERN ILLINOIS RESEARCH PARK, INC., SIUC

Summary

This matter seeks approval by the SIU Board of Trustees of the Facility Lease between Southern Illinois University Carbondale (SIUC) and the Southern Illinois Research Park, Inc. (SIRP). Copies of the Facility Lease have been provided to the Executive Secretary of the Board.

SIUC constructed a facility at the Southern Illinois Research Park which is intended to provide office space for research and knowledge based businesses. The Facility Lease is an eighteen year lease. Under the Lease, SIRP shall operate the Southern Illinois Research Park by subleasing spaces within the structure to appropriate businesses. SIRP shall pay SIUC rent in amounts sufficient to cover the debt financing of the structure. SIRP shall also be responsible for all maintenance and utilities costs for the facility.

Rationale for Adoption

On April 13, 2000, project approval was given to the SIUC Research Park Plan and authorization was granted to "move forward with establishing the SIUC Research Park U.R.O." On February 10, 2005, the Board approved the Master Contract and Ground Lease between the parties. This Lease is the final document necessary to implement the Research Park Plan.

Considerations Against Adoption

None are known to exist.

Constituency Involvement

A Research Park Task Force was established at Southern Illinois University Carbondale in 1997 and includes representation from Southern Illinois University Carbondale, the City of Carbondale, and utility providers. Further, the SIRP Board has created a SIRP Internal Advisory Council with faculty and A/P input. External constituencies have been involved through the SIRP Board and SIRP External Advisory Council.

Resolution

BE IT RESOLVED, By the Board of Trustees of Southern Illinois University in regular meeting assembled, That:

(1) The form and substance of the Facility Lease between the Board of Trustees of Southern Illinois University and Southern Illinois Research Park, Inc. is hereby approved.

(2) The President of Southern Illinois University be and is hereby authorized to take whatever action may be required in the execution of this Resolution in accordance with established policies and procedures. Such action shall include, but is not limited to, execution of the final document governing this transaction.

FACILITY LEASE

THIS FACILITY LEASE ("Lease") is entered into this ___ day of _____, 2005, by and between Southern Illinois Research Park, Inc., an Illinois not-for-profit corporation ("SIRP"), and the Board of Trustees of Southern Illinois University ("University").

WHEREAS, the University constructed a facility located at 148 East Pleasant Hill Road to be utilized as a high technology and knowledge-based research park, specifically for office use and operating services customarily associated with or provided by a facility in support of scientific research and development in such areas as high technology, super computing, microelectronics, biotechnology, robotics, physics and engineering, together with the associated functions related to such uses; and

WHEREAS, SIRP is better equipped to market and lease spaces with the high technology research park for such uses; and

WHEREAS, SIRP shall be responsible for managing the leasing operations at SIRP with the consent and assistance of the University.

NOW THEREFORE, the parties hereto agree as follows:

SECTION 1. LEASED PREMISES

SECTION 2. LEASE TERM AND RENEWAL OPTIONS

- A. Initial Term. The initial term of this Lease shall be for a period of eighteen (18) years commencing on the date of substantial completion of the Facility ("commencement date") and ending on the 18th anniversary of the commencement date. Substantial completion shall mean that the Facility has been constructed in accordance with the Plans to a point where the University has received a permanent or temporary certificate of occupancy from applicable governmental authorities.
- B. Renewal. SIRP may renew the Facility Lease for additional ten (10) year periods under the same terms and conditions herein provided if SIRP notifies University of its intent to renew this Facility Lease in writing at least thirty (30) days prior to the expiration of the then current term, and provided University approves such renewal. Either party may terminate any renewal period at any time by giving the other party written notice at least one (1) year prior to such termination, except as otherwise provided in Section 18.

SECTION 3. RENT

SIRP shall pay to the University rent in the amount equal to that set forth in Exhibit "A", attached hereto and made a part hereof. Said rent shall be due and payable as provided in Exhibit "A". SIRP further understands and agrees that the financing for the construction of the Facility has a variable interest rate. Therefore, the University and SIRP may mutually agree to increase or decrease the payment amount as the interest rate is adjusted. If such adjustments are not made to the payment amount, then SIRP agrees that the University may increase the final payment reflected in Exhibit "A" to cover the entire costs of the financing for the Facility.

SECTION 4. USES

The premises shall be used solely as a knowledge based and high technology research park, specifically for office use and operating services customarily associated with or provided by a facility in support of scientific research and development in such areas as high technology, super computing, microelectronics, biotechnology, robotics, physics, and engineering and for other uses that comply with applicable law, including but not limited to the Southern Illinois University Management Act, and that are consistent with the operation of the remainder of the Facility as a high technology research park. In no event shall SIRP permit a use which may be hazardous in nature in any portion of the Facility. If SIRP desires to use the Facility for a use other than as described above, SIRP shall make such request in writing to the University. The University shall not unreasonably withhold, condition, or delay its approval of such a request. The University's consent to any alternate use shall not constitute a waiver of University's right to withhold its prior written consent to any future alternate use. University shall not be deemed to have unreasonably withheld its consent if, in the reasonable judgment of University, the purpose for which SIRP intends to use the Premises (or portion thereof) is or would be in violation of any other term of this Lease. The foregoing is merely an example of the reasons for which University may withhold its consent and shall not be deemed exclusive of any permitted reasons for withholding consent.

SECTION 5. UTILITIES

SIRP shall be responsible for all utilities for the Facility, including but not limited to all charges for water and sewer services and all costs and charges for gas, steam, electricity, fuel, light, power, telephone, heat, and any other utility or service used or consumed at the Facility, including site utilities such as exterior lighting, and all other costs and expenses involved in the care, management and use thereof.

SECTION 6. MAINTENANCE

SIRP shall be responsible for the costs of repairing and maintaining the structure, including but not limited to the roof, foundation, plumbing, and other mechanical elements, exterior walls (including all windows, window glass, plate glass, and doors outside of the Facility) in good repair and condition. Additionally, SIRP shall be responsible for the costs of maintaining the Facility and any improvements thereon in good clean and sanitary condition, which shall include but not be limited to snow and ice removal, lawn care, parking lot and sidewalk repair and maintenance, trash removal and recycling, and building services. SIRP shall be required to use the appropriate University personnel for any such repairs or maintenance. SIRP shall take all necessary action to keep the Facility free from waste or nuisance. The University shall have the right to complete any repairs or maintenance that it reasonably believes is necessary and charge SIRP for such costs. Any reasonable costs of the repairs or maintenance completed hereunder shall be paid by SIRP.

SECTION 7. ALTERATIONS TO PREMISES.

- A. During the term of the Lease, SIRP may not alter, renovate or remodel the Facility, without the prior written consent of the University. SIRP shall utilize Physical Plant/Engineering Services for any modifications, alterations, or remodeling. The University shall have the right to withhold its consent for such alteration, renovations, or remodeling for any reason.
- B. All alterations, renovations and remodeling completed pursuant to this Section shall be performed in a good and workmanlike manner and in accordance with all applicable laws, rules, regulations and ordinances and shall be overseen by Physical Plant Construction Services. SIRP shall be responsible for any costs and fees for such alterations, renovations and remodeling, including any costs or fees of Physical Plant Construction Services or any other entity. All construction activity shall comply with applicable prevailing wage requirements and University project labor agreements.
- C. University may require additional insurance or bonding for such alterations, renovations, or remodeling of the Facility. SIRP shall provide the University with the required proof of insurance prior to the commencement of any such work. Alterations or modifications to the Facility may have an impact on the insurance cost of the Facility. Any such alterations or modifications will be evaluated by the University, and if an increase in rent is appropriate to cover the addition insurance costs, the rent schedule discussed in section 3 will be adjusted and SIRP will be responsible for the increase.

D. In no event shall the University be liable for the payment of any of the expenses incurred for any work performed at the Facility or for any material purchased or furnished in connection with any alterations, renovations, or remodeling. If, by any reason of any matter set forth in this Section, a mechanic's or other lien, charge, or order for the payment of money shall be filed against the Facility, or any portion thereof, SIRP shall, at its own cost and expense, cause the same to be bonded or insured over within ninety (90) days after SIRP shall have received notice of the filing thereof. The amount of any such bond shall be at least in an amount equal to the amount of the lien. In the event of the failure of SIRP to bond or otherwise insure over or discharge within such period any such lien, charge, or order which is hereunder required to be paid or discharged by SIRP, the University may pay such items or discharge such liability by payment, or bond, or both after delivering a written notice thereof to SIRP, and SIRP shall repay to University upon demand, the amount of such liability or bond. In any event, any such lien shall be subordinate to the rights of the University as owner of the Facility. SIRP hereby agrees to hold harmless, indemnify, and defend the University against loss, cost, damage, or expense with respect to any claims asserted against the University by reason of any lien described in this Section.

E. All such alterations, renovations, and remodeling to the Facility shall become the property of the University.

SECTION 8. ASSIGNMENT OR SUBLETTING

The purpose of this Lease agreement is to permit SIRP to sublet individual spaces within the leased premises. SIRP shall have the authority to enter into such leases for the premises with the express written consent of the Chancellor of Southern Illinois University. SIRP shall not assign, sublet, transfer, mortgage, pledge, hypothecate, or encumber this Lease or any interest therein, allow to exist or occur any transfer of or lien upon this Lease or SIRP's interest herein by operation of law or otherwise, or permit the use or occupancy of the Facility or any part thereof for any purpose not provided in this Lease or by anyone other than SIRP and its employees, without the express written consent of the University. Any Assignment by SIRP in violation of the terms and conditions of this Lease shall be null and void. If SIRP desires to make an Assignment of this Lease, SIRP shall give written notice thereof to the University at least thirty (30) days prior to the proposed effective date of such Assignment, which notice shall set forth the name and address of the proposed sub-lessee, assignee, transferee, or other relevant person or entity (a "transferee") and include copies of financial reports and other relevant financial information of the proposed transferee as may be required or requested by the University. Such notice shall also include a true and complete copy of the Assignment documents and sufficient other

information to permit the University to determine the financial responsibility of the proposed transferee. Consent by the University to any assignment shall not operate to relieve SIRP (or any guarantor of SIRP's obligations under the Lease or any transferee) from any covenant or obligation hereunder, or be deemed to be consent to, or relieve SIRP and any transferee from obtaining, University's consent to any subsequent assignment.

Any assignee shall assume, by instrument in form and content satisfactory to the University, the due performance of all of SIRP's obligations under this Lease, including any accrued obligations at the time of the effective date of the assignment, and such assumption agreement shall state that the same is made by the assignee for the express benefit of the University. If SIRP subleases the Facility to the extent permitted herein, SIRP shall obtain and furnish to the University prior to the execution of the sublease, the written agreement, in the form reasonably satisfactory to the University, of such sub-lessee to the effect that the sub-lessee will attorn to the University, at the University's option and written request, in the event this Lease terminates before the expiration of the sublease.

SECTION 9. REMOVAL OF PERSONAL PROPERTY – RETURN OF KEYS

A. Prior to the end of the Lease term, SIRP shall remove all its personal property located at the Facility including but not limited to equipment, cabinets, desks, and other similar items. Unless otherwise agreed between the parties, SIRP shall not remove any portion of the HVAC, electrical, plumbing, or structural components of the building or any fixtures, ceiling, floor, window, or door.

B. Upon termination of this Lease or of SIRP's possession of the Facility, SIRP shall surrender all keys for door locks and other locks in or about the Facility and shall make known to the University the combination of all locks, safes, cabinets, and vaults which are not removed by SIRP.

SECTION 10. COMPLIANCE WITH RULES AND REGULATIONS

SIRP agrees, for itself, its employees, agents, clients, customers, invitees, and guests, to comply with all federal, state, and local laws, rules, regulations, and ordinances. In addition, SIRP agrees to the following:

1. SIRP shall not install or operate any machinery or mechanical devices of a nature not directly related to the permitted uses; and
2. SIRP shall not bring into the Facility flammable liquids including but not limited to gasoline, kerosene, naphtha and benzene, or explosives or any other article of any intrinsically dangerous nature other than deminimus quantities of such

items as are customarily used in connection with cleaning the Facility, without prior written approval by the University.

SECTION 11. DAMAGE BY FIRE OR OTHER CASUALTY

If the Facility is damaged by fire or other casualty, whether or not the condition of the Facility prevents SIRP from using a substantial part of the Premises for the Permitted Uses as described in Section 4, the University shall have the option of terminating or continuing the Lease. In the event that the University elects to continue the Lease and the Facility is not useable, any rent due shall be abated during the period that SIRP is not able to utilize the Facility due to such casualty and the University shall proceed with due diligence to repair, restore, and rehabilitate the Facility to the same condition that the Facility was in immediately prior to the casualty limited to the extent of insurance proceeds payable for the casualty.

If the Facility is damaged by fire or other casualty, and if in the University's reasonable opinion restoration of such damage may take more than one hundred eighty (180) days to complete, then the University shall either terminate this Lease or permit SIRP to terminate the Lease.

SECTION 12. ENVIRONMENTAL MATTERS

"Hazardous Substance" means, without limitation, any petroleum product, contaminant, chemical product or intermediate, chemical by-product, flammable material, explosive, radioactive substances, asbestos in any form, urea formaldehyde foam insulation, polychlorinated biphenyls, or other chemicals defined in Environmental Laws as hazardous substances, hazardous wastes, extremely hazardous wastes, solid wastes, toxic substances, pollutants, or contaminants. "Environmental Law" means all laws relating to the protection of human health and safety or the protection of the environment including but not limited to the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. App. Sec. 9601 et seq.), ("CERCLA"), the Hazardous Materials Transportation Act (49 U.S.C. App. Sec. 1801 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. sec 6901 et seq.), the Clean Water Act (33 U.S.C. 1251 et seq.) the Clean Air Act (42 U.S.C. 401 et seq.), the Toxic Substances Control Act 15 U.S.C. 2601, the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136 et seq.) and applicable rules, orders, ordinances, or notice of any Authority. "Authority" means any federal, state, local or foreign governmental or regulatory entity (or any department agency, authority, or political subdivision thereof) or any other judicial public or statutory instrumentality, court, or bureau. Any reference in this Lease to any Environmental Laws or provisions thereof

shall be deemed to include any amendment, extension, and successor thereof. "Release" means as a Hazardous Substance that has been released, spilled, leaked, discharged, disposed of, emitted, emptied, injected, leased, dumped, or allowed to escape.

SECTION 13. QUIET POSSESSION

University covenants that SIRP, on paying rent and performing covenants herein mentioned, shall and may peaceably and quietly have, hold and enjoy the premises for the entire term hereof.

SECTION 14. INDEMNIFICATION

SIRP agrees to hold University and the Board of Trustees, or any of their agents, employees or assigns, harmless and indemnify it from liability for claims for bodily injury and property damage, including personal injury liability, occurring on or about the Leased Premises, except to the extent such injury or damage is caused by the negligent act or omission of the University or Board of Trustees, or their agents, employees or officials.

SECTION 15. INSURANCE

A. Liability

SIRP agrees to purchase and maintain in full force during the entire term and any renewals of this Lease a policy of General Liability Insurance in an amount not less than \$1,000,000 per occurrence and \$3,000,000 in the aggregate for bodily injury and property damage. SIRP shall provide a certificate of insurance showing these requirements and naming the Board of Trustees of Southern Illinois University as additional named insured. SIRP shall also require each sublet to purchase and maintain such general liability insurance. SIRP shall require such sublet to provide it with a certificate of insurance showing these requirements and naming the Board of Trustees of Southern Illinois University as an additional named insured.

Prior to the commencing of work on alterations or improvements to the Leased Premises, SIRP shall meet all additional insurance or bonding requirements of the University and shall provide proof of meeting the requirements prior to the commencement of any such work. Such requirements may include but are not limited to a performance bond from the contractor to insure completion of the work and Builder's Risk coverage naming the Board of Trustees of Southern Illinois University as additional named insured at amounts and with a company satisfactory to the University.

B. Property Insurance

The University shall maintain property insurance with respect to the Leased Premises and the improvements thereon covering loss or damage. It shall be the responsibility of SIRP to advise the University annually of any changes or improvements which will affect the insurable value of the Leased Premises. SIRP and sublets shall be required to insure personal property kept on the leased premises. SIRP shall require each sublet to provide it with a certificate of insurance showing such insurance coverage for the personal property of the sublet. In no event shall the University be liable for any damage to the personal property of SIRP or any other individual.

SECTION 16. LIENS

SIRP shall keep all and every part of Leased Premises and all improvements free and clear of any and all mechanics; material suppliers; and other liens arising out of or in connection with work or labor done, services performed, or materials or appliances used or furnished for or in connection with any operations of SIRP or any alteration, improvement or repairs that SIRP may make or permit to be made on the Leased Premises. SIRP agrees to indemnify University from and against all such liens or claims.

SECTION 17. NOTICES

All notices or demands or other writings provided for in this Lease shall be deemed to have been given, made or sent when made in writing and deposited in U.S. mail and registered and postage prepaid, and addressed as follows:

SIRP

Ray Lenzi, Executive Director
Executive Director
Southern Illinois Research Park
150 E. Pleasant Hill Road
Carbondale, Illinois 62901

University

Dr. John Koropchak
Vice Chancellor for Research
Southern Illinois University
Anthony Hall Room 220
Carbondale, Illinois 62901

SECTION 18. FINANCING

A. SIRP understands that this facility was constructed in part with tax-exempt debt financing via the series 2004A Certificate of Participation ("COPS"). SIRP agrees that it shall take all necessary actions to ensure that the tax-exempt status of such financing shall not be affected by this Facility Lease. SIRP agrees to the following:

1. SIRP covenants and agrees that it shall maintain its status as a 501(c)(3) tax exempt organization; and
2. SIRP agrees that it will take all necessary actions to remain a University Related Organization which is subject to the Legislative Audit Commission's jurisdiction, rules, and guidelines; and
3. SIRP shall adopt rules and regulations to assure the maximum use of the facility;
4. SIRP shall fix and revise rates, fees, and charges so that the revenues are sufficient to cover the debt payments;
5. SIRP hereby grants the University a security interest in the revenues of the facility.

B. SIRP and the University further agree that if for any reason, including but not limited to those requirements set forth in subsection A of this Section, this Facility Lease affects the tax-exempt status of the financing of the premises, the University may immediately terminate the Lease or any extensions thereof.

SECTION 19. ATTORNEY FEES

If any action is brought at law or in equity to enforce any provision of this Lease, the prevailing party shall be entitled to an award of reasonable attorney fees, filing fees and court costs.

SECTION 20. DEFAULT

In the event of a default of any term or condition contained herein, the defaulting party shall be entitled to a thirty (30) day written notice specifying the nature of the default. In the event the default is not corrected within said thirty (30) day period, or a cure commenced for a default requiring more than thirty (30) days to cure with defaulting party diligently pursuing correction, the non-defaulting party may elect to: (a) terminate this Lease immediately and the obligations of that party as specified herein shall thereupon cease or (b) wherein the default can be cured by the expenditure of money may, but without obligation, and without limiting any other remedies which it may have by reason of such default, cure the default, charge the cost thereof to the defaulting party and the defaulting party shall pay the same forthwith upon demand. Default situations by SIRP shall include filing against it any bankruptcy, insolvency or similar proceeding which is not dismissed within thirty (30) days after filing, or making an assignment for the benefit of creditors.

SECTION 21. REMEDIES CUMULATIVE-WAIVER OF RIGHTS

All remedies hereinbefore and hereafter conferred on University or SIRP shall be deemed cumulative and no one exclusive of the other, or of

any other remedy conferred by law or in equity. The failure of either party to insist in any one or more cases upon the strict performance of any of the covenants of this Lease or to exercise any option herein contained shall not be construed as a waiver or relinquishment for the future of such covenant or option. Receipt by University of rent due hereunder with knowledge of the breach of any covenant hereof shall not be deemed a waiver of such breach. No waiver by University or SIRP of any of the provisions of this Lease shall be deemed to have been made unless expressed in writing and signed by the party expressing such waiver.

SECTION 22. HOLD-OVER TENANCY

In the event SIRP remains in possession of the Leased Premises after the expiration of this Lease and without execution of a new lease, it shall be deemed to be occupying the Leased premises as a tenant from month-to-month only, upon the same terms and conditions contained herein, insofar as the same terms are applicable to a month-to-month tenancy, except the rent will be One Hundred Fifty Percent (150%) of the rent paid by SIRP immediately prior to expiration of this Lease.

SECTION 23. PARTIES BOUND

The covenants and conditions contained in this Lease shall, subject to the provisions as to assignment, transfer, and subletting, apply to and bind the heirs, successors, executors, administrators, and assigns of all the parties to the Lease. All of the parties shall be jointly and severally liable under this Lease.

SECTION 24. TIME OF THE ESSENCE

Time is of the essence of this Lease and of each and every covenant, term, condition and provision of this Lease.

SECTION 25. GOVERNING LAW

This Lease shall be governed by, construed and enforced in accordance with the laws of Illinois. Proper venue shall be Jackson County, Illinois.

SECTION 26. ENTIRE AGREEMENT

This Lease shall constitute the entire agreement between the parties. Any prior understanding or representation of any kind other than the Master Agreement and Ground Lease preceding the date of this Lease shall not be binding on either party except to the extent incorporated in this Lease.

SECTION 27. MODIFICATION OF AGREEMENT

Any modification of this Lease must be in writing and signed by the parties.

SECTION 28. NON-DISCRIMINATION

SIRP agrees that it will comply with all applicable federal and state laws and University policies prohibiting discrimination and further agrees not to discriminate in employment on the basis of race, sex, color, creed, religion, national origin, sexual orientation, citizenship, military discharge status except dishonorable discharge and any other basis prohibited by law.

SECTION 29. SIRP CERTIFICATIONS

SIRP hereby certifies the following:

A. It has not been barred under 30 ILCS 500/50-5(a) from contracting with a state entity as a result of a conviction for or admission of bribery or attempted bribery of an officer or employee of the State of Illinois or any other state;

B. Neither it nor any substantially-owned affiliated company is participating or shall participate in an international boycott in violation of the provisions of the U.S. Export Administration Act of 1979 or the regulations of the U.S. Department of Commerce promulgated under this Act (30 ILCS 582/1 et seq.);

C. It will provide a drug free workplace by compliance with all applicable requirements of the Illinois Drug Free Workplace Act (30 ILCS 580/1 et seq);

D. It is not barred pursuant to 30 Illinois Compiled Statutes 500/50-10 from conducting business with the State of Illinois or any agency as a result of being convicted of a felony;

E. It has not been barred from contracting as a result of a conviction for bid-rigging or bid rotating under 720 ILCS 5/33E-1 et seq. or similar law of another state;

F. It, or any affiliate, is not barred from being awarded a contract under 30 ILCS 500/50-11 and 50-12. SIRP further acknowledges that the University may declare the contract void if the preceding certification is false or if SIRP, or any affiliate, is determined to be delinquent in the payment of any debt to the State during the term of this Contract.

G. In accordance with 30 ILCS 500/50-10.5, no officer, director, partner or other managerial agent of SIRP has been convicted of a felony under the Sarbanes-Oxley Act of 2002 or a Class 3 or Class 2 felony under the Illinois Securities Law of 1953 for a period of five (5) years prior to the date of this Contract. SIRP acknowledges that the contracting agency shall declare this Contract void if this certification is false.

IN WITNESS WHEREOF, each party to this Lease has caused it to be executed in duplicate on this ___ day of _____, 2005.

BOARD OF TRUSTEES OF
SOUTHERN ILLINOIS UNIVERSITY

SOUTHERN ILLINOIS
RESEARCH PARK

By: _____
Duane Stucky, Interim President

By: _____
Chairman

ATTEST:

ATTEST:

By: _____
Executive Secretary

By: _____
Secretary

Southern Illinois Research Park
Internal Loan

	Cash Available for Debt Service *	COPS Debt Service Payment Date	COPS Debt Service Amount	Internal Loan Payment Date	Internal Loan Amount	Total Debt Payments	Cash Available Less Total Debt Payment
FY05	0.00		0.00		0.00	0.00	
FY06	0.00		0.00		0.00	0.00	
FY07	92,675.00	08/15/06 02/15/07	46,337.50 46,337.50		0.00 0.00	46,337.50 46,337.50	0.00
FY08	161,500.00	08/15/07 02/15/08	46,337.50 46,337.50	12/31/07 06/30/08	34,412.50 34,412.50	80,750.00 80,750.00	0.00
FY09	161,500.00	08/15/08 02/15/09	46,337.50 46,337.50	12/31/08 06/30/09	34,412.50 34,412.50	80,750.00 80,750.00	0.00
FY10	161,500.00	08/15/09 02/15/10	46,337.50 46,337.50	12/31/09 06/30/10	34,412.50 34,412.50	80,750.00 80,750.00	0.00
FY11	161,500.00	08/15/10 02/15/11	46,337.50 46,337.50	12/31/10 06/30/11	34,412.50 34,412.50	80,750.00 80,750.00	0.00
FY12	161,500.00	08/15/11 02/15/12	46,337.50 46,337.50	12/31/11 06/30/12	34,412.50 34,412.50	80,750.00 80,750.00	0.00
FY13	161,500.00	08/15/12 02/15/13	46,337.50 46,337.50	12/31/12 06/30/13	34,412.50 34,412.50	80,750.00 80,750.00	0.00
FY14	161,500.00	08/15/13 02/15/14	46,337.50 46,337.50	12/31/13 06/30/14	34,412.50 34,412.50	80,750.00 80,750.00	0.00
FY15	161,500.00	08/15/14 02/15/15	46,337.50 46,337.50	12/31/14 06/30/15	34,412.50 34,412.50	80,750.00 80,750.00	0.00
FY16	161,500.00	08/15/15 02/15/16	46,337.50 111,337.50	12/31/15	16,534.18	62,871.68 111,337.50	-12,709.18
FY17	161,500.00	08/15/16 02/15/17	44,915.63 114,915.63			44,915.63 114,915.63	1,668.74
FY18	161,500.00	08/15/17 02/15/18	43,340.63 118,340.63			43,340.63 118,340.63	(181.26)
FY19	161,500.00	08/15/18 02/15/19	41,653.13 116,653.13			41,653.13 116,653.13	3,193.74
FY20	161,500.00	08/15/19 02/15/20	39,918.75 119,918.75			39,918.75 119,918.75	1,662.50
FY21	161,500.00	08/15/20 02/15/21	38,018.75 123,018.75			38,018.75 123,018.75	462.50
FY22	161,500.00	08/15/21 02/15/22	36,000.00 121,000.00			36,000.00 121,000.00	4,500.00
FY23	161,500.00	08/15/22 02/15/23	33,875.00 123,875.00			33,875.00 123,875.00	3,750.00
FY24	161,500.00	08/15/23 02/15/24	31,625.00 1,296,625.00 **			31,625.00 1,296,625.00	(1,166,750.00)
FY25	161,500.00						
FY26	62,900.00						
FY27	62,900.00						
FY28	62,900.00						
FY29	62,900.00						
FY30	62,900.00						
FY31	62,900.00						
FY32	62,900.00						
FY33	62,900.00						
FY34	62,900.00						
	<u>3,565,775.00</u>		<u>3,435,443.78</u>		<u>567,134.18</u>	<u>4,002,577.96</u>	

* Amount from SIRP Business Plan

** If SIRP does not have cash reserves to pay the final COPS payment, an internal loan will be established.

Dr. Sanders moved the reception of Reports of Purchase Orders and Contracts, October 2005, SIUC and SIUE; the ratification of Changes in Faculty-Administrative Payroll for SIUC and SIUE; the approval of the Minutes of the Meetings held November 9, 10, 14, and 15, 2005; Approval to Acquire and Demolish Real Estate: 333 West Carpenter, Springfield Medical Campus, SIUC; Project and Budget Approval: Roof Replacement, University Hall, SIUC; Revised Budget Approval: Automatic Sprinkler System Installation, High-Rise Dormitories, SIUC; Project and Budget Approval: Roof Replacement, Trueblood Hall, SIUC; Project and Budget Approval: Replacement of Electrical Systems, Phase III, Thompson Point, SIUC; Award of Contracts: Energy Performance Contracting, Springfield Medical Campus, SIUC; and Approval of a Facility Lease for Southern Illinois University Research Park, Inc., SIUC. The motion was duly seconded by Dr. Goldman. Student Trustee opinion in regard to the motion was indicated as follows: Aye, Mr. Matt Townsend; nay, none. The motion carried by the following recorded vote: Aye, Dr. Sam Goldman, Ms. Tequia Hicks, Dr. Keith Sanders, Mr. Roger Tedrick, Mr. Stephen Wigginton; nay, none.

The following matter was presented:

ANNEXATION OF CARBONDALE CAMPUS
INTO THE CITY LIMITS OF CARBONDALE, SIUC

Summary

This matter seeks approval from the SIU Board of Trustees for the annexation of the Carbondale campus into the city limits of Carbondale.

Currently, only a portion of the SIUC main campus is within the city limits of Carbondale. SIUC will agree to annex the subject property into the city's corporate boundaries. Specifically, the property bounded on the east by Wall Street, the west by McLafferty Road, the south by Pleasant Hill Road, and the north by Mill Street is within the city limits. The exception to these boundaries is the heart of the campus that includes the Student Center, McAndrew Stadium, and the Arena/Lingle Hall facilities. Additional University property outside the city limits, but not central to the interior of the campus includes the SIU Farms west of McLafferty Road, the SIU Farms south of Pleasant Hill Road and the Colp property north of Chautauqua Road.

Rationale for Adoption

Annexation will allow the City to extend its geographic boundaries and allow for future growth and expansion of the City. This will create a more significant impact when the area markets its infrastructure to potential business and industry.

Both parties will agree to the following terms by executing an Intergovernmental Agreement which shall be for a term of no less than five (5) years, with renewal options:

- a. City will provide fire protection service to SIUC at an annual cost of \$310,000.
- b. City will agree to University metering all feed water and discharge water at each cooling tower to accurately reflect the charges due to evaporation affect with an estimated annual savings of approximately \$150,000.
- c. City will not impose any entertainment tax or athletic event tax upon the annexed University property.
- d. City will not impose any building or zoning codes/ordinances on University owned property.

The parties hereby agree that no term or provision herein is intended to conflict or preempt any state and/or federal law or regulation relating to the Board's operation and governance of SIUC's educational institution and its mission. If any term or provision under this agreement conflicts with state and/or federal law or regulation, the term or provision shall be applied consistent with said law and/or regulation; in the alternative, the conflicting term or provision shall be unenforceable against the parties.

Considerations Against Adoption

With annexation the University will be subject to the City's 1% Home Rule sales tax. This will impact customers purchasing items at the Student Center, Arena, McAndrew Stadium, Shryock Auditorium and the Recreation Center. The University will be subject to the municipal electricity utility tax which is estimated at approximately \$150,000 per fiscal year.

Constituency Involvement

Not pertinent in this matter.

Resolution

BE IT RESOLVED, By the Board of Trustees of Southern Illinois University in regular meeting assembled, That:

(1) The Carbondale campus be and hereby permitted to be annexed into the city of Carbondale upon the University and the City executing an Intergovernmental Agreement that incorporates the specific terms and conditions as described herein above:

(2) The President of Southern Illinois University be and is hereby authorized to take whatever action may be required in the execution of this resolution in accordance with established policies and procedures.

(3) This agreement is subject to the compliance by City Council with state and local regulations and statutes governing any annexation.

Dr. Goldman moved approval of the mater with the addition of Item 3 stated in the resolution. The motion was duly seconded by Dr. Sanders. Dr. Sanders noted that he had raised a question with Chancellor Wendler about how much more it would cost students in sales taxes if the annexation was passed, and the Chancellor informed him that it would be a minor increase in costs to students and others who buy products on the campus as compared to the potential increase in the cost

of fire protection that the City would be able to levy against the University. Dr. Sanders requested that Chancellor Wendler provide information at the next Board meeting on the breakdown of costs so students can understand the details of a modest increase compared to financially severe alternatives. Student Trustee opinion in regard to the motion was indicated as follows: Aye, Mr. Matt Townsend; nay, none. The motion passed by the following recorded vote: Aye, Dr. Sam Goldman, Ms. Tequia Hicks, Dr. Keith Sanders, Mr. Roger Tedrick, Mr. Stephen Wigginton; nay, none.

The Chair asked that the Board consider a Current and Pending Matter titled "Schedule of Meetings of the Board of Trustees for 2006." Ms. Hicks moved that the Board consider the matter. The motion was duly seconded by Dr. Sanders, and after a voice vote the Chair declared that the motion to consider had passed unanimously. The following matter was presented:

SCHEDULE OF MEETINGS OF THE BOARD OF TRUSTEES FOR 2006

As a traditional practice and for convenience in meeting certain provisions of the Open Meetings Act, Board meetings have been scheduled on an annual basis. Custom has called for scheduling alternate meetings on alternate campuses of the University, and recent practice has identified the second Thursday of each month as the regular meeting date. Approval is requested for the schedule listed below:

February 9	Southern Illinois University Edwardsville
March 9	Southern Illinois University Carbondale
April 13	Southern Illinois University Edwardsville
May 11	Southern Illinois University Carbondale

June 8	Southern Illinois University Edwardsville School of Dental Medicine, Alton
July 13	Southern Illinois University at School of Medicine, Springfield
September 14	Southern Illinois University Edwardsville
October 12	Southern Illinois University Carbondale
November 9	Southern Illinois University Edwardsville
December 14	Southern Illinois University Carbondale

The following schedule reflects the second Thursday of each month for the meetings of the Board of Trustees for 2006:

<u>Deadline Dates for Receipt of Proposed Agenda Items</u>	<u>2006 Mailing Dates Agenda and Matters</u>	<u>2006 Meeting Dates Board of Trustees</u>
*Friday, January 13	Friday, January 27	SIUE - February 9
Monday, February 13	Friday, February 24	SIUC - March 9
Monday, March 20	Friday, March 31	SIUE - April 13
Monday, April 17	Friday, April 28	SIUC - May 11
Monday, May 15	Friday, May 26	SIUE - June 8 School of Dental Medicine – Alton
Monday, June 19	Friday, June 30	SIUC - July 13 – School of Medicine – Springfield
Monday, August 21	Friday, September 1	SIUE - September 14
Monday, September 18	Friday, September 29	SIUC - October 12
Monday, October 16	Friday, October 27	SIUE - November 9
*Monday, November 13	Friday, December 1	SIUC - December 14

*Due to holidays.

Meetings have not been scheduled for the months of January and August.

Dr. Goldman moved approval of item. The motion was duly seconded by Mr. Wigginton. Student Trustee opinion in regard to the motion was indicated as follows: Aye, Mr. Matt Townsend; nay, none. The motion passed by the following recorded vote: Aye, Dr. Sam Goldman, Ms. Tequia Hicks, Dr. Keith Sanders, Mr. Roger Tedrick, Mr. Stephen Wigginton; nay, none.

The Chair asked that the Board consider a Current and Pending Matter titled "Appointment of President, Southern Illinois University." Dr. Goldman moved that the Board consider the matter. The motion was duly seconded by Dr. Sanders, and after a voice vote the Chair declared that the motion to consider had passed unanimously. The following matter was presented:

APPOINTMENT OF PRESIDENT,
SOUTHERN ILLINOIS UNIVERSITY

Resolution

BE IT RESOLVED, By the Board of Trustees of Southern Illinois University in regular meeting assembled, That Glenn Poshard is appointed to serve as President of Southern Illinois University, effective January 1, 2006, at a salary of \$24,313.67 per month, \$291,764 per fiscal year.

Dr. Sanders moved approval of item. The motion was duly seconded by Dr. Goldman. Student Trustee opinion in regard to the motion was indicated as follows: Aye, Mr. Matt Townsend; nay, none. The motion passed by the following recorded vote: Aye, Dr. Sam Goldman,

Ms. Tequia Hicks, Dr. Keith Sanders, Mr. Roger Tedrick, Mr. Stephen Wigginton; nay, none.

Dr. Poshard stated that he was very grateful for the opportunity to serve the University system, and he thanked the Board of Trustees for giving him the opportunity.

The Chair announced that the next regularly scheduled meeting of the Board of Trustees would be held February 9, 2006, at Southern Illinois University Edwardsville. He explained that there would be a news conference immediately following the meeting in the Video Lounge.

Dr. Sanders moved that the meeting be adjourned. The motion was duly seconded by Dr. Goldman, and after a voice vote the Chair declared the motion to have passed.

The meeting adjourned at 10:40 a.m.

Misty Whittington, Executive Secretary