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BOARD OF TRUSTEES OF COMMUNITY COLLEGE DISTRICT NO. 508

County of Cook and State of Illinois

FINANCIAL ADVISOR AGREEMENT  
Kirkpatrick Pettis

OFFICE OF FINANCE

THE CHANCELLOR

REPORTS

that on July 24, 2003 the District entered into a Bond Warrant Agreement with J. P. Morgan (previously Banc One), the Purchaser, whereby the District grants to the Purchaser an irrevocable option (the "Warrant") to purchase the Refunding Revenue Bonds (or Refunding Alternate Bonds issued in lieu thereof), upon payment of the Exercise Price and pursuant to the other terms of the agreement; and

that upon the Purchaser's exercise of the Warrant and payment of the Exercise Price pursuant to the terms and conditions of this Agreement, the District agrees that, to the extent permitted by law, it will issue, sell and deliver to the Purchaser (i) its refunding Revenue Bonds issued pursuant to the Revenue Bonds resolution or (ii) its Refunding Alternate Bonds, issued in lieu of the Refunding Revenue Bonds, pursuant to the Alternate Bonds Resolution; and

that the District may elect to issue Refunding Alternate Bonds, in lieu of Refunding Revenue Bonds, by providing the Purchaser with oral notification of such election on or prior to 5:00 p.m., Chicago time, February 28, 2006; and

that the Purchaser may exercise the Warrant on or before March 1, 2006 (the "Exercise Date") by providing the District with oral notification on or prior to 5:00 p.m. Chicago time on the Exercise Date; and

that the District needs the expertise of Financial Advisors to provide financial advisory services including but not limited to the evaluation of various options provided for in the Bond Warrant Agreement, preparation and review of documents, assist in the presentation of information to the Board, involvement in discussions with rating agencies and credit enhancers, participation in document review sessions, monitor pricing and monitor closing; and

that Kirkpatrick Pettis has the expertise to provide the financial advisory services described above and has previously served as the District's Financial Advisor for the July 24, 2003 Bond Warrant Agreement ; and

that the Office of M/WBE Contract Compliance has reviewed the above referenced financial advisor opportunity and has determined that Kirkpatrick Pettis be granted a waiver from both MBE and WBE compliance with the Board approved Participation Plan.

THE CHANCELLOR

RECOMMENDS that the Board of Trustees authorizes the Chairman to enter into an agreement with Kirkpatrick Pettis to provide financial advisory services including but not limited to the evaluation of various options provided for in the Bond Warrant Agreement, preparation and review of documents, assist in the presentation of information to the Board, involvement in discussions with rating agencies and credit enhancers, participation in document review sessions, monitor pricing and closing. Terms of payment are subject to negotiation with Kirkpatrick Pettis. The fees listed are only proposed. Kirkpatrick Pettis proposed fees will not exceed \$25,000.00 plus an additional fee of \$1.25/\$1,000 of the par value of the refunding bonds, or the par amount of the bonds defeased; or \$25,000.00 plus an additional fee of \$1.65/\$1,000 of the par value of the new series of Alternate or Revenue Bonds if the District chooses to issue new bonds. This agreement will be in effect on or before October 1, 2006.

FINANCIAL Working Cash Fund - 85001-4530000

Respectfully Submitted,

Wayne Watson  
Chancellor

October 5, 2005