

Board Meeting  
January 21, 2010

ROLL CALL

APPROVE ISSUANCE OF AUXILIARY FACILITIES SYSTEM REVENUE BONDS,  
SERIES 2010A

**Action:** Approve Actions Leading to the Issuance of Auxiliary Facilities System Revenue Bonds, Series 2010A

**Funding:** Proceeds of the Revenue Bonds

At its meeting of September 11, 2008, the Board approved the Project for Stanley O. Ikenberry Commons Phases C and D, Residence Hall West and Garner Hall Demolition, Urbana. The funding source for the project was restricted funds operating budget with anticipated reimbursement from the proceeds of a future sale of Auxiliary Facilities System Revenue Bonds. The Vice President/Chief Financial Officer and Comptroller now recommends approving the actions leading to the issuance of approximately \$47.0 million of Auxiliary Facilities System Revenue Bonds, Series 2010A (the "Series 2010A Bonds") to fund the project and to pay related costs of issuance. He further recommends that both traditional and synthetic structures be considered. The structure chosen will be within the parameters contained in the Board's Debt Policy adopted in March 2004.

Accordingly, in order to proceed with the preparation of documents and to take other actions needed prior to the issuance of the Series 2010A Bonds, the Vice

President/Chief Financial Officer and Comptroller and the University Counsel

recommend that the Board take the following actions:

1. Retain Pugh, Jones, Johnson & Quandt, P.C., to serve as bond counsel to the University.
2. Retain Public Financial Management, Inc., to serve as financial advisor and swap advisor to the University, to the extent required.
3. Retain Loop Capital Markets, LLC, to serve as managing underwriter and/or placement agent and/or initial remarketing agent, as required. Additional co-managers and selling group members may be added to assist in the marketing of the bonds.
4. Retain Katten Muchin Rosenman LLP, to serve as special issuer's counsel and as swap counsel to the University, to the extent required.
5. Appoint The Bank of New York Mellon Trust Company, N.A., as bond registrar and trustee.
6. Prepare the Preliminary Official Statement and/or the Official Statement.
7. Negotiate for credit enhancement and/or liquidity support, as needed and deemed economically beneficial following consultation with the managing underwriter and the financial advisor.
8. Analyze the economic benefit of the purchase of bond insurance in consultation with the financial advisor and managing underwriter. If such purchase is deemed economically beneficial, the bond insurance would be purchased by the managing underwriter.
9. Take actions to pursue and obtain a credit rating or ratings on the bonds.
10. Prepare the Bond Purchase Agreement.
11. Prepare additional documents including the Supplemental Bond Resolution, the Continuing

Disclosure Agreement (if needed), and any related documents.

12. Prepare, to the extent required, standard ISDA agreements including the Master Agreement, Schedule, Credit Support Annex and Confirmation, and any related documents.

The recommended firms are on the approved list of providers maintained by the University. The managing underwriter also will be instructed to select its counsel from the University's approved list. Prior to the sale and delivery of the Series 2010A Bonds, the Board will be asked to approve the substantially final form of the above referenced documents and ratify and confirm all actions taken or to be taken by the officers and members of the Board in connection with such sale and delivery.

The Board action recommended in this item complies in all material respects with applicable State and federal laws, University of Illinois *Statutes, The General Rules Concerning University Organization and Procedure*, and Board of Trustees policies and directives.

Funding will be available from the proceeds of the Series 2010A Bonds.

The Interim President of the University concurs.