

Board Meeting
July 23, 2009

ROLL CALL

APPROVE FINANCING TEAM FOR PROJECTS AT THE UNIVERSITY OF ILLINOIS MEDICAL CENTER AT CHICAGO

Action: Approve Financing Team for the University of Illinois Medical Center at Chicago Projects and Actions Leading to the Issuance of Revenue Bonds

Funding: Proceeds of Future Revenue Bonds

The Board, at its meeting of January 15, 2009, approved a resolution of commitment to the expansion and renovation of the University of Illinois Hospital and completion of the Master Design Study. Elements of the Master Design Study include repair and renovation of the existing hospital facility and infrastructure and construction and renovation of other medical center facilities. The amount to be financed is estimated to be \$90.0 million. In order to be ready to issue revenue bonds when these projects are approved by the Board, University Administration desires to appoint a financing team to explore possible structures for the financing. Compensation for the financing team would be provided from the proceeds of the revenue bonds.

Accordingly, in order to proceed with exploring possible structures for a future Hospital financing and actions leading to the issuance of future revenue bonds, the Vice President/Chief Financial Officer and Comptroller and the University Counsel recommend that the Board take the following actions:

1. Retain Barclays Capital 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. Barclays Capital will choose underwriter's counsel from the University's list of approved law firms.
2. Retain Public Financial Management Inc. to serve as financial advisor and swap advisor to the University, to the extent required.
3. Retain Katten Muchin Rosenman LLP to serve as bond counsel to the University.
4. Retain Freeborn & Peters 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.
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), the credit enhancement and/or liquidity facility, the Remarketing

Agreement, each to the extent required, 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 revenue bonds, the Board will be asked to approve the above referenced documents in substantially final form 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 revenue bonds.

The President of the University concurs.