

Board Meeting
May 29, 2013

ROLL CALL

AUXILIARY FACILITIES SYSTEM REVENUE BONDS

Action: Approve Actions Leading to the Issuance of One or More Series of Auxiliary Facilities System Revenue Bonds

Funding: Proceeds of the Revenue Bonds

At its meeting of March 15, 2012, the Board approved the \$80.0 million budget for the Project for Stanley O. Ikenberry Commons - Residence Hall No. 3, Urbana-Champaign (the "Ikenberry Commons Project"). The funding source for the Ikenberry Commons Project was the restricted funds operating budget with anticipated reimbursement from the proceeds of a future sale of Auxiliary Facilities System revenue bonds. The Board may approve additional Auxiliary Facilities System projects including but not limited to the Project for Renovation and Addition, Assembly Hall (proposed to be renamed "State Farm Center"), Urbana-Champaign (collectively, the "Additional Projects"). Therefore, the Vice President/Chief Financial Officer and Comptroller now recommends approving the actions leading to the issuance of one or more series of Auxiliary Facilities System Revenue Bonds (the "Bonds") to fund the Ikenberry Commons Project and the Additional Projects plus capitalized interest and the cost of issuance. He further recommends that tax-exempt and taxable structures and traditional

and synthetic structures be considered. The structures chosen will be within the parameters contained in the Board's Debt Policy revised in December 2011.

Accordingly, in order to proceed with the preparation of documents and to take other actions needed prior to the issuance of the Bonds from time to time and in one or more series, the Vice President/Chief Financial Officer and Comptroller recommends that the Board approve the following actions:

1. Retain Chapman and Cutler LLP to serve as bond counsel.
2. Retain Public Financial Management, Inc., to serve as financial advisor and swap advisor to the University, to the extent required.
3. Retain Wells Fargo & Company, Cabrera Capital Markets, LLC and Loop Capital Markets, LLC to provide investment banking services, each to the extent required. Additional co-managers and selling group members may be added to assist in the marketing of the bonds.
4. Retain Freeborn & Peters LLP to serve as special issuer's counsel and as swap counsel to the University, to the extent required.
5. Retain 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 for each series of the Bonds.
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 for each series of the Bonds.
10. Prepare the Bond Purchase Agreement for each series of the Bonds.
11. Prepare additional documents including the Supplemental Bond Resolution, the Continuing Disclosure Agreement (if needed), and any related documents for each series of the Bonds.
12. Prepare, to the extent required, standard ISDA agreements including the Master Agreement, Schedule, Credit Support Annex and Confirmation, and any related documents for each series of the Bonds.

University Counsel concurs with using the above-recommended firms and the prescribed documents. The recommended firms are on the approved list of providers maintained by the University. Prior to the sale and delivery of the 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 Bonds.

The President of the University concurs.