

Board Meeting
November 8, 2012

ROLL CALL

HEALTH SERVICES FACILITIES SYSTEM REVENUE BONDS

Action: Approve Actions Leading to the Issuance of Health Services Facilities System Revenue Bonds

Funding: Proceeds of the Revenue Bonds

At its meeting of January 21, 2010, the Board approved the University of Illinois Medical Center Infrastructure Replacement and Renovation project with a budget of \$40.0 million (the “2010 Project”). The funding source for the 2010 Project was the Restricted Funds Operating Budget with anticipated reimbursement from the proceeds of a future sale of Health Services Facilities System revenue bonds. It is now necessary to provide funds to reimburse the University for expenditures incurred for the 2010 Project and to support expenditures for such additional University of Illinois Medical Center Projects as may be hereafter approved by the Board (the “Additional Projects”). It is recommended that the Board issue its Health Services Facilities System Revenue Bonds at this time in an amount sufficient to pay the costs of the 2010 Project and the Additional Projects plus capitalized interest and the cost of issuance (the “Bonds”). The structure 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, the Vice President/Chief Financial Officer and Comptroller and the University Counsel recommend that the Board take the following actions:

1. Retain BMO Capital Markets GKST Inc., to serve as managing underwriter and/or placement agent and/or initial remarketing agent, as required. M. R. Beal & Company will serve as co-managing underwriter.
2. Retain Public Financial Management Inc., to serve as financial advisor to the University.
3. Retain Chapman and Cutler LLP to serve as bond counsel.
4. Retain Freeborn & Peters LLP to serve as special issuer's counsel to the University.
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, the credit enhancement and/or liquidity facility, the Remarketing Agreement, each to the extent required, 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 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 supersedes the action approved by the Board at its meeting of July 23, 2009.

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.