
UNIVERSITY OF ILLINOIS
URBANA-CHAMPAIGN • CHICAGO • SPRINGFIELD

Board of Trustees Meeting

September 11, 2008

Auxiliary Facilities System Revenue Bonds, Series 2008B

Refunding AFS 2005B VRDB's

- Bonds to be refunded
 - \$67.3 million Auxiliary Facilities System Revenue Bonds, Series 2005B (FSA insured)
- Reason to refund
 - FSA may be downgraded below AAA
 - Moody's: Rated AAA. Placed under review for possible downgrade on 7/21/08
 - Standard & Poor's: Rated AAA. Outlook revised to Negative 8/06/08
 - As a result, the weekly interest rate resets have exceeded the short term interest rate index by 0.14% to 0.56%. The variance is monitored weekly
 - Position the University to refund the Series 2005B bonds if FSA is downgraded

Financing Team

- Pugh, Jones, Johnson & Quandt, P. C., Bond Counsel
- Katten Muchin Rosenman LLP, Issuer's Counsel
- Citigroup Global Markets Inc., Managing Underwriter
- Public Financial Management, Inc., Financial Advisor
- The Bank of New York Trust Company, N.A., Bond Registrar and Trustee
- Grant Thornton, LLP, Verification Agent