

STANDBY BOND PURCHASE AGREEMENT

among

THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ILLINOIS,

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as Bond Registrar and Tender Agent

and

STATE STREET BANK AND TRUST COMPANY,
as Liquidity Provider

Dated as of February 1, 2009

\$ _____
THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ILLINOIS
UNIVERSITY OF ILLINOIS VARIABLE RATE DEMAND AUXILIARY FACILITIES
SYSTEM REVENUE BONDS, SERIES 2009A

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STANDBY BOND PURCHASE AGREEMENT

THIS STANDBY BOND PURCHASE AGREEMENT, dated as of February 1, 2009 (the "*Agreement*"), by and among THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ILLINOIS (the "*Board*"), THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Bond Registrar and Tender Agent (as defined below), and STATE STREET BANK AND TRUST COMPANY (the "*Liquidity Provider*"),

WITNESSETH:

WHEREAS, the Board, on September 20, 1984 adopted a resolution (as supplemented and amended, the "*Bond Resolution*") providing for the issuance of revenue bonds under the provisions of the University of Illinois Revenue Bond Financing Act for Auxiliary Facilities, 110 ILCS 405/1 *et seq.*; and

WHEREAS, on January 15, 2009, the Board adopted a resolution further supplementing the Bond Resolution (the "*Fifteenth Supplemental Resolution*") providing for the issuance of the University of Illinois Variable Rate Demand Auxiliary Facilities System Revenue Bonds, Series 2009A (the "*Bonds*"), in order to refund the outstanding Variable Rate Demand Auxiliary Facilities System Revenue Bonds, Series 2005B (the "*Series 2005B Bonds*"), of the Board and finance certain improvements to the University's Auxiliary Facilities System as more completely described in the Fifteenth Supplemental Resolution (the "*Project*"); and

WHEREAS, pursuant to the Fifteenth Supplemental Resolution, the Board has entered into a Modal Agreement dated as of February 1, 2009 (the "*Modal Agreement*") with the Bond Registrar setting forth the terms of the Bonds; and

WHEREAS, in order to provide for the purchase of certain tendered Bonds which have not been remarketed by the Remarketing Agent in accordance with the terms of the Bond Resolution, the Modal Agreement and the Remarketing Agreement, the Board is required to provide, and upon execution and delivery this Agreement shall constitute, a Liquidity Facility under the Bond Resolution and the Modal Agreement; and

WHEREAS, as an inducement to the Liquidity Provider to enter into this Agreement, the Board is willing to make certain representations, give certain warranties and make certain agreements as described herein;

NOW, THEREFORE, the parties hereto hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions. As used in this Agreement:

"*Agreement*" means this Standby Bond Purchase Agreement, as amended or supplemented from time to time.

"*Alternate Liquidity Facility*" has a meaning assigned to such term in the Modal Agreement.

"*Amortization End Date*" means, with respect to any Liquidity Facility Bond, the third (3rd) anniversary of the Amortization Start Date.

"*Amortization Payment Date*" means, with respect to any Liquidity Facility Bonds, (a) the first Business Day of each January and July occurring prior to the related Amortization End Date, commencing with the first of such semi-annual dates next succeeding the related Amortization Start Date, and (b) the Amortization End Date.

"*Amortization Start Date*" means, with respect to any Liquidity Facility Bond, the earlier of the first (1st) year anniversary of (i) the Termination Date, and (ii) the related Bond Purchase Date.

"*Authorized Officer*" means the Comptroller, the Secretary or the Assistant Secretary of the Board.

"*Automatic Suspension Event*" has the meaning given such term in Section 6.2(c).

"*Automatic Termination Event*" has the meaning given such term in Section 6.2(a).

"*Auxiliary Facilities System*" or "*System*" has a meaning assigned to such term in the Bond Resolution.

"*Bank Bondholder*" means the Liquidity Provider (but only in its capacity as owner (which as used herein shall mean beneficial owner if at the relevant time Liquidity Facility Bonds are Book Entry Bonds) of Liquidity Facility Bonds pursuant to this Agreement), and any other Person to whom the Liquidity Provider has sold Liquidity Facility Bonds pursuant to the terms of this Agreement.

"*Bank Book-Entry Account*" has the meaning assigned to that term in Section 2.2 hereof.

"*Bank Holding Period*" has the meaning assigned to that term in Section 2.12 hereof.

"*Base Rate*" means, for any day, a fluctuating rate of interest per annum equal to the higher of (i) 12%, (ii) the Federal Funds Rate in effect on such day plus 3.00%, and (iii) the Prime Rate in effect on such day plus 2.00%. Each change in the Base Rate shall take effect simultaneously with the corresponding change or changes in the Prime Rate or the Federal Funds Rate, as the case may be.

"*Board Indebtedness*" means any Indebtedness of the Board or which the Board has assumed or agreed to pay.

"*Bond Purchase Agreement*" means the Bond Purchase Agreement dated February ____, 2009, between the Board and Citigroup Global Markets Inc.

"*Bond Purchase Commitment*" means, at any time, an amount, which shall be adjusted from time to time as provided herein, consisting of the sum of:

- (1) a principal component equal to the aggregate principal amount of the Bonds then Outstanding (initially \$_____) which shall be adjusted thereafter from time to time as follows:
 - (a) reduced by the principal amount of any reduction pursuant to Section 2.7 hereof,
 - (b) reduced by the principal amount of any Bonds purchased by the Liquidity Provider pursuant to Section 2.1 hereof, and
 - (c) reinstated by the principal amount of any Bonds which are Liquidity Facility Bonds and which have been remarketed by the Remarketing Agent in accordance with Article III hereof and for which the Liquidity Provider has received payment in accordance with such Article III; and
- (2) an interest component equal to 35 days' interest, calculated at twelve percent (12%), on the principal component of the Bond Purchase Commitment at such time (initially, \$_____) with respect to Bonds purchased by the Liquidity Provider hereunder, and reinstated by the same amount upon the earlier of (i) remarketing of the related Liquidity Facility Bonds (or portion thereof in the case of a partial remarketing) as described in clause (1)(c) of this definition, or (ii) repayment by the Board to the Liquidity Provider in full of an amount equal to such interest component in accordance with Sections 2.1 and 2.6 hereof),

provided that the principal and interest components of the Bond Purchase Commitment shall not exceed \$_____ and \$_____, respectively, at any time.

"*Bond Purchase Date*" means, with respect to any tendered but unremarketed Eligible Bond, the date (which shall be a Business Day) specified by the Tender Agent in its Purchase Notice to the Liquidity Provider as the date on which the Liquidity Provider is to purchase such Bond hereunder.

"*Bond Registrar*" has the meaning assigned to that term in the Bond Resolution and the Modal Agreement.

"*Bond Resolution*" has the meaning assigned to that term in the first recital paragraph hereof.

"*Bond Sale Date*" means, with respect to any Liquidity Facility Bond, the date (which shall be a Business Day) on which the Liquidity Provider is to release Liquidity Facility Bonds for remarketing pursuant to the Bond Resolution, the Modal Agreement and Remarketing Agreement.

"*Bonds*" has the meaning assigned to that term in the first recital paragraph hereof and shall include, unless the context otherwise requires, all Liquidity Facility Bonds.

"*Book Entry Bonds*" mean the Bonds so long as the book entry system with DTC or any other securities depository is used for determining beneficial ownership of the Bonds.

"*Business Day*" means any day on which interbank wire transfers can be made on the Fedwire System, other than a Saturday, Sunday or other day on which the New York Stock Exchange is closed or on which banks are authorized or required to be closed in any of the City of Chicago, Illinois, the City of New York, New York, the cities where the Liquidity Provider and the Remarketing Agent are located or any other municipalities in which the designated corporate trust offices of the Bond Registrar or the Tender Agent are located.

"*Closing Date*" means the date on which Bonds are initially issued and delivered by the Board.

"*Code*" means the Internal Revenue Code of 1986, as amended.

"*Conversion Date*" means the date the Bonds no longer bear interest at a Covered Rate.

"*Covered Rate*" means the Daily Interest Rate or the Weekly Interest Rate.

"*Custodian*" means The Bank of New York Mellon Trust Company, N.A., or any successor thereto appointed pursuant to the terms of the Custody Agreement.

"*Custody Agreement*" means the Liquidity Facility Bond Custody Agreement dated as of even date herewith between the Liquidity Provider and the Custodian, substantially in the form of Exhibit D hereto, as amended from time to time.

"*Default*" means any event which with the passage of time or giving of notice or both would constitute an Event of Default.

"*Default Rate*" means the Base Rate from time to time in effect plus three percent (3.00%), but not to exceed the Maximum Interest Rate.

"*Defaulted Interest*" means accrued interest payable on a Bond which was not paid when due under the terms of the Bond Resolution.

"*Deferred Interest*" has the meaning given in Section 2.6.

"*Differential Interest Amount*" means, with respect to any Liquidity Facility Bond, the excess of (a) interest which has accrued and could actually be paid on such Liquidity Facility Bond at the Liquidity Facility Bond Rate, up to but excluding the Business Day on which such Liquidity Facility Bond is purchased from the Liquidity Facility Bondholder of such Liquidity Facility Bond pursuant to Section 3.1, less (b) the interest accrued on such Liquidity Facility Bond received by the Bank Bondholder of such Liquidity Facility Bond as part of the sale price.

"*Dollars*" and "\$" shall mean the lawful currency of the United States of America.

"*DTC*" means The Depository Trust Company.

"*DTC Book-Entry Account*" has the meaning assigned to that term in Section 2.2 hereof.

"*Eligible Bonds*" mean any Bonds bearing interest at a Covered Rate, other than Bonds owned by, for the account of, or on behalf of the Board.

"*Event of Default*" means any event described in Section 6.1 hereof.

"*Facility Fee*" has the meaning assigned to that term in Section 2.4 hereof.

"*Federal Funds Rate*" means for any day the rate of interest per annum as determined by the Liquidity Provider at which overnight Federal Funds are offered to the Liquidity Provider for such day by major banks in the interbank market, with any change in such rate to become effective on the date of any change in such rate. Each determination of the Federal Funds Rate by the Liquidity Provider shall be deemed conclusive and binding on the Board absent manifest error.

"*Financials*" mean, collectively, a balance sheet and the related statements of revenues, expenses and statement of cash flows and fund balances, together with the notes thereto, prepared in accordance with generally accepted accounting principles, consistently applied, with an unqualified opinion thereon of an accountant to the effect that the Financials have been prepared in accordance with accounting principles generally accepted in the United States of America and the standards for financial audits contained in the Government Accounting Standards, issued by the Comptroller General of the United States of America, applied on a consistent basis and fairly present the financial condition of the Board.

"*Fitch*" means Fitch Ratings, Inc., and its successors; provided, however, that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, Fitch shall mean any other nationally recognized securities rating agency designated by the Board with the prior written consent of the Liquidity Provider.

"*Governmental Authority*" means any national, state or local government (whether domestic or foreign), any political subdivision thereof or any other governmental, quasi-governmental, judicial, public or statutory instrumentality, authority, body, tribunal, agency, bureau, court or entity (including the Federal Deposit Insurance Corporation or the Federal Reserve Board, any central bank or any comparable authority), or any arbitrator with authority to bind any of the parties to this Agreement at law.

"*Indebtedness*" means, with respect to the Board: (i) all obligations of the Board for money borrowed, whether or not represented by bonds, debentures, notes or other securities, including, without limitation, obligations arising out of overdrafts of bank accounts, but excluding trade accounts payable incurred in the ordinary course of business, (ii) all obligations of the Board to reimburse or repay any bank or other Person in respect of amounts paid under a letter of credit, bankers' acceptance or similar instrument, (iii) all net payment obligations of the Board under any interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate futures contract, interest rate option contract or other similar arrangement and under any foreign exchange contract, currency swap agreement, foreign exchange futures contract, foreign exchange option contract, synthetic cap or other similar agreement, all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business, (iv) all obligations of the Board as lessee under capital leases, (v) all obligation of the Board to purchase securities (or other assets) that arise out of or in connection with the sale of the same or substantially similar securities or assets, (vi) all obligations of the Board to reimburse any bank or any other Person in respect of amounts paid under a letter of credit or any other similar instrument, (vii) all Indebtedness of others secured by a Lien on any asset of the Board, whether or not such Indebtedness is assumed by the Board and (h) all guarantees by the Board of Indebtedness of other Persons. "*Indebtedness*" shall not include Subordinated Indebtedness.

"*Interest Component*" has the meaning given in Section 2.1.

"*Interest Payment Date*" with respect to Bonds which are not Liquidity Facility Bonds, has the meaning assigned in the Modal Agreement and, with respect to Liquidity Facility Bonds, means each of the days described in Section 2.7.

"*Lien*" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, as well as the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement relating to such asset.

"*Liquidity Facility Bonds*" has the meaning assigned such term in the Modal Agreement.

"*Liquidity Facility Bond Rate*" means, for each day of determination with respect to any Liquidity Facility Bond, (i) for the period from and including the date of the related Bond Purchase Date through (and including) the 30th calendar day following the related Bank Purchase Date, the Base Rate from time to time in effect (provided that for purposes of this subclause (i) only, the definition of "*Base Rate*" shall not include subclause (i) of such defined term), (ii) for the period from (and including) the 31st calendar day following the date of the

related Bank Purchase Date to and including the Termination Date, the rate per annum equal to the Base Rate from time to time in effect plus one percent (1.00%), and (iii) for the period from (and including) the day immediately following the Termination Date (and assuming the conditions have been satisfied pursuant to Section 2.12), to and including the date such Liquidity Facility Bond is required to be paid, the Base Rate plus two percent (2.00%); provided that from and after the occurrence of an Event of Default, the Liquidity Facility Bond Rate shall mean the Default Rate; provided, however, that the Liquidity Facility Bond Rate shall never exceed the Maximum Interest Rate.

"*Material*" or "*Materially*" (whether or not such terms are capitalized) shall be determined in light of the facts and circumstances of the matter in question; provided, however, that any specific monetary amount cited in this Agreement (or any attachment hereto) shall be deemed to determine materiality in that instance.

"*Material Adverse Change*" or "*Material Adverse Effect*" means as to the Board, (A) any Material adverse change in or effect on (i) the business, operations, assets, liabilities, condition (financial or otherwise) or results of operations of the Board, (ii) the ability of the Board to consummate the transactions contemplated by this Agreement or any of the Transaction Documents to which it is or will be a party, or (iii) the ability of the Board to perform any of its obligations under this Agreement or any of the Transaction Documents to which it is or will be a party, taken as a whole or (B) any adverse change in or effect on the assets, liabilities or results of operations of the Board that result in a Material loss.

"*Maximum Interest Rate*" means twenty percent (20%) per annum, but not to exceed the Maximum Lawful Rate. The Liquidity Provider hereby waives its right to treat any amounts it receives in respect of interest on the Bonds as exempt from federal income taxation.

"*Maximum Lawful Rate*" means the maximum non-usurious rate of interest on the relevant obligation permitted by applicable law.

"*Modal Agreement*" means the Modal Agreement, dated as of February 1, 2009 between the Board and the Bond Registrar, as the same may be modified or amended in accordance with the terms thereof and hereof.

"*Moody's*" means Moody's Investors Service, Inc., a Delaware corporation, and its successors; provided, however, that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, Moody's shall mean any other nationally recognized securities rating agency designated by the Board with the prior written consent of the Liquidity Provider.

"*Obligations*" means the Liquidity Facility Bonds, fees relating to this Agreement, interest and all other amounts payable to the Liquidity Provider hereunder or under the Liquidity Facility Bonds and all other obligations of the Board to the Liquidity Provider arising under this Agreement.

"*Official Statement*" means that certain Official Statement dated February ___, 2009, of the Board relating to the Bonds, and any supplements and amendments thereto, and any other descriptive documents relating to the Bonds.

"*Outstanding*" has the same meaning herein as in the Bond Resolution.

"*Owner*" has the same meaning herein as in the Bond Resolution.

"*Parity Debt*" has the meaning given in Section 6.1(h)(i).

"*Payment Date*" means, with respect to any Liquidity Facility Bond, the earliest to occur of (i) the Amortization End Date, (ii) the Conversion Date, (iii) the date on which no Bonds are Outstanding, and (iv) the effective date of an Alternate Liquidity Facility.

"*Payment Office*" has the meaning assigned to that term in Section 2.17 hereof.

"*Person*" means any corporation, natural person, firm, joint venture, partnership, trust, unincorporated organization, government or any department or agency of any government.

"*Pledged Revenues*" has the meaning assigned such term in the Fifteenth Supplemental Resolution.

"*Prime Rate*" means the rate of interest per annum equal to the rate of interest per annum from time to time announced by the Liquidity Provider as its prime rate (which is not intended to be the lowest rate of interest charged by the Liquidity Provider in connection with the extensions of credit to its customers). Each change in the Prime Rate shall take effect at the time of such change in such prime rate.

"*Purchase Notice*" means the notice given to the Liquidity Provider by the Tender Agent in accordance with Section 2.2 hereof requesting the Liquidity Provider to purchase tendered but unremarketed Eligible Bonds pursuant to this Agreement.

"*Purchase Price*" with respect to any Eligible Bond or portion thereof on a Bond Purchase Date therefor, means the unpaid principal amount thereof plus accrued interest thereon, other than Defaulted Interest, to but excluding such Bond Purchase Date, in each case without premium; provided that if the applicable Bond Purchase Date is an Interest Payment Date, interest payable on such Bond on such Interest Payment Date shall not be taken into account in the computation of the Purchase Price payable by the purchaser of such Bond; and provided further that the aggregate amount of Purchase Price constituting the interest component shall not exceed the amount specified in Section 2.1.

"*Quarterly Date*" means the last Business Day of each January, April, July and October, or, if such day is not a Business Day, then the next succeeding Business Day.

"*Rating Agency*" means Moody's or S&P.

"*Remarketing Agent*" means Citigroup Global Markets Inc., and its successors and assigns, or any alternate remarketing agent appointed for the Bonds with the prior written consent of the Liquidity Provider.

"*Remarketing Agreement*" means the Remarketing Agreement, dated as of February 1, 2009, between the Board and the Remarketing Agent, as the same may be modified

or amended, and if the Remarketing Agent has been replaced by a successor remarketing agent, any similar agreement between the Board and such successor remarketing agent.

"S&P" means Standard & Poor's Ratings Service, a division of The McGraw-Hill Companies, Inc., a New York corporation, and its successors; provided, however, that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, S&P shall mean any other nationally recognized securities rating agency designated by the Board with the prior written consent of the Liquidity Provider.

"Section" means a numbered section of this Agreement, unless another document is specifically referenced.

"Security" means all right, title and interest of the Board in and to the Pledged Revenues pledged by the Board pursuant to the Bond Resolution.

"SIFMA Index" means on any date, a rate determined on the basis of the seven-day high grade market index of tax-exempt variable rate demand obligations, as produced by Municipal Market Data and published or made available by the Securities Industry and Financial Markets Association ("SIFMA") or any person acting in cooperation with or under the sponsorship of SIFMA and acceptable to the Liquidity Provider, and effective from such date.

"Stated Expiration Date" the later of (a) 5:00 p.m. on February __, 2012, or, if such day is not a Business Day, the next succeeding Business Day to such day and (b) 5:00 p.m. on the last day of any extension of such date pursuant to Section 2.9 or, if such day is not a Business Day, the next succeeding Business Day to such day.

"Subordinated Indebtedness" means Board Indebtedness satisfying the criteria set forth below, the payment of which is specifically subordinated to the payment of principal and interest on the Bonds (including the Liquidity Facility Bonds), any certificates of participation executed and delivered by or on behalf of the Board and the principal and interest on any other Board Indebtedness. Subordinated Indebtedness shall be evidenced by instruments, or issued under a resolution or other document, containing provisions of the subordination of such Board Indebtedness (to which appropriate reference shall be made in the instruments evidencing such Board Indebtedness) substantially as follows, and each Person taking or holding any such Board Indebtedness whether upon original issue or upon transfer or assignment thereof accepts and agrees to be bound by such provisions, such provisions to be contained in the financing document under which such Board Indebtedness is issued, as follows:

(a) All Board Indebtedness issued hereunder and any coupons thereto appertaining shall, to the extent and in the manner hereinafter set forth, be subordinated and subject in right to the prior payment in full of Superior Indebtedness as hereinafter defined. For all purposes of this Section the term "Superior Indebtedness" shall mean all Board Indebtedness (other than Board Indebtedness containing these subordination provisions) now or hereafter issued by the Board and outstanding and all payment obligations of the Board with respect to the Bonds, parity bonds issued under the Bond Resolution and any other Bonds from time to time outstanding;

(b) No payment on account of principal, premium, if any, sinking funds or interest on the Board Indebtedness shall be made, nor shall any property or assets be applied to the purchase or other acquisition or retirement of the Board Indebtedness, unless full payment of amounts then due and payable for principal, premium, if any, sinking funds and interest on Superior Indebtedness has been made or duly provided for in accordance with the terms of such Superior Indebtedness. No payment on account of principal or interest or any premium on the Board Indebtedness shall be made, nor shall any property or assets be applied to the purchase or other acquisition or retirement of the Board Indebtedness, if, at the time of such payment or application or immediately after giving effect thereto, (A) there shall exist a default in the payment of principal, premium, if any, sinking funds or interest with respect to any Superior Indebtedness, or (B) there shall have occurred an event of default (other than default in the payment of principal, premium, if any, sinking funds or interest) with respect to any Superior Indebtedness, as defined therein or in the instrument under which the same is outstanding, permitting the holders thereof to accelerate the maturity thereof and written notice of such occurrence shall have been given to the issuer of the Board Indebtedness pursuant to the instrument under which such Superior Indebtedness is outstanding and such event of default shall not have been cured or waived or shall not have ceased to exist;

(c) Upon (A) any acceleration of maturity of the principal amount due on the Board Indebtedness or (B) any payment or distribution of any kind or character, whether in cash, property or securities, upon any dissolution or winding-up or total or partial liquidation, reorganization or arrangement of the issuer of the Board Indebtedness, whether voluntary or involuntary or in bankruptcy, insolvency, receivership or other proceedings, all principal, premium, if any, and interest due or to become due upon all Superior Indebtedness shall first be paid in full, or a payment thereof provided for in accordance with the terms of such Superior Indebtedness, before any payment is made on account of the principal, premium, if any, or interest on the Board Indebtedness, and upon any such dissolution or winding-up or liquidation, reorganization or arrangement, any payment or distribution of any kind or character, whether in cash, property or securities, to which the holders of the Board Indebtedness would be entitled, except for the provisions hereof, shall be paid by the issuer of the Board Indebtedness, or by a receiver, trustee in bankruptcy, liquidating trustee, agent or other Person making such payment or distribution, to the extent necessary to pay all Superior Indebtedness in full after giving effect to any concurrent payment or distribution to the holders of Superior Indebtedness, before any payment or distribution is made to the holders of the Board Indebtedness;

(d) In the event that, in violation of any of the foregoing provisions, any payment or distribution of any kind or character, whether in cash, property or securities, shall be received by the holders of the Board Indebtedness before all Superior Indebtedness is paid in full, or provision for such payment in accordance with the terms of such Superior Indebtedness, such payment or distribution shall be held in trust for the benefit of, and shall be paid over or delivered for application to the payment of all Superior Indebtedness remaining unpaid to the extent necessary to pay all such Superior Indebtedness in full in accordance with its terms, after giving effect to any concurrent payment or distribution for the holders of such Superior Indebtedness;

(e) No present or future holder of Superior Indebtedness shall be prejudiced in his right to enforce subordination of the Board Indebtedness by any act or failure to act on the part of the issuer of the Board Indebtedness or any one in custody of its assets or property.

The foregoing subordination provisions shall be for the benefit of the holders of Superior Indebtedness and may be enforced against the holders of Superior Indebtedness or any trustee therefore; provided, however, that the Bond Resolutions or other instruments creating or evidencing Subordinated Indebtedness or pursuant to which any Subordinated Indebtedness is issued may contain provisions to the effect: (a) that the foregoing provisions are solely for the purpose of defining the relative rights of the holders of "Superior Indebtedness" (as defined therein) on the one hand and the holders of the Subordinated Indebtedness on the other and that nothing therein shall impair as between the issuer of the Superior Indebtedness and the holders of the Subordinated Indebtedness, the obligation of the issuer of the Superior Indebtedness to pay to the holders thereof the principal of and interest or any premium thereon in accordance with its terms, nor shall anything therein prevent the holders of the Subordinated Indebtedness or any trustee on their behalf from exercising all remedies otherwise permitted by applicable law or thereunder upon default thereunder, subject to the rights set forth above of the holders of Superior Indebtedness to receive cash, property or securities otherwise payable or deliverable to the holders of the Subordinated Indebtedness, (b) that upon any payment or distribution of assets of the issuer of the Superior Indebtedness of the character referred to in the third paragraph of the foregoing provisions, the bond registrar under any resolution relating to Subordinated Indebtedness shall be entitled to rely upon any order or decree of a court of competent jurisdiction in which such dissolution, winding-up, liquidation, reorganization or arrangement proceedings are pending, and upon a certificate of the receiver, trustee in bankruptcy, liquidating trustee, agent or other Person making any such payment or distribution, delivered to said trustee for the purpose of ascertaining the Persons entitled to participate in such distribution, the holders of Superior Indebtedness and other indebtedness of the issuer of the Subordinated Indebtedness, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to the foregoing provisions, and (c) that the trustee under any resolution relating to Subordinated Indebtedness and any paying agent therefore shall not be charged with knowledge of the existence of any facts which would prohibit the making of any payment of moneys to or by such trustee or such paying agent, unless and until such trustee or such paying agent, as the case may be, shall have received notice thereof from the issuer of the Superior Indebtedness or from one or more holders of Superior Indebtedness.

"*Substitution Date*" means the date on which an Alternate Liquidity Facility is accepted by the Tender Agent and becomes effective.

"*Taxes*" has the meaning assigned to that term in Section 11.1 hereof.

"*Tender Agent*" means The Bank of New York Mellon Trust Company, N.A., or any successor tender agent appointed and qualified under the Modal Agreement.

"*Tender Agent Agreement*" means the Tender Agent Agreement, dated as of February 1, 2009, among the Board, the Bond Registrar, the Remarketing Agent and the Tender Agent whereby such Tender Agent undertakes to perform the duties of the Tender Agent under

the Modal Agreement with respect to the Bonds, as the same may be modified or amended, and if the Tender Agent has been replaced by a successor tender agent, any similar agreement among the Board, the Bond Registrar, the Remarketing Agent and such successor tender agent.

"Termination Date" means the earliest to occur of (i) the Stated Expiration Date then in effect, (ii) the date the Bond Purchase Commitment is reduced to zero pursuant to Section 2.8 hereof (or the date this Agreement is terminated by the Board pursuant to Section 9.6 hereof), (iii) the date on which no Bonds are Outstanding, (iv) the Business Day immediately succeeding the Substitution Date, (v) the Business Day immediately succeeding the Conversion Date, and (vi) the date on which the Liquidity Provider's obligation to purchase Bonds under Section 2.1 hereof shall terminate pursuant to Section 6.2 hereof.

"Transaction Documents" means the Bonds, the Bond Resolution, the Bond Purchase Agreement, the Modal Agreement, the Tender Agent Agreement, the Custody Agreement, the Remarketing Agreement and the Official Statement, as the same may be amended or modified from time to time in accordance with their respective terms and the terms hereof.

Section 1.2. Other Applicable Terms.

(a) Capitalized terms not otherwise defined herein have the respective meanings assigned thereto in the Bond Resolution or the Modal Agreement.

(b) All times specified herein shall refer to New York, New York time, unless otherwise specified.

(c) The meanings of defined terms are equally applicable to the singular and plural forms of the defined terms.

(d) The words "hereof", "herein", "hereunder" and similar words refer to this Agreement as a whole and not to any particular provision of this Agreement; and subsection, Section, Schedule and Exhibit references are to this Agreement unless otherwise specified.

(e) The term "documents" includes any and all instruments, documents, agreements, certificates, resolutions, notices and other writings, however evidenced.

(f) The term "including" is not limiting and means "including without limitation."

(g) In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including"; the words "to" and "until" each mean "to but excluding", and the word "through" means "to and including."

(h) The term "property" includes any kind of property or asset, real, personal or mixed, tangible or intangible.

(i) Unless otherwise expressly provided herein, (i) references to agreements (including this Agreement) and other contractual instruments shall be deemed to include all

subsequent amendments and other modifications thereto, but only to the extent such amendments and other modifications are not prohibited by the terms of any Transaction Document, and (ii) references to any statute or regulation are to be construed as including all statutory and regulatory provisions consolidating, amending, replacing, supplementing or interpreting the statute or regulation.

(j) The captions and headings of this Agreement are for convenience of reference only and shall not affect the interpretation of this Agreement.

(k) This Agreement and other Transaction Documents may use several different limitations, tests or measurements to regulate the same or similar matters. All such limitations, tests and measurements are cumulative and shall each be performed in accordance with their terms. Unless otherwise expressly provided, any reference to any action of the Liquidity Provider by way of consent, approval or waiver shall be deemed modified by the phrase "in its sole discretion."

(l) This Agreement and the other Transaction Documents are the result of negotiations among and have been reviewed by counsel to the Liquidity Provider, the Board and the other parties thereto, if any, and are the products of all parties. Accordingly, they shall not be construed against the Liquidity Provider merely because of the Liquidity Provider's involvement in their preparation.

Section 1.3. Accounting Principles.

(a) Unless the context otherwise clearly requires, all accounting terms not expressly defined herein shall be construed, and all financial computations required under this Agreement shall be made, in accordance with standards established by the Government Accounting Standards Board from time to time, consistently applied.

(b) References herein to "fiscal year" refer to the fiscal year of the Board.

ARTICLE II

TERMS OF PURCHASE COMMITMENT

Section 2.1. Bond Purchase Commitment. Subject to the terms and conditions of this Agreement, and provided that the conditions referred to in Sections 2.2 and 2.16 and Article VIII hereof are satisfied, the Liquidity Provider agrees to purchase Eligible Bonds from time to time on any Bond Purchase Date from the date hereof to the Termination Date in the principal and interest amounts requested in the Purchase Notice relating to such Bond Purchase Date, up to but not exceeding the Bond Purchase Commitment in effect on such Bond Purchase Date. Bonds shall be purchased for the express purpose of providing the Tender Agent with funds for payment of the principal and interest components of the purchase price on the Bonds required to be purchased pursuant to Section 404 of the Modal Agreement to the extent that the Remarketing Agent is unable to remarket such Bonds and funds are not otherwise available for such purchase under the Bond Resolution and Modal Agreement. The Liquidity Provider shall make available the amounts required to be provided by it under this Section 2.1 on the relevant Bond Purchase Date to the Tender Agent in immediately available funds to the account of the Tender Agent as

instructed in the Purchase Notice, or such other account or accounts as the Tender Agent may instruct by notice in writing to the Liquidity Provider (and the same shall become effective upon actual receipt of such notice by the Liquidity Provider). The Liquidity Provider shall purchase Bonds it is required to purchase using solely the funds of the Liquidity Provider. The aggregate amount of the Purchase Price comprising interest on the Bonds (the "*Interest Component*") purchased on any Bond Purchase Date shall not exceed the lesser of (i) the interest component of the Bond Purchase Commitment on such date and (ii) the actual aggregate amount of interest accrued on each such Bond, other than Defaulted Interest, to but excluding such Bond Purchase Date; provided that if the applicable Bond Purchase Date is an Interest Payment Date, the amount described in this clause (ii) shall be reduced by the amount of interest payable on each such Bond on such Interest Payment Date. Any Eligible Bonds purchased by the Liquidity Provider pursuant to this Section 2.1 shall thereupon constitute Liquidity Facility Bonds and shall, from the date of such purchase and while they are Liquidity Facility Bonds have all of the characteristics of Liquidity Facility Bonds as set forth herein and in the Modal Agreement.

Section 2.2. Method of Purchase. Upon satisfaction of the conditions precedent referred to in Article VIII hereof, and upon receipt by the Liquidity Provider no later than 12:30 p.m. on such Bond Purchase Date of a Purchase Notice in the form of Exhibit A hereto from the Tender Agent, stating: (i) the relevant Bond Purchase Date, (ii) the principal amount of Eligible Bonds to be purchased by the Liquidity Provider on such Bond Purchase Date and the amount of accrued interest thereon on such Bond Purchase Date, (iii) the account number of each account to which the Liquidity Provider is to make payment, and (iv) the principal amount of Bonds tendered for purchase on such Bond Purchase Date and the amount of accrued interest thereon on such Bond Purchase Date, the Liquidity Provider shall purchase such Bonds pursuant to Section 2.1 hereof on the relevant Bond Purchase Date by transferring funds in the amount requested in the Purchase Notice and notifying the Tender Agent of the Federal Reserve wire transfer number with respect to such transfer by 2:30 p.m. on such Bond Purchase Date. Each Bond purchased pursuant to this Section 2.2 shall be registered in the name of the Liquidity Provider or, if directed in writing by the Liquidity Provider, such Liquidity Facility Bond shall be credited to the account of its nominee or designee on the Bond register and shall be promptly delivered by the Tender Agent or the Bond Registrar to the Custodian to be held as Liquidity Facility Bonds under the Custody Agreement or as the Liquidity Provider may otherwise direct in writing, and prior to such delivery shall be held in trust by the Tender Agent or the Bond Registrar for the benefit of the Liquidity Provider. If the Bonds purchased pursuant to this Section 2.2 are Book Entry Bonds, the beneficial ownership of each such Bond shall be credited to the account of the Liquidity Provider, or if directed in writing by the Liquidity Provider, the beneficial ownership of such Bond shall be credited to the account of the Custodian or other nominee or designee of the Liquidity Provider, maintained at DTC. The interest component of the Purchase Price paid for such Bonds shall be paid to the Liquidity Provider as provided in Section 2.7 hereof.

So long as the Bonds are issued in book-entry form and held by the Tender Agent as custodian of DTC as part of DTC's fast automated transfer program ("*FAST Eligible Bonds*"), concurrently with the Tender Agent's receipt of the purchase price for each purchase of Bonds by the Liquidity Provider hereunder, the Tender Agent, as a participant of DTC (or any other successor securities depository) or an eligible transfer agent, shall make a direct registration electronic book-entry (A) crediting the DTC account designated by the Liquidity Provider as its account in which to hold Liquidity Facility Bonds purchased by it (each, the "*Bank Book-Entry*").

Account") by the principal amount of the Bonds purchased hereunder by the Liquidity Provider using the Bank Bond CUSIP number for such Bonds set forth below; and (B) debiting the book-entry account of DTC for the Bonds (thereby reducing the principal balance of the global certificate representing the Bonds) (the "*DTC Book-Entry Account*") by the principal amount of the Bonds purchased hereunder by the Liquidity Provider. The CUSIP number for the Bonds that are Liquidity Facility Bonds is _____. So long as the Bonds are FAST Eligible Bonds, upon a remarketing of Liquidity Facility Bonds in accordance with the terms of this Agreement and the Tender Agent's receipt from the Remarketing Agent and/or the Board of the purchase price for each purchase of Bonds by the Liquidity Provider hereunder, the Tender Agent, as a participant of DTC (or any other successor securities depository) or an eligible transfer agent, shall make a direct registration electronic book-entry in its records (A) debiting the Bank Book-Entry Account of the Liquidity Provider by the principal amount of the Bonds so remarketed; and (B) crediting the DTC Book-Entry Account for such Bonds (thereby increasing the principal balance of the global certificate representing such Bonds) by the principal amount of the Bonds so remarketed. The Tender Agent acknowledges that it is familiar with the procedures and requirements set forth in a notice from The Depository Trust Company, dated April 4, 2008, respecting "Variable Rate Demand Obligations ("*VRDO*") Failed Remarketings and Issuance of Bank Bonds", and agrees that, with respect to any and all Liquidity Facility Bonds, it will follow the procedures and requirements set forth in such notice, as the same may be amended from time to time. To the extent that, following any amendment of such notice, the procedures and requirements therein should become inconsistent with any aspect of the provisions in the preceding clause, the Tender Agent, the Board and the Liquidity Provider shall promptly negotiate in good faith and agree upon amendments of the preceding clause so as to eliminate such inconsistency.

If the Bonds are no longer FAST Eligible Bonds, concurrently with the receipt of the purchase price for each purchase of Bonds by the Liquidity Provider hereunder, the Tender Agent shall cause each Liquidity Facility Bond to be registered in the name of the Liquidity Provider and shall be held by the Tender Agent as the agent, bailee and custodian (in such capacity, the "*Custodian*") of the Liquidity Provider for the exclusive benefit of the Liquidity Provider. The Custodian acknowledges and agrees that it is acting and will act with respect to Liquidity Facility Bonds at the direction of the Liquidity Provider for the exclusive benefit of the Liquidity Provider and is not and shall not at any time be subject in any manner or to any extent to the direction or control of the Board or any other Person with respect to the Bonds. The Custodian agrees to act in strict accordance with this Agreement and in accordance with any lawful written instructions delivered to the Custodian from time to time pursuant hereto by the Liquidity Provider. Under no circumstances shall the Custodian deliver possession of the Bonds to, or cause Bonds to be registered in the name of, the Board, the Remarketing Agent or any Person other than the Liquidity Provider except in accordance with the express terms of this Agreement or otherwise upon the written instructions of the Liquidity Provider. If, while this Agreement is in effect, the Custodian shall become entitled to receive or shall receive any payment in respect of any Liquidity Facility Bonds held for the Liquidity Provider, the Custodian agrees to accept the same as the Liquidity Provider's agent and to hold the same in trust on behalf of the Liquidity Provider and to deliver the same forthwith to the Liquidity Provider's Payment Office. Upon the remarketing of any Liquidity Facility Bonds and the Tender Agent's receipt from the Remarketing Agent and/or the Board of the purchase price for each purchase of Bonds by the Liquidity Provider hereunder, the Custodian shall release Liquidity Facility Bonds

in a principal amount equal to the principal amount so remarketed to the Remarketing Agent for such Bonds or the Board, as the case may be, in accordance with the terms of the Modal Agreement. The Custodian may rely and shall be protected in acting upon any document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Custodian shall not be liable for any error in judgment made in good faith by its responsible officers, employees and agents unless the Custodian, its responsible officers, employees or agents were negligent or engaged in willful misconduct. Anything herein to the contrary notwithstanding, the Custodian shall have no liability hereunder for any act or omission except as shall result from its gross negligence or willful misconduct. Except as provided above, without the prior written consent of the Liquidity Provider, the Custodian agrees that it will not sell, assign, transfer, exchange or otherwise dispose of, or grant any option with respect to, Liquidity Facility Bonds, and will not create, incur or permit to exist any pledge, lien, mortgage, hypothecation, security interest, charge, option or any other encumbrance or take any other action with respect to the Liquidity Facility Bonds, or any interest therein, or any proceeds thereof. The Custodian shall deliver to the Board and/or the Liquidity Provider at the Board's and/or the Liquidity Provider's request such information as may be in the possession of the Custodian with respect to such Liquidity Facility Bonds.

Section 2.3. Use of Funds from Liquidity Provider. Any moneys advanced by the Liquidity Provider hereunder which are not used to purchase Bonds in accordance with the terms hereof and of the Modal Agreement and the Bond Resolution shall be returned to the Liquidity Provider in immediately available funds as soon as practicable, but by not later than 3:30 p.m. on the applicable Bond Purchase Date. If such moneys are not returned to the Liquidity Provider on the Bond Purchase Date on which they were advanced to the Tender Agent, the Board hereby agrees to pay to the Liquidity Provider interest on such moneys, calculated at a per annum rate equal to the Default Rate and on the basis of a year of 360 days, and actual days elapsed, from and including such Bond Purchase Date to but not including the date such moneys are returned, such interest to be payable upon demand.

Section 2.4. Fees. The Board hereby agrees to pay or caused to be paid to the Liquidity Provider, the following fees but only from Pledged Revenues under the Bond Resolution:

(a) on the Closing Date, an initial upfront non-refundable fee equal to \$_____;

(b) a non-refundable facility fee (the "*Facility Fee*") with respect to the commitment of the Liquidity Provider hereunder at the rate of 0.90% per annum on the average daily amount of the Bond Purchase Commitment (calculated at all times as though no Bonds had been purchased by the Liquidity Provider hereunder) during each period in respect of which payment is to be made; provided, however, in the event that the unenhanced long term rating assigned by either of Moody's or S&P, as the case may be, with respect to the Bonds or any Parity Debt is less than "Aa3" or "AA-", respectively, for any reason, the Facility Fee will increase by fifteen basis points (0.15%) per annum (x) for any rating category reduction to "A1" or "A2" by Moody's or "A⁺" or "A" by S&P, or (y) per rating category reduction to "A3" or below by Moody's or to "A-" or below by S&P, adjusted, in each case, on the date that any such rating is publicly released by Moody's or S&P (for example, a rating reduction by S&P from

"AA-" to "A" would constitute one rating category reduction for purposes of the foregoing provision, and from "AA-" to "A-" would constitute two rating category reductions). If the unenhanced long term ratings assigned by Moody's or S&P, respectively, appear in more than one rating category (i.e., a split rating), the Facility Fee will be based on the category that includes the lowest rating. In the event that the unenhanced long-term rating of the Bonds or any Parity Debt of the Board shall receive an improved rating by Moody's or S&P, the Facility Fee rate will decrease by 0.05% per annum per rating category increase through and including "Aa1" or "AA+", respectively, adjusted on the date that any such rating is publicly released by Moody's or S&P; provided, that the lowest of each such ratings shall determine whether the rating has increased and whether the Facility Fee rate shall be adjusted. In the event that the unenhanced long term rating assigned by either of Moody's or S&P, as the case may be, with respect to the Bonds or any Parity Debt is cancelled, suspended or withdrawn by either of Moody's or S&P, as the case may be, the Facility Fee rate will increase automatically by 1.00% per annum, adjusted on the date that any such rating is publicly cancelled, withdrawn or suspended by Moody's or S&P, without notice to the Board, which notice is hereby waived. In addition, in the event that an Event of Default shall occur and be continuing, the Facility Fee will increase automatically by 2.00% per annum, adjusted on the date that such Event of Default occurs, without notice to the Board, which notice is hereby waived, and such Facility Fee increase will continue until such Event of Default is cured or otherwise waived by the Liquidity Provider or this Agreement terminates in accordance with its terms. Such Facility Fee shall be payable in immediately available funds, quarterly in arrears, on each Quarterly Date, commencing on April 30, 2009, with respect to the period ending on such fee payment date, and on the Termination Date or, if earlier, the date on which the Bond Purchase Commitment is terminated or reduced to zero. The Facility Fee shall be calculated on the basis of a year of 360 days. The Board agrees to pay the Facility Fee pursuant to this Agreement during any period that the Liquidity Provider's obligation to purchase Bonds has been suspended pursuant to Section 6.2(c) of this Agreement;

(c) upon any purchase by the Liquidity Provider of Liquidity Facility Bonds, a drawing fee equal to \$250 per draw;

(d) in connection with the written request by the Board of (i) any amendment, supplement, modification, consent or waiver to any Transaction Document or this Agreement requiring any action on the part of the Liquidity Provider (other than extensions which do not involve any other amendment, supplement, modification, consent or waiver) or (ii) any transfer of the rights and obligations of any party to any Transaction Document or this Agreement requiring any action on the part of the Liquidity Provider, the Board shall pay to the Liquidity Provider, the standard fee of the Liquidity Provider (not to exceed \$3,000), plus the reasonable fees and expenses of counsel to the Liquidity Provider; and

(e) in the event that the Agreement is terminated by or on behalf of the Board prior to the second (2nd) year anniversary of the Closing Date, the Board agrees to pay to the Liquidity Provider, a termination fee equal to the difference between (x) a two-year period of the Facility Fee applicable to the Liquidity Provider on the basis of the Bond Purchase Commitment under the Agreement in effect on the termination date and (y) the actual amount of the Facility Fee already paid by the Board to the Liquidity Provider with respect to such Bond Purchase Commitment under the Agreement prior to such termination date (measured at the time of such termination); provided that no such fee shall be payable if this Agreement is terminated as the

result of the reduction of the long-term credit rating of the Liquidity Provider below "A1" or "A⁺" by Moody's or S&P, respectively.

Section 2.5. Interest; Default Rate. Prior to the Termination Date, Liquidity Facility Bonds shall bear interest at the Liquidity Facility Bond Rate, for the period commencing from the Bond Purchase Date and, subject to Section 2.2, continuing until such Liquidity Facility Bond is paid in full or remarketed as provided in Section 3.1 or shall cease to be a Liquidity Facility Bond in accordance with Section 3.1. On and after the Termination Date, Liquidity Facility Bonds shall bear interest in accordance with Section 2.12. The Liquidity Provider shall give telephonic notice, confirmed in writing, to the Board on the Business Day preceding each Interest Payment Date of the interest payment due on Liquidity Facility Bonds on such date; provided, however, that the failure of the Liquidity Provider to give any such notice shall not limit or otherwise affect the obligation of the Board to pay interest on the Liquidity Facility Bonds at the rates specified in this Section 2.5. Interest on Liquidity Facility Bonds shall be calculated for actual days elapsed on the basis of a 360-day year.

If the principal amount of any Liquidity Facility Bond, the interest accrued thereon, or any Obligation to the Liquidity Provider under this Agreement (including, in each case, to the extent permitted by law, any interest payment required hereunder or thereunder) is not paid when due (whether by acceleration, redemption or otherwise), such overdue principal payment, interest payment or Obligation shall bear interest from the date such principal amount, interest amount or Obligation, as the case may be, was due until paid in full (after as well as before judgment) at a rate per annum (computed on the basis of a year of 360-days, and actual days elapsed) equal to the Default Rate from time to time in effect, such interest to be payable on demand. If at any time an Event of Default has occurred and is continuing, the principal amount of any Liquidity Facility Bond, or any other obligation of the Board under this Agreement or the Liquidity Facility Bonds (including, to the extent permitted by law, any interest payment required thereunder) shall bear interest from the date such principal amount or other obligation, as the case may be, was due until paid in full (after as well as before judgment) at a rate per annum (computed on the basis of a year of 360-day, and actual days elapsed) equal to the Default Rate from time to time in effect, such interest to be payable on demand.

Section 2.6. Deferred Interest. For any period during which Liquidity Facility Bonds are outstanding and as to each interest period, in the event that the amount of interest which would be payable on the Liquidity Facility Bonds (calculated at the Liquidity Facility Bond Rate for an interest period, or in the case of the payment of the Differential Interest Amount, if any, on a Liquidity Facility Bond for the period from the date of the first day of the current interest period through but not including the date on which such Liquidity Facility Bond is remarketed or paid) exceeds the Maximum Interest Rate, the amount of such excess shall not be payable on the Interest Payment Date for such interest period as interest on such Liquidity Facility Bonds but shall be deferred ("*Deferred Interest*"). Deferred Interest shall be allocated among the Liquidity Facility Bonds outstanding on such Interest Payment Date based upon the principal amount thereof and the length of time such Liquidity Facility Bonds were outstanding during the interest period related to such Interest Payment Date. Deferred Interest arising on any Interest Payment Date (i) shall, to the extent permitted by law, bear interest (compounded on each succeeding Interest Payment Date) at a rate per annum equal to the Liquidity Facility Bond Rate (computed on the basis of a year of 360-days, and actual days elapsed) until paid in full and (ii) shall

become payable, together with interest thereon, to the extent permitted by law, on the next succeeding Interest Payment Date or Dates to the extent the interest (including Deferred Interest) payable on the Liquidity Facility Bonds (if any) for the interest period ending on such Interest Payment Date does not exceed the Maximum Interest Rate for such interest period. All amounts of interest payable on a Bond which is a Liquidity Facility Bond, including, without limitation, Deferred Interest (and interest thereon, to the extent permitted by law), for so long as such Bond shall remain a Liquidity Facility Bond shall constitute interest on such Bond.

Section 2.7. Interest Payment Dates; Interest Basis. The Board agrees that, with respect to each Liquidity Facility Bond, (i) such Liquidity Facility Bond shall be paid in full no later than the Payment Date, if not earlier required to be paid under this Agreement; (ii) the Interest Component, if any, included in the Purchase Price for such Bond shall be due and payable by the Board on the Bond Purchase Date on which such Bond became a Liquidity Facility Bond; (iii) the interest on the unpaid amount of each such Bond from and including the applicable Bond Purchase Date shall be computed at a rate per annum equal to the Liquidity Facility Bond Rate as determined pursuant to Section 2.5 or at the rate set forth in Section 2.12, as applicable; and (iv) interest payable pursuant to clause (iii) shall be payable (A) in arrears on the first Business Day of each month, (B) upon redemption (to the extent of the interest accrued on the amount being redeemed), (C) upon the sale of such Bond by the Remarketing Agent pursuant to Section 3.1(a), (D) on the Payment Date, and (E) after the Payment Date on demand.

Section 2.8. Reduction of Commitment. Except as specifically provided in this Section 2.8 or in Section 9.6(b), no Person shall have the right to reduce or terminate the Bond Purchase Commitment:

(a) Mandatory Reductions of Bond Purchase Commitment. Upon (i) receipt of notice by the Liquidity Provider of any redemption, repayment or other payment of all or any portion of the principal amount of the Bonds or (ii) the Business Day immediately succeeding the date of receipt of notice by the Liquidity Provider of any conversion of all or any portion of the principal amount of the Bonds to a rate other than a Covered Rate, the aggregate Bond Purchase Commitment shall be reduced by the principal amount of the Bonds so redeemed, repaid or otherwise paid or so converted, as the case may be. The Bond Registrar shall cause written notice of such redemption, repayment or other payment to be promptly delivered to the Liquidity Provider.

(b) Reduction upon Substitution. The Bond Purchase Commitment shall automatically terminate on the Business Day immediately succeeding the date on which an Alternate Liquidity Facility has become effective.

Section 2.9. Stated Expiration Date. The Liquidity Provider's commitment to purchase Bonds hereunder shall, unless such commitment has been earlier terminated pursuant to the terms hereof, expire on the Stated Expiration Date. Not less than 90 days, nor more than 120 days prior to the first anniversary of the Closing Date and each annual anniversary thereafter, the Board may request (in the form of Exhibit B attached hereto) the Liquidity Provider in writing (with a copy to the Bond Registrar) to extend the Stated Expiration Date. The Liquidity Provider has no obligation to agree to any extension of the Stated Expiration Date. If the Board shall make such a request, the Liquidity Provider shall, within thirty (30) days after receipt of such

request, notify the Board in writing (with a copy to the Bond Registrar) whether or not the Liquidity Provider consents to such request, and if the Liquidity Provider does so consent, the conditions of such consent (including conditions relating to legal documentation and pricing). If the Liquidity Provider shall not so notify the Board in a timely manner, the Liquidity Provider shall be deemed not to have consented to such request. If the Liquidity Provider consents to the request, the Liquidity Provider shall provide written notice to the Board, the Remarketing Agent and the Bond Registrar, which notice shall specify then-current Stated Expiration Date and the Stated Expiration Date as to be extended. Notwithstanding the limitations of the foregoing provisions, the Liquidity Provider and the Board may independently agree on a new Stated Expiration Date. In connection with any extension as provided in this Section 2.9, the Liquidity Provider reserves the right to renegotiate any provision hereof.

Section 2.10. Losses Relating to Telephonic Notices and Excess Purchase Amounts. The Board hereby agrees to compensate the Liquidity Provider for the loss of use of funds in the event the Liquidity Provider disburses funds hereunder (a) in any attempt to make purchases of Bonds based upon telephonic requests made by any Person or Persons which the Liquidity Provider in good faith believes to be the Bond Registrar or the Tender Agent (but the foregoing shall not imply any standard of care against the Liquidity Provider with respect to requests made in any other manner, except as otherwise expressly agreed herein), and (b) in an amount in excess of that actually required to purchase Bonds hereunder due to the Tender Agent incorrectly stating such amount in its Purchase Notice. A certificate of the Liquidity Provider as to the amount of any such loss shall be conclusive, absent manifest error. The Board shall be entitled to payment and reimbursement by the Bond Registrar or the Tender Agent for the amount of such loss if the Bond Registrar's or the Tender Agent's actions are as a result of the negligence of the Bond Registrar or Tender Agent, as applicable.

Section 2.11. Agency. Each of the Tender Agent and the Bond Registrar is hereby irrevocably appointed agent of the Board for the purpose of giving the Liquidity Provider notice on behalf of the Board to purchase Bonds hereunder and for the purpose of taking any other action it is contemplated to take hereunder, whether in connection with the purchase and sale of Bonds or otherwise.

Section 2.12. Bank Holding Period. Subject to the terms and conditions hereof and provided no Event of Default shall have occurred and be continuing, the Liquidity Provider shall hold Liquidity Facility Bonds for a maximum period of three (3) years, commencing on the Amortization Start Date (the "*Bank Holding Period*"), during which period the Board shall take such action as is necessary (if any) to cause the redemption of such Liquidity Facility Bonds pursuant to Section 401(b) of the Modal Agreement and this Section 2.12. Liquidity Facility Bonds during the Bank Holding Period (commencing on the first day immediately following the Amortization Start Date and until paid in full) shall bear interest, for each day of determination, at the applicable Liquidity Facility Bond Rate; provided that from and after the occurrence of an Event of Default, the interest rate on Liquidity Facility Bonds during the Bank Holding Period shall equal the Default Rate; provided, however, that such rate shall never exceed the Maximum Interest Rate. The Board agrees that it will cause all Liquidity Facility Bonds to be redeemed pursuant to Section 401(b) of the Modal Agreement such that the unpaid principal balance of all Liquidity Facility Bonds shall amortize in approximately six (6) equal semi-annual installments of principal, commencing on the first Amortization Payment Date immediately succeeding the

Amortization Start Date and on each subsequent Amortization Payment Date thereafter with the last such redemption occurring on the Amortization End Date. The annual amount to be redeemed, determined as of the date of acquisition, shall be rounded upward or downward, as appropriate, if necessary, to the nearest \$100,000. The principal amount of Liquidity Facility Bonds outstanding, and all accrued interest with respect to such Liquidity Facility Bonds, shall become due and payable on the earlier to occur of (i) the Amortization End Date, (ii) the date of an Event of Default, or (iii) the end of the Business Day immediately preceding the date on which an Alternate Liquidity Facility has become effective.

Section 2.13. Participation of Liquidity Provider's Interest. The Liquidity Provider may at any time grant a participation in any of its rights and obligations under this Agreement to any bank or any entity affiliated therewith; provided that in the event of any such participation, none of the Remarketing Agent, the Bond Registrar, the Tender Agent or the Board shall be required to deal with any such participant but shall only be required to deal with the Liquidity Provider; and provided further that any such participation of the Liquidity Provider's obligation or ownership of Liquidity Facility Bonds under this Agreement shall not affect the applicability of the Liquidity Facility Bond Rate to the Liquidity Facility Bonds, which shall remain in full force and effect in accordance with the terms and conditions of this Agreement, the Modal Agreement and the Bond Resolution, nor shall any such participation affect the Liquidity Provider's obligations hereunder. At no time shall a Participant hold an interest in the Liquidity Facility Bonds greater than that held by the Liquidity Provider. The Liquidity Provider may not grant a participation to any non-United States bank without the Board's prior written consent, which consent shall not be unreasonably withheld.

Section 2.14. Liquidity Provider to Have Rights of Owner. In the event that the Liquidity Provider purchases any Bond in accordance with the provisions of Section 2.1 hereof, in addition to its rights hereunder, the Liquidity Provider shall be entitled to exercise, during the period it holds any such Bond, all of the rights of, and shall be secured to the same extent as, any other Owner under and subject to the terms and provisions of the Bond Resolution and the Modal Agreement, including, without limitation, the right to receive payments of principal and interest at the rates provided in the Bond Resolution and the Modal Agreement, and the right to exercise remedies under the Bond Resolution and the Modal Agreement upon the occurrence and continuance beyond any applicable grace period of any "Event of Default" thereunder. The Board agrees to pay the Liquidity Provider principal of and interest on any Liquidity Facility Bond in the amounts, at the times and in the manner specified in such Liquidity Facility Bond, this Agreement, the Modal Agreement and the Bond Resolution.

Section 2.15. Optional Principal Payments. The Board may from time to time redeem or prepay, without penalty or premium, all or part of any outstanding Liquidity Facility Bond.

Section 2.16. Liquidity Provider's Obligation. Subject to the terms and conditions of this Agreement, the Liquidity Provider's obligation under this Article II to purchase Bonds in accordance with the provisions hereof shall remain in effect until the Termination Date.

Section 2.17. Payments.

(a) Any payments received by, or as directed by, the Liquidity Provider later than 2:00 p.m. on any day shall be deemed to have been paid on the next succeeding Business Day and interest shall accrue thereon until such next Business Day at the rate applicable thereto. All payments to the Liquidity Provider hereunder shall be made in Dollars and in immediately available funds. Unless the Liquidity Provider shall otherwise direct, all such payments shall be made by means of wire transfer of funds through the Federal Reserve Wire System to the account of State Street Bank and Trust Company, ABA Number: 011-000-028 Account Number: 4867-932-8 Account Name: Municipal Finance Fee Receivable, Acct. Reference: University of Illinois, Series 2009A, or such other account as the Liquidity Provider may specify in writing from time to time (the "*Payment Office*").

(b) The Board agrees to pay to the Liquidity Provider on each Bond Purchase Date or Bond Sale Date, as applicable, an amount equal to any charge imposed on the Liquidity Provider pursuant to the Bond Resolution or Modal Agreement in connection with the transfer or exchange of Bonds. The Board agrees to cause the Bond Registrar to give the Liquidity Provider timely notice of each such charge, including the amount thereof.

(c) Payments made to the Liquidity Provider under this Agreement shall first be applied to any fees, costs, charges or expenses payable to the Liquidity Provider hereunder, next to any past due interest, next to any current interest due, and then to outstanding principal.

ARTICLE III

REMARKETING OF LIQUIDITY FACILITY BONDS

Section 3.1. Remarketing. (a) Pursuant to the Remarketing Agreement, the Board shall cause the Remarketing Agent to attempt continuously in good faith to remarket Liquidity Facility Bonds, and the Remarketing Agent has agreed to use its best efforts to remarket such Bonds under and in accordance with the terms of the Remarketing Agreement. At any time and from time to time, Liquidity Facility Bonds may be remarketed by the Remarketing Agent upon written notice from the Remarketing Agent to the Liquidity Provider of a proposed sale of all or a portion of the Liquidity Facility Bonds no later than 12:00 noon on any Business Day. The Liquidity Provider shall make such Liquidity Facility Bonds available at the designated corporate trust office of the Tender Agent and instruct the Tender Agent to release such Liquidity Facility Bonds (or beneficial interests therein) so delivered, or held by the Tender Agent for the Liquidity Provider's account (or so reflected on the Tender Agent's records, in the case of beneficial interests therein), as the case may be, by 4:00 p.m. on the Business Day next following the date the Liquidity Provider receives such notice of proposed sale (such Business Day to be referred to as a "*Bond Sale Date*"), and the Board shall, or shall cause the Tender Agent to, remit the purchase price (as set forth in of the Bond Resolution and the Modal Agreement) (the "*Purchase Price*") of such Liquidity Facility Bonds, including interest accrued on such Liquidity Facility Bonds to such Bond Sale Date (calculated at the Liquidity Facility Bond Rate) in immediately available funds by wire transfer by the close of business on the same Bond Sale Date to the Liquidity Provider. Notwithstanding the foregoing, (i) no Liquidity Facility Bond (or beneficial interest therein) shall be deemed released from ownership by the Liquidity Provider until such

time as the Liquidity Provider, or the Tender Agent for the account of the Liquidity Provider, shall have received the Purchase Price for such Bonds and (ii) no Liquidity Facility Bond shall be remarketed until such time as no Deferred Interest shall be due and owing to the Liquidity Provider, unless such remarketing is otherwise requested by, or agreed to in advance, by the Liquidity Provider in writing.

(b) The Liquidity Provider expressly reserves the right to sell, at any time, Liquidity Facility Bonds subject, however, to the express terms of this Agreement. The Liquidity Provider agrees that such sales (other than sales made pursuant to Section 3.1(a)) will be made only to institutional investors or other entities or individuals which customarily purchase commercial paper or tax-exempt securities in large denominations. The Liquidity Provider agrees to notify the Board, the Tender Agent and the Remarketing Agent promptly of any such sale (other than a sale made pursuant to 3.1(a)) and, if such Liquidity Facility Bond is a Book Entry Bond, specifying the account at DTC to which such Liquidity Facility Bond is credited; and to notify the transferee in writing that such Bond is no longer an Eligible Bond so long as it remains a Liquidity Facility Bond and that there may not be a short-term investment rating assigned to such Bond so long as it remains a Liquidity Facility Bond. Any Bank Bondholder purchasing a Liquidity Facility Bond from the Liquidity Provider shall be deemed to have agreed (i) not to sell such Liquidity Facility Bond to any Person except the Liquidity Provider or a purchaser identified by the Remarketing Agent pursuant to Section 3.1(a) and (ii) if such Liquidity Facility Bond is a Book Entry Bond, to give all notices in the manner and by the time required by DTC to exclude such Liquidity Facility Bond from mandatory tenders of Bonds while it remains a Liquidity Facility Bond. Prior to selling a Liquidity Facility Bond to a Bank Bondholder, the Liquidity Provider shall obtain a written acknowledgment from such Bank Bondholder stating that such Bank Bondholder has no right to tender the Liquidity Facility Bond except as provided herein.

(c) Notwithstanding the foregoing or anything else contained in this Agreement, the Liquidity Provider and each other Bank Bondholder shall have the right, by giving prior written notice to the Remarketing Agent not later than 1:00 p.m. on the Business Day preceding a Bank Sale Date, to elect not to sell its interest in Liquidity Facility Bonds or any portion thereof pursuant to Section 3.1(a); provided that in the event such notice is not timely delivered by a Bank Bondholder, such Bank Bondholder shall be deemed to have determined to sell such Liquidity Facility Bonds to a Purchaser on the Bank Sale Date (subject to receipt by it of the funds called for in Section 3.1(a)). After any sale of Liquidity Facility Bonds by the Remarketing Agent pursuant to Section 3.1(a) and payment to the applicable Bank Bondholder of the outstanding principal and interest accrued on the Liquidity Facility Bonds so sold, or any election by a Bank Bondholder not to sell such Liquidity Facility Bonds or any portion thereof through the Remarketing Agent pursuant to this Section 3.1, such Liquidity Facility Bonds so sold or as to which such election is made shall, from such sale date or upon such election, cease to bear interest at the Liquidity Facility Bond Rate and shall bear interest at the rate for Bonds other than Liquidity Facility Bonds (and the Bond Purchase Commitment shall be increased in the same amount as would be the case if said Bonds had been remarketed); provided that if such Liquidity Facility Bonds are retained by the Liquidity Provider, Deferred Interest (including interest thereon) shall be paid as provided in Section 2.6. Following any election by a Bank Bondholder not to sell such Liquidity Facility Bonds or any portion thereof through the Remarketing Agent, Liquidity Facility Bonds held by the Liquidity Provider or such other Bank

Bondholder bearing interest at a Covered Rate may be tendered for purchase by notice from the holder of said Bonds to the Remarketing Agent in accordance with the terms of the Bonds.

(d) Following any sale of Liquidity Facility Bonds pursuant to Section 3.1(a) or otherwise, or any election to retain Bonds pursuant to Section 3.1(c), the Liquidity Provider and each Bank Bondholder shall retain the right to receive payment from the Board of any accrued Differential Interest Amount and interest thereon as provided herein, in the Bond Resolution and in the Modal Agreement. Subject to Section 2.7, any Differential Interest Amount payable on Liquidity Facility Bonds sold by the Remarketing Agent shall be payable by the Board on the Interest Payment Date for Liquidity Facility Bonds next succeeding the date such Liquidity Facility Bonds are to be sold pursuant to Section 3.1(a) or on the sale date, at the option of the Board, or if such sale date is an Interest Payment Date for Liquidity Facility Bonds, then on such Interest Payment Date.

Section 3.2. Reinstatement of Bond Purchase Commitment. Upon the sale prior to the Termination Date of Liquidity Facility Bonds pursuant to Section 3.1 hereof and receipt by the Liquidity Provider, or the Tender Agent for the account of the Liquidity Provider, of the proceeds of such sale (in the amount specified in Section 3.1 hereof), the principal component of the Bond Purchase Commitment (as applicable) shall, subject to Article VI hereof, automatically and immediately be reinstated by an amount equal to the principal amount of such Bonds (which shall in turn result in a reinstatement of the interest component in accordance with clause (2) of the definition of Bond Purchase Commitment, as applicable, in Section 1.1 hereof), but in no event shall such reinstated amount exceed the Bond Purchase Commitment as reduced pursuant to Section 2.7 hereof.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

The Board represents and warrants to the Liquidity Provider as of the Closing Date and as of the effective date of any extension of the Stated Expiration Date (which representations and warranties shall survive the execution and delivery of this Agreement and any purchases of Eligible Bonds by the Liquidity Provider) that:

Section 4.1. Organization, Powers. The Board is a body corporate and politic duly organized and validly existing under the laws of the State of Illinois, has all necessary power to carry on its present activities, and has full power, right and authority to enter into this Agreement and the Transaction Documents to which it is a party and to perform each and all of the matters and things herein and therein provided for.

Section 4.2. Authority, Etc. The execution, delivery and performance by the Board of this Agreement and Transaction Documents to which it is a party have been duly authorized by all necessary corporate action and this Agreement and the Transaction Documents to which it is a party constitute the legal, valid and binding obligations of the Board enforceable in accordance with their terms, except to the extent that enforceability may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally and general principles of equity.

Section 4.3. Compliance with Laws and Contracts. The execution, delivery and performance by the Board of this Agreement and the Transaction Documents to which it is a party will not (i) violate any provision of any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award as currently in effect to which the Board is subject; (ii) result in a breach of or constitute a default under the provisions of any resolution, loan or credit agreement or any other agreement, lease or instrument to which the Board may be or is subject or by which it, or its property, is bound; or (iii) result in, or require, the creation or imposition of any mortgage, deed of trust, assignment, pledge, lien, security interest or other charge or encumbrance of any nature on or with respect to any of the properties of the Board other than as provided therein; and the Board is not in default under any such law, rule, regulation, order, writ, judgment, injunction, decree, determination or award or any such resolution, agreement, lease or instrument.

Section 4.4. Governmental Approvals. The Board has obtained all authorizations, consents, approvals, licenses, exemptions of or filings (except for "blue sky" filings) or registration with all commissions, boards, bureaus, agencies, and instrumentalities, domestic or foreign, necessary to the valid execution, delivery and performance by the Board of this Agreement and the Transaction Documents to which it is a party (the "*Approvals*"); and such Approvals remain in full force and effect.

Section 4.5. No Material Misstatements. The financial statements and the reports provided to the Liquidity Provider, taken in the aggregate, do not contain, nor does this Agreement or any written statement furnished by the Board to the Liquidity Provider contain, any untrue statement of a material fact. After June 30, 2008, there has been no Material adverse change in the condition (financial or otherwise) or operations of the System or with respect to the Tuition and Fees, except as disclosed in documents provided by the Board to the Liquidity Provider. Since June 30, 2008, no transaction or event has occurred and no change has occurred in the condition (financial or otherwise) or operations of the System which could have a Materially Adverse Effect on the Bonds, the security for any of the Bonds, or the ability to repay, when due, the obligations of the Board under this Agreement or any of the Transaction Documents.

Section 4.6. Litigation. There is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, public board or body pending or, to the knowledge of the Board threatened against or affecting the Board (a) wherein an unfavorable decision, ruling or finding would have a Materially Adverse Effect on (i) the transactions contemplated by, or the validity of, this Agreement, the Transaction Documents to which it is a party or any agreement or instrument to which the Board is a party and which is used or contemplated for use in the consummation of the transactions contemplated by this Agreement or the Transaction Documents or (ii) the Board's ability to perform the Obligations; or (b) which in any way contests the existence, organization or powers of the Board or the titles of the officers of the Board to their respective offices.

Section 4.7. Title to Property and Revenue Pledge. The Board has good marketable title to all of the properties in the System free and clear of all security interests, liens or other charges except for Permitted Encumbrances. The Bond Resolution pledges the Net Revenues of the System and Tuition and Fees (subject to the prior payment of operation and maintenance

expenses of the System, but only to the extent necessary) for the benefit of the Bondholders under the Bond Resolution, and for the benefit of the Liquidity Provider (as defined in the Bond Resolution and in the Modal Agreement), prior to any pledge, lien, assignment or security interest of any other creditors of the Board, without preference, priority or distinction on account of the actual time or times of the authentication and delivery or maturity thereof.

Section 4.8. Accuracy of Information. All information supplied by the Board to the Liquidity Provider relating to the Board is, taken in the aggregate, true and accurate in all material respects as of the date of delivery. The documents furnished and statements made by the Board in connection with the negotiation, preparation or execution of this Agreement and the Transaction Documents do not contain untrue statements of material facts or omit to state material facts necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

Section 4.9. Transaction Documents. As of the Closing Date, the representations and warranties of the Board in the Transaction Documents are true and correct, and the Board has furnished or caused to be furnished to the Liquidity Provider a true and correct copy of all the Transaction Documents to which it is a party as in effect on such date. As of the Closing Date, the Board is in full compliance with all of the terms and conditions of the Transaction Documents to which it is a party.

Section 4.10. Defaults. No Default or Event of Default has occurred and is continuing.

Section 4.11. No Proposed Legal Changes. To the knowledge of the Board, based solely on the ordinary activities of the Board and without further diligence, there are no amendments or proposed amendments certified for placement on a statewide ballot, to the Constitution of the State of Illinois or any published administrative interpretation of the Constitution of the State of Illinois or any law or any legislation that has passed the legislature of the State of Illinois, or any published judicial decision interpreting any of the foregoing, the effect of which is to Materially adversely affect the Bonds, the security for any of the Bonds, or the ability of the Board to repay when due the obligations of the Board under this Agreement and the Transaction Documents.

Section 4.12. Incorporation of Representations and Warranties by Reference. The Board hereby makes to the Liquidity Provider the same representations and warranties as are set forth in the Transaction Documents, which representations and warranties, as well as the related defined terms contained therein, are hereby incorporated by reference with the same effect as if each and every such representation and warranty and defined term were set forth herein in its entirety. No amendment, modification, termination or replacement of any such representations and warranties and definitions contained in any Transaction Document to which the Board is a party shall be effective to materially amend, modify, terminate or replace said representations and warranties and definitions incorporated herein by this reference, without the prior written consent of the Liquidity Provider.

ARTICLE V

COVENANTS

The Board covenants and agrees with the Liquidity Provider that it will do the following during the term of this Agreement and for so long as the Liquidity Provider shall have any commitment hereunder, and thereafter, so long as any Obligations remain unpaid or unfulfilled under this Agreement, unless the Liquidity Provider shall otherwise consent in writing:

Section 5.1. Reporting Requirements. Keep proper books of record and account in accordance with generally accepted principles of accounting applicable to governmental entities such as the Board, consistently applied, and will deliver or cause to be delivered to the Liquidity Provider:

(a) as soon as possible after their completion, but by no later than 210 days after the close of each fiscal year, Financials of the Board as at the end of and for the preceding fiscal year;

(b) as soon as possible, and in any event within ten days after execution thereof, copies of any executed amendment of or supplement or modification to any of the Transaction Documents;

(c) such other information respecting the business, properties, condition or operations, financial or otherwise of the Board as the Liquidity Provider may reasonably request from time to time.

Section 5.2. Notices of Certain Events. Give prompt notice, and in any event within five (5) Business Days with respect to subclause (i), in writing to the Liquidity Provider upon becoming aware of the occurrence of (i) a Default or an Event of Default, (ii) any default or "Event of Default" under the Transaction Documents, and (iii) any development, financial or otherwise, which the Board reasonably expects may have a Material Adverse Effect on its business, properties or affairs or the ability of the Board to perform its obligations as set forth hereunder or under any of the Transaction Documents to which it is a party.

Section 5.3. Conduct of Business. Carry on and conduct its business in an orderly, efficient and regular manner.

Section 5.4. Payment of Taxes and other Obligations. Pay all taxes, assessments, and governmental charges or levies imposed upon it or upon or against the System and all lawful claims which, if unpaid, might become a lien or charge upon any of its properties, provided that it shall not be required to pay any such tax, assessment, charge, levy, claim or monetary obligation which is being contested in good faith and by appropriate proceedings which shall operate to stay the enforcement thereof.

Section 5.5. Insurance. Maintain or cause to be maintained insurance or self-insurance covering such casualties and contingencies, of such types as are presently covered and in such amounts as required by the Bond Resolution.

Section 5.6. Compliance with Laws, etc. Comply with the requirements of all applicable laws, rules, regulations and orders of any governmental authority, non-compliance with which would, singly or in the aggregate, have a Material Adverse Effect on the System or the Board's ability to perform its obligations hereunder or under the Transaction Documents unless the same shall be contested by it in good faith and by appropriate proceedings which shall operate to stay the enforcement thereof.

Section 5.7. Inspection Rights. At any reasonable time and from time to time, permit the Liquidity Provider or any agents or representatives thereof, at the Liquidity Provider's expense (provided that following an Event of Default, at the Board's expense), to examine and make copies of the records and books of account related to the System and the transactions contemplated by this Agreement, to visit its properties and to discuss its affairs, finances and accounts with any of its officers and independent accountants.

Section 5.8. Maintenance of Approvals, Filings and Registrations. At all times maintain in effect, renew and comply with all the terms and conditions of all consents, licenses, approvals and authorizations as may be necessary or appropriate under any applicable law or regulation for the execution, delivery and performance of this Agreement and the Transaction Documents to which it is a party, and to make such agreements legal, valid, binding and enforceable.

Section 5.9. Maintenance of Properties. Maintain, at its own expense, its properties constituting the System (including, without limitation, the Project) and every part thereof in good repair and operating condition.

Section 5.10. Bond Proceeds. Use the proceeds of the Bonds for the purposes set forth in the Bond Resolution.

Section 5.11. Further Assurance. At the request of the Liquidity Provider, execute and deliver to the Liquidity Provider all such documents and instruments and do all such other acts and things as may be necessary or reasonably required by the Liquidity Provider to enable the Liquidity Provider to exercise and enforce its rights under this Agreement and the Transaction Documents to which the Board is a party and to realize thereon, and record and file and re-record and re-file all such documents and instruments, at such time or times, in such manner and at such place or places, all as may be necessary or reasonably required by the Liquidity Provider to validate, preserve and protect the position of the Liquidity Provider under this Agreement and the Transaction Documents to which the Board is a party.

Section 5.12. Notice of Litigation, Etc. Give prompt notice in writing to the Liquidity Provider of any litigation, administrative proceeding or business development which may have a Material Adverse Effect on its business, properties or affairs or the ability of the Board to perform its obligations as set forth hereunder or under any of the Transaction Documents to which it is a party.

Section 5.13. Disclosure to Participants. Permit the Liquidity Provider to disclose the information described in Section 5.1 hereof to any participants of the Liquidity Provider in this Agreement.

Section 5.14. Negative Covenants. The Board covenants and agrees with the Liquidity Provider during the term of this Agreement or for so long as any Obligations remain unfulfilled or unpaid under this Agreement, the Board will not, directly or indirectly, unless the Liquidity Provider shall otherwise consent in writing:

(a) Amendments. Amend, modify, terminate or grant, or permit the amendment, modification, termination or grant of, any waiver under (or consent to, or permit or suffer to occur any action or omission which results in, or is equivalent to, an amendment, modification, or grant of a waiver under) the Bonds, the Bond Resolution, the Modal Agreement, the Tender Agent Agreement or the Remarketing Agreement.

(b) Official Statement. Refer to the Liquidity Provider or make any changes in reference to the Liquidity Provider in any revision of the Official Statement without the Liquidity Provider's prior written consent thereto.

(c) Permitted Liens. Create or incur or suffer to be incurred or to exist, any Lien upon the System, whether now owned or hereafter acquired, or acquire any property or assets that are part of the System subject to any title retention devices, without the prior written consent of the Liquidity Provider, other than Permitted Encumbrances.

Section 5.15. Liquidity. (a) The Board agrees to use commercially reasonable efforts to obtain an Alternate Liquidity Facility to replace this Agreement in the event (y) the Liquidity Provider shall decide not to extend the Stated Expiration Date (such replacement to occur on or before the Stated Expiration Date) or (z) the Liquidity Provider shall furnish a Notice of Termination pursuant to Section 6.2(b) to the Bond Registrar, unless, in each event, the Board has provided funds (which may be remarketing proceeds) for the purchase of all Liquidity Facility Bonds at par plus accrued interest through the purchase date and notifies the Liquidity Provider in writing of its decision not to provide an Alternate Liquidity Facility.

(b) The Board agrees that any Alternate Liquidity Facility will require, as a condition to the effectiveness of that Alternate Liquidity Facility, that the issuer of the Alternate Liquidity Facility or the Board provide funds (which may be remarketing proceeds) on the Substitution Date, for the purchase of all Liquidity Facility Bonds at par plus accrued interest (at the Liquidity Facility Bond Rate) through the Substitution Date. On the Substitution Date or on any date the Board provides the funds required by clause (i) of this paragraph if no Alternate Liquidity Facility is to be provided, the Board shall pay in full all other amounts due hereunder (including, without limitation, any Differential Interest Amount, all Deferred Interest and unpaid interest thereon).

Section 5.16. Appointment of Successors. (a) The Board shall not, without the prior written consent of the Liquidity Provider, appoint a successor Remarketing Agent. The consent of the Liquidity Provider shall not be unreasonably withheld, conditioned or delayed.

(b) The Board shall not, without the prior written consent of the Liquidity Provider, appoint a successor Bond Registrar or successor Tender Agent. In such case, the consent of the Liquidity Provider shall not be unreasonably withheld, conditioned or delayed.

Section 5.17. Remarketing Agent. The Board agrees to use its best efforts to have the Remarketing Agent replaced, at the request of the Liquidity Provider, in the event the Liquidity Provider holds any Liquidity Facility Bonds for a period exceeding one hundred and twenty (120) days.

Section 5.18. Incorporation of Certain Covenants.

(a) The covenants of the Board set forth in the Transaction Documents to which it is a party, together with the related definitions of terms contained therein, are hereby incorporated by reference in this Agreement for the benefit of the Liquidity Provider. The Board shall not amend, supplement or otherwise modify (or permit any of the foregoing), or request or agree to any consent or waiver under, or effect or permit the cancellation, acceleration or termination of, or release or permit the release of any collateral held under, any of the Transaction Documents to which it is a party in any manner without the prior written consent of the Liquidity Provider; provided that the consent of the Liquidity Provider shall not be required with respect to any amendment, supplement or other modification permitted by Section 17 of the Bond Resolution or Section 901(a), (b), (c), (d), (e) or (f) of the Modal Agreement.

(b) Any financial covenants set forth in any credit agreement or other credit facility to which the Board is a party and which is secured on a parity basis with respect to the Pledged Revenues pursuant to the Bond Resolution and which is of a tenor equal to or greater than the term of this Agreement, including, without limitation, any credit agreement or other credit facility to which the Board is a party, whether now in effect or entered into by the Board after the date hereof, as well as related defined terms contained in such sources, respectively, are hereby incorporated by reference (all of the foregoing are collectively referred to herein as the "*Incorporated Provisions*") in this Section 5.18(b) for the benefit of the Liquidity Provider with the same effect as if each and every such Incorporated Provision were set forth in this Section 5.18(b) in its entirety. The Board will perform and comply with each and every Incorporated Provision incorporated herein. The Board further covenants to promptly execute and deliver at its expense an amendment to this Agreement in form and substance satisfactory to the Liquidity Provider evidencing the amendment of this Agreement to include such Incorporated Provisions, provided that the execution and delivery of such amendment shall not be a precondition to the effectiveness of such amendment as provided for in this Section 5.18(b), but shall merely be for the convenience of the parties hereto. To the extent that any such Incorporated Provision (A) permits any Person or Persons to waive compliance with such provision or (B) requires that a document, opinion or other instrument or any event or condition be acceptable or satisfactory to any Person or Persons, for purposes of this Agreement, such Incorporated Provision shall be complied with hereunder only if (x) it is waived by the Liquidity Provider or (y) such document, opinion or other instrument and such event or condition shall be acceptable or satisfactory only if it is acceptable or satisfactory to the Liquidity Provider, which acceptance or satisfaction shall not be unreasonably withheld or delayed. No amendment to such Incorporated Provisions made pursuant to any of the Transaction Documents or otherwise shall be effective to amend such Incorporated Provision without the prior written consent of the Liquidity Provider and such Incorporated Provision shall remain in full force, except to the extent modified, amended or waived by the Liquidity Provider, whether or not the respective document containing such Incorporated Provision remains in effect, whether or not the original beneficiary of such

Incorporated Provisions continues to be a creditor of the Board or whether such original beneficiary has otherwise lost its rights to enforce such Incorporated Provisions.

Section 5.19. Issuance of Indebtedness, Conversion of Bonds or Delivery of Alternate Liquidity Facility. If at any time the SIFMA Index shall equal 10% for four consecutive determination dates, the Board shall use its best efforts within ninety (90) days thereafter to (i) issue bonds or other indebtedness in an amount sufficient to pay the outstanding amount of all Bonds, (ii) convert the Bonds to an Interest Rate Period which does not require the maintenance of a Liquidity Facility pursuant to Section 405 of the Modal Agreement, or (iii) cause the delivery to the Tender Agent of an Alternate Liquidity Facility in compliance with Section 406 of the Modal Agreement.

Section 5.20. Liquidity Facility Bond Ratings. At any time, upon the request of the Liquidity Provider or any other institution that owns such Liquidity Facility Bonds or a beneficial interest therein, the Board, at its expense, within fifteen days of such Person's request, (i) shall obtain from at least one of the Rating Agencies then rating the Bonds, a rating specifically assigned to such Liquidity Facility Bonds and (ii) shall use its best efforts to ensure that the Bank Bond CUSIP number and the rating assigned to such Liquidity Facility Bonds are available electronically to the Liquidity Provider pursuant to a third-party provider of such information.

Section 5.21. Rating. The Board shall maintain not less than one long-term unenhanced credit rating from a Rating Agency on the Bonds.

ARTICLE VI

DEFAULTS

Section 6.1. Events of Default. It shall constitute an "*Event of Default*" if any of the following events shall occur and be continuing:

(a) any principal or interest due on the Bonds (including any Liquidity Facility Bonds) is not paid when due, whether on any regularly scheduled interest payment date, at maturity, upon redemption or acceleration (except pursuant to Section 2.12 hereof), or otherwise; or

(b) any material provision of this Agreement or any Transaction Document (other than the Official Statement or the Remarketing Agreement) with respect to the payment of principal or interest on the Bonds (including Liquidity Facility Bonds) or with respect to the Security therefor shall at any time for any reason cease to be valid and binding on the Board or shall be declared to be null and void by any Governmental Authority having jurisdiction, or the validity or enforceability thereof shall be contested by the Board, or any Governmental Authority having jurisdiction shall find or rule that any material provision of this Agreement or any Transaction Document (other than the Official Statement or the Remarketing Agreement) with respect to the payment of principal or interest on the Bonds (including Liquidity Facility Bonds) or with respect to the Security therefor is not valid or binding on the Board, or the Board shall deny that it has any or further liability or obligation under any such material provision of this

Agreement or any Transaction Document (other than the Official Statement or the Remarketing Agreement) with respect to the payment of principal or interest on the Bonds (including Liquidity Facility Bonds) or with respect to the Security therefor; or

(c) (i) the Board shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its assets, or the Board shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against the Board any case, proceeding or other action of a nature referred to in clause (i) above which (x) results in an order for such relief or in the appointment of a receiver or similar official or (y) remains undismissed, undischarged or unbonded for a period of thirty (30) days; or (iii) there shall be commenced against the Board any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets, which results in the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal within thirty (30) days from the entry thereof; or (iv) the Board, shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii) or (iii) above; or (v) the Board shall generally not, or shall be unable to, or so admit in writing its inability to, pay its debts; or

(d) nonpayment of any other fees, or any other amount when due hereunder (other than as described in clause (a) above) (together with interest thereon at a rate equal to the Default Rate), including non-payment of Deferred Interest and any Differential Interest Amount when due hereunder; or

(e) any representation or warranty made by the Board under or in connection with (or incorporated by reference in) this Agreement or any of the Transaction Documents or in any certificate or statement delivered hereunder or thereunder shall prove to be untrue in any material respect on the date as of which it was made or deemed to have been made; or

(f) the breach by the Board of any of the other terms or provisions of (or incorporated by reference in) this Agreement (other than as set forth in (a), (d) or (e) above) which are not remedied within thirty (30) days after written notice thereof shall have been received by the Board from the Liquidity Provider; provided, however, that there shall be no 10-day cure period for a failure to observe or perform any covenant or agreement set forth in or contemplated by Section 5.2(i), 5.2(ii), 5.10, 5.14(a), 5.14(b), 5.15(b), 5.16(a), 5.19 or 5.21; or

(g) the occurrence of any "event of default" as defined in the Bond Resolution which is not cured within any applicable cure period under any of the other Transaction Documents and which, if not cured, would give rise to remedies available thereunder (regardless of any waiver thereof by any Person other than the Liquidity Provider); or

(h) (i) the Board shall default in any payment of principal of or premium, if any, or interest on any Indebtedness which is on a parity with, or senior to, the Bonds with respect to the Pledged Revenues (the "*Parity Debt*") and such default shall continue beyond the expiration of the applicable grace period, if any, or (ii) the Board shall fail to perform any other agreement, term or condition contained in any agreement, mortgage or other instrument under which any such obligation is created or secured, which results in the declaring due and payable of Parity Debt becoming due and payable or which enables (or, with the giving of notice or lapse of time, or both would enable) the holder of Parity Debt or any Person acting on such holder's behalf to accelerate the maturity thereof; or

(i) a final, non-appealable judgment or order for the payment of money in an amount in excess of \$10,000,000 shall have been rendered against Board and such judgment or order shall not (i) have been satisfied, stayed or bonded pending appeal or (ii) be subject to a written agreement by the judgment holder thereof pursuant to which such judgment holder has agreed that such judgment or order will not in any manner be executed upon pending appeal, in each case within a period of sixty (60) days from the date on which such judgment or order was first so rendered; or

(j) there shall have been rendered a determination that interest on any of the Bonds (other than Liquidity Provider Bonds) is includable in the gross income of the owners thereof for federal income tax purposes, as a result of the entry of any decree or judgment by a court of competent jurisdiction, or the taking of any official action by the Internal Revenue Service, whether or not such decree, judgment or action is appealable or deemed to be final under applicable procedural law, or delivery to the Liquidity Provider, the Board and the Bond Registrar of an opinion of nationally recognized bond counsel reasonably acceptable to the Liquidity Provider, the Board and the Bond Registrar to the effect that the interest borne by the Bonds (other than Liquidity Provider Bonds) is includable in the gross income of the recipients thereof generally for federal income tax purposes; or

(k) both Moody's and S&P shall have lowered their respective unenhanced long-term ratings of the Bonds or any Parity Debt to below "Baa3" and "BBB-" (or to the equivalent rating then in effect with respect to Moody's and/or S&P), respectively, or such unenhanced long-term ratings are suspended or withdrawn by Moody's and S&P for credit-related reasons.

Section 6.2. Remedies. If any Event of Default shall have occurred and be continuing, the following remedies shall be available to the Liquidity Provider:

(a) In the case of an Event of Default specified in Section 6.1(a), (b), (c), (h)(i), (i) or (k) hereof (each, an "*Automatic Termination Event*"), the Bond Purchase Commitment and the obligation of the Liquidity Provider to purchase Bonds shall immediately terminate without notice or demand, and thereafter the Liquidity Provider shall be under no obligation to purchase Bonds. Promptly after the Liquidity Provider receives written notice of such Termination Event, the Liquidity Provider shall give written notice of the same to the Board, the Bond Registrar and the Remarketing Agent; provided, that the Liquidity Provider shall incur no liability or responsibility whatsoever by reason of its failure to give such notice and such failure shall in no way affect the termination of the Liquidity Provider's Bond Purchase

Commitment and of its obligation to purchase Bonds pursuant to this Agreement. The Board shall promptly in writing direct the Bond Registrar to notify all Bondholders of any termination of the obligation of the Liquidity Provider to purchase Bonds as a result of the occurrence of an Automatic Termination Event.

(b) Upon the occurrence of an Event of Default specified in Section 6.1 hereof (other than as set forth in (a) above), the Liquidity Provider may terminate the Bond Purchase Commitment and the obligation of the Liquidity Provider to advance funds for the purchase of Eligible Bonds by giving written notice (a "*Notice of Termination*") to the Board, the Bond Registrar and the Remarketing Agent, specifying the date on which the Bond Purchase Commitment and the obligation of the Liquidity Provider to advance funds for the purchase of Eligible Bonds shall terminate (the "*Noticed Termination Date*"), which shall be not less than thirty (30) days from the date of receipt of such notice by the Bond Registrar and, on and after the Noticed Termination Date the Liquidity Provider shall be under no further obligation to purchase Bonds hereunder other than Eligible Bonds which are the subject of the mandatory tender pursuant to the Modal Agreement, which the Liquidity Provider shall be required to purchase on or prior to the Noticed Termination Date.

(c) Upon the occurrence of a Default specified in Section 6.1(c) or Section 6.1(i) (each an "*Automatic Suspension Event*"), the Liquidity Provider's obligation to purchase Bonds under this Agreement shall immediately be suspended without notice or demand to any Person and thereafter the Liquidity Provider shall be under no obligation to purchase Bonds until its obligation to purchase Bonds is reinstated as described below. Promptly upon a Default specified in Section 6.1(c) or Section 6.1(i), the Liquidity Provider shall notify the Board, the Bond Registrar and the Remarketing Agent of such suspension in writing; *provided* that the Liquidity Provider shall not incur any liability or responsibility whatsoever by reason of the Liquidity Provider's failure to give such notice and such failure shall in no way affect the suspension of the Liquidity Provider's Bond Purchase Commitment and of any obligation of the Liquidity Provider to purchase Bonds pursuant to this Agreement. The Board shall promptly in writing direct the Bond Registrar to notify all Bondholders of any suspension of the obligation of the Liquidity Provider to purchase Bonds as a result of the occurrence of such an Automatic Suspension Event. If at any time prior to the earlier of (i) the then current Stated Expiration Date and (ii) the date that is three years following the suspension of the obligation of the Liquidity Provider to purchase Bonds, (x) the Default which gave rise to such suspension is cured or ceases to be continuing and (y) the obligation of the Liquidity Provider to purchase Eligible Bonds under this Agreement has not otherwise terminated, then, upon written notice from the Bond Registrar to the Liquidity Provider and the Remarketing Agent to such effect, the obligation of the Liquidity Provider to purchase Bonds under this Agreement shall be automatically reinstated. If the Default which gave rise to the suspension of the obligations of the Liquidity Provider to purchase Bonds under this Agreement has not been cured prior to, or is continuing on, the date that is three (3) years following the suspension of the obligation of the Liquidity Provider to purchase Bonds, then the obligation of the Liquidity Provider to purchase Bonds shall be terminated upon written notice from the Liquidity Provider to the Board, the Bond Registrar and the Remarketing Agreement, and thereafter the Liquidity Provider shall have no further obligations to purchase any Bonds; *provided* that the Liquidity Provider shall not incur any liability or responsibility whatsoever by reason of its failure to give such notice and such

failure shall in no way affect the termination of the Bond Purchase Commitment and of the obligations of the Liquidity Provider to purchase Bonds under this Agreement.

(d) In addition to the rights and remedies set forth in Section 6.2(a), (b) and (c), upon the occurrence of any Event of Default specified in Section 6.1, the Liquidity Provider shall have all the rights and remedies available to it under this Agreement, the Transaction Documents or otherwise pursuant to law or equity, provided, however, that the Liquidity Provider shall not have the right to terminate or suspend its obligation to purchase Bonds, to declare any amount due hereunder due and payable, or to cause a mandatory tender of any Bonds except as provided herein and in the Modal Agreement.

ARTICLE VII

WAIVERS, AMENDMENTS, AND REMEDIES; SUCCESSORS AND ASSIGNS; OBLIGATIONS ABSOLUTE

Section 7.1. Waivers, Etc. (a) No delay or omission of the Liquidity Provider to exercise any right under this Agreement or the Transaction Documents shall impair such right or be construed to be a waiver of any Default or an acquiescence therein, and any single or partial exercise of any such right shall not preclude any other or further exercise thereof or the exercise of any other right, and no waiver, amendment or other variation of the terms, conditions or provisions of this Agreement whatsoever shall be valid unless in writing and consented to by the Liquidity Provider. Each party hereto agrees to use all reasonable efforts to deliver to the Bond Registrar a copy of any amendment to this Agreement.

(b) All remedies contained in this Agreement or by law afforded shall be cumulative and all shall be available to the Liquidity Provider until the Obligations have been paid in full.

Section 7.2. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the respective successors and assigns of the parties hereto; provided, however, that (i) the Board may not assign or transfer any of its rights or obligations hereunder without the prior written consent of the Liquidity Provider and any assignment without such consent shall be void and (ii) any assignment or transfer by the Liquidity Provider of its obligations hereunder shall require the prior written consent of the Board, and, prior to any such assignment or transfer, the parties shall have received written evidence from each Rating Agency then rating the Bonds that the ratings on the Bonds following the assignment or transfer by the applicable party of its obligations hereunder will not be reduced or withdrawn from the ratings on the Bonds immediately prior to such assignment or transfer.

Section 7.3. Obligations Absolute. The obligations of the Board hereunder shall be absolute, unconditional and irrevocable and shall be paid and performed strictly in accordance with the terms of this Agreement, under all circumstances whatsoever, including, without limitation, the following:

(a) any lack of validity or enforceability of the Bonds or any other Transaction Document;

(b) any amendment or waiver of or any consent to departure from the terms of all or any of the Transaction Documents;

(c) the existence of any claim, set-off, defense or other right which any Person may have at any time against the Liquidity Provider, the Bond Registrar, the Tender Agent or any other Person, whether in connection with this Agreement, any of the Transaction Documents or any unrelated transactions; and

(d) any other circumstances or happening whatsoever, whether or not similar to any of the foregoing.

Section 7.4. Limited Obligation of the Board. Notwithstanding anything in this Agreement or any other Transaction Document to the contrary, the obligations of the Board to make any payments under this Agreement are limited to the Pledged Revenues under the Bond Resolution, and no other funds of the Board shall be used for such payments.

ARTICLE VIII

CONDITIONS PRECEDENT

Section 8.1. Conditions to the Liquidity Provider's Entering into Agreement. Unless waived by the Liquidity Provider, and such waiver in respect of the requirements to be evidenced by the execution and delivery by the Liquidity Provider of this Agreement, the Liquidity Provider shall not be required to purchase any Bonds under this Agreement unless:

(a) Basic Documentation. Upon the Closing Date the following documents (in form and substance satisfactory to the Liquidity Provider) are furnished to the Liquidity Provider:

(i) copies, certified, as of the Closing Date by an Authorized Officer of the Board, of resolutions of the Board authorizing the execution of this Agreement;

(ii) a certificate of the Board dated the Closing Date as to incumbency and authorization of the Authorized Officer of the Board who will execute this Agreement, as to the truth and accuracy of the representations and warranties contained herein and in the Transaction Documents and stating that no Default has occurred or is continuing as of the Closing Date;

(iii) originals or true and complete copies of all Transaction Documents as in effect on the Closing Date;

(iv) a true and complete copy of a specimen Bond;

(v) a signed opinion of counsel to the Board dated the Closing Date, as to such matters with respect to the transaction contemplated hereby as the Liquidity Provider may reasonably request;

(vi) a true and complete copy of the opinion of Bond Counsel given in connection with the issuance and delivery of the Bonds, together with a reliance letter addressed to the Liquidity Provider;

(vii) written confirmation from Moody's and S&P that they have assigned long-term credit ratings on the Bonds of "Aa3" and "AA-", respectively;

(viii) signature and incumbency certificates, dated the Closing Date, of the signatures of the officers of the Bond Registrar and Tender Agent;

(ix) payment of fees to the Liquidity Provider pursuant to Section 2.4 and payment of legal fees and out-of-pocket expenses and disbursements of counsel to the Liquidity Provider to the extent invoiced to the Board reflecting accrued fees and expenses disbursements of record as of the Closing Date (and without limitation of the Board's Obligations under Section 9.2); and

(x) such other documents, instruments, approvals (and, if requested by the Liquidity Provider, certified duplicates of executed copies thereof) or opinions as the Liquidity Provider may reasonably request.

(b) Representations. On the Closing Date (and after giving effect to the issuance of the Bonds and the effectiveness hereof), (i) there shall exist no Event of Default or Default, (ii) all representations and warranties made by the Board herein or in any of the Transaction Documents to which it is a party shall be true and correct with the same effect as though such representations and warranties had been made at and as of such time, (iii) no material adverse change in the financial condition of the Board shall have occurred since the date of the Official Statement and (iv) except as described in the Official Statement, no transaction or event shall have occurred and no change shall have occurred in the condition (financial or otherwise) or operations of the Board between the date of the Board's most recent audited financial statements and the Closing Date which materially adversely affects the issuance of the Bonds, the security for the Bonds or the Board's ability to repay when due its obligations under this Agreement and the Related Documents.

(c) Custody Agreement. On the Closing Date, the Custody Agreement shall have been duly executed and delivered by the Custodian and shall be in full force and effect.

(d) Bank Bond CUSIP Number. The Liquidity Provider shall have received evidence satisfactory to the Liquidity Provider that the Bonds have been assigned separate CUSIP numbers for when they become Liquidity Facility Bonds.

(e) Refinancing of Series 2005B Bonds. The Liquidity Provider shall have received evidence satisfactory to the Liquidity Provider that the Series 2005B Bonds have been refinanced in full or that sufficient proceeds have been escrowed to provide for the payment of the Series 2005B Bonds, all in form and substance satisfactory to the Liquidity Provider.

(f) Miscellaneous. Such other documents, instruments, approvals (and, if requested by the Liquidity Provider, certified duplicates of executed copies thereof) or opinions as the Liquidity Provider may reasonably request.

Section 8.2. Conditions Precedent to Each Purchase. (a) The obligation of the Liquidity Provider to purchase Eligible Bonds hereunder on any date is subject to the satisfaction of the following conditions, unless waived in writing by the Liquidity Provider:

- (i) No Automatic Termination Event shall have occurred;
- (ii) No Automatic Suspension Event shall have occurred and be continuing;
and
- (iii) The Liquidity Provider shall have timely received the Purchase Notice as provided in Section 2.2 hereof.

(b) Each notification delivered pursuant to clause (iii) of Section 8.2(a) hereof shall constitute a representation and warranty by the Board on each Bond Purchase Date that, to their knowledge, each of the conditions described in clauses (i) and (ii) of Section 8.2(a) have been satisfied on the Bond Purchase Date.

ARTICLE IX

GENERAL PROVISIONS

Section 9.1. Survival of Representations. The respective agreements, representations and other statements of the Board and its officers or agents set forth in or made pursuant to this Agreement shall remain in full force and effect, and will survive delivery of and payment for the Bonds and performance of the transactions hereunder. The obligation of the Board to pay the Liquidity Provider pursuant to Sections 2.3, 2.4, 2.10, 2.12, 9.2 and 9.10 and Article XI hereof shall survive the payment of the Obligations and the termination of this Agreement.

Section 9.2. Taxes and Expenses. The Board agrees to reimburse the Liquidity Provider for any Taxes payable or ruled payable by the Liquidity Provider by any Governmental Authority (as described in Section 11.1) in respect of this Agreement or the Transaction Documents. The Board shall reimburse the Liquidity Provider on demand for any and all reasonable out-of-pocket expenses (including attorneys' fees) paid or incurred by the Liquidity Provider in connection with (i) the negotiation, preparation, execution and delivery of any amendments to this Agreement or the other Transaction Documents (for which the consent of the Liquidity Provider is required), (ii) the enforcement of this Agreement and (iii) the collection and enforcement of the Obligations.

Section 9.3. Choice of Law; Submission to Jurisdiction. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAW OF THE STATE OF ILLINOIS. With respect to any suit initiated by the Board to enforce this Agreement, the Board and the Liquidity Provider irrevocably agree to the exclusive jurisdiction of the United States District Court for the Northern District of Illinois. With respect to any suit initiated by the Liquidity Provider to enforce this Agreement, the Board and the Liquidity Provider irrevocably agree to the exclusive jurisdiction of the Illinois Court of Claims, if applicable, to this Agreement; otherwise to the United States District Court for the Northern District of Illinois. The foregoing notwithstanding, each of the Liquidity Provider and the Board acknowledge that any counterclaims filed by it in response to any suit instituted by the other party shall be subject to

the same jurisdiction in which the original claim was required to be filed by operation of this Section 9.3. Each of the Liquidity Provider and the Board represents and warrants that it has duly and validly submitted to the jurisdiction of the courts of the State of Illinois and the United States District Court for the Northern District of Illinois.

Section 9.4. Headings. Section headings and the table of contents in this Agreement are for convenience of reference only and shall not govern the interpretation of any of the provisions hereof.

Section 9.5. Entire Agreement; Severability. This Agreement and the Transaction Documents embody the entire agreement and understanding between the Board and the Liquidity Provider and supersede all prior agreements and understandings between the Board and the Liquidity Provider relating to the subject matter hereof and thereof. In the event that any provisions hereof shall be deemed to be invalid by reason of operation of any law or interpretation placed thereon by any court, this Agreement shall be construed as not containing such provision, but only as to such locations where such law or interpretation is operative, and the invalidity of such provisions shall not affect the validity of any remaining provision hereof, and any and all other provisions hereof which are otherwise lawful and valid shall remain in full force and effect.

Section 9.6. Termination.

(a) This Agreement shall continue in full force and effect until the later of the payment in full of the Obligations and the Termination Date, except that the Liquidity Provider's commitment to purchase Bonds hereunder shall terminate on the Termination Date.

(b) This Agreement may be terminated without cause by the delivery of written notice from the Board to the Liquidity Provider stating that the Agreement shall terminate no earlier than sixty days following the date such notice is received by the Liquidity Provider.

Section 9.7. Liquidity Provider Moneys. The Liquidity Provider agrees to purchase Bonds hereunder solely with moneys of the Liquidity Provider and not from moneys paid to it by the Board.

Section 9.8. Payments Due on Saturdays, Sundays and Holidays. In any case where any date for payment hereunder or any date for giving or publishing any notice or taking any action hereunder shall not be a Business Day, then payment of such amount or any notice or action need not be made on such original date but may be made on the next succeeding Business Day, and, in the case of any interest respecting such payments, interest shall accrue to such next succeeding Business Day.

Section 9.9. Counterparts. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same agreement, and any of the parties hereto may execute this Agreement by signing any such counterpart.

Section 9.10. Indemnification. (a) To the extent permitted by law, the Board agrees to indemnify and hold the Liquidity Provider harmless from and against, and to pay on demand,

any and all claims, damages, losses, liabilities, costs and expenses whatsoever which the Liquidity Provider incurs or suffers by reason of or in connection with (i) the execution, delivery and enforcement of, or failure to pay under, this Agreement or any other documents which may be delivered in connection with this Agreement or the other Transaction Documents; and (ii) the issuance, sale and remarketing from time to time of the Bonds, including, without limitation, any misstatement or omission in the Official Statement or amendments thereto (but excluding any information included in the Official Statement or any amendments thereto concerning the Liquidity Provider that was expressly provided by the Liquidity Provider for inclusion therein); provided, however, that the Board shall not be required to indemnify the Liquidity Provider for any claims, damages, losses, liabilities, costs or expenses to the extent, but only to the extent, caused by (a) the willful misconduct or gross negligence of the Liquidity Provider (including without limitation, with respect to the Liquidity Provider, failure of the Liquidity Provider to honor its obligations to purchase Bonds upon the satisfaction of the applicable conditions precedent set forth herein and in accordance with the terms of this Agreement) or (b) the material inaccuracy of any information included or incorporated by reference in the Official Statement concerning the Liquidity Provider which was furnished in writing by the Liquidity Provider expressly for inclusion or incorporated by reference therein. Nothing in this Section 9.10 is intended to limit the obligations of the Board under the Bonds or of the Board to pay its obligations hereunder and under the Transaction Documents.

(a) Promptly after receipt by the Liquidity Provider of notice of the commencement, or threatened commencement, of any action subject to the indemnities contained in this Section, the Liquidity Provider shall promptly notify the Board thereof, provided that failure to give such notice shall not relieve the Board from any liability to the Liquidity Provider hereunder. The obligations of the Board under this Section 9.10 shall survive payment of all Obligations owed under this Agreement.

Section 9.11. Waiver of Rights by the Liquidity Provider. No course of dealing or failure or delay on the part of the Liquidity Provider in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise or the exercise of any other right or privilege. The rights of the Liquidity Provider under this Agreement are cumulative and not exclusive of any rights or remedies which the Liquidity Provider would otherwise have.

Section 9.12. Waiver of Jury Trial. EACH PARTY TO THIS AGREEMENT HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION ARISING UNDER ANY TRANSACTION DOCUMENT OR IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO OR ANY OF THEM WITH RESPECT TO ANY TRANSACTION DOCUMENT, OR THE TRANSACTIONS RELATED THERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER FOUNDED IN CONTRACT OR TORT OR OTHERWISE; AND EACH PARTY HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY, AND THAT ANY PARTY TO THIS AGREEMENT MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE

CONSENT OF THE SIGNATORIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

ARTICLE X

NOTICES

Section 10.1. Notices. Except as otherwise provided herein, all notices (including a Purchase Notice), requests and other communications to any party hereunder shall be in writing (including telecopy) and shall be given to such party at its address or telecopier number set forth below or such other address or telecopy number as such party may hereafter specify by notice to the Liquidity Provider and the Board:

To the Liquidity Provider as follows:

(regarding credit matters): State Street Bank and Trust Company
c/o State Street Global Markets, LLC
State Street Financial Center
One Lincoln Street, SFC/5
Boston, Massachusetts 02111-2900
Attention: Thomas Henderson (Credit Contact)
Telephone: (617) 664-1064
Facsimile: (617) 946-0358

(regarding operational matters)

State Street Global Markets, LLC
State Street Financial Center SFC/5
One Lincoln St.
Boston, Massachusetts 02111-2900
Attention: Adam Kennedy (Operations Contact)
Telephone: (617) 664-3818
Facsimile: (617) 310-5757

To the Bond Registrar or

the Tender Agent as follows: The Bank of New York Mellon Trust Company,
N.A.

Two North LaSalle Street
Suite 1020
Chicago, Illinois 60602
Attention: Corporate Trust Department
Telephone: (312) 827-8626
Facsimile: (312) 827-8522

To the Board as follows:

Comptroller
University of Illinois
506 South Wright Street

349 Henry Administration Building, MC-352
Urbana, Illinois 61801
Telephone: (217) 244-8108
Facsimile: (217) 333-1566

(b) General. All such written notices shall be mailed, faxed or delivered, to the applicable address, facsimile number or (subject to subsection (c) below) electronic mail address, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, specified for such Person or to such other address, facsimile number, electronic mail address or telephone number as shall be designated by such party in a notice to the other parties. All such notices and other communications shall be deemed to be given or made upon the earlier to occur of (i) actual receipt by the relevant party hereto and (ii) (A) if delivered by hand or by courier, upon delivery; (B) if delivered by mail, four Business Days after deposit in the mails, postage prepaid; (C) if delivered by facsimile, when sent and the sender has received electronic confirmation of error free receipt; and (D) if delivered by electronic mail (which form of delivery is subject to the provisions of subsection (c) below), when delivered; provided, however, that notices and other communications to the Liquidity Provider pursuant to Article II shall not be effective until actually received by the Liquidity Provider. In no event shall a voicemail message be effective as a notice, communication or confirmation hereunder.

(c) Effectiveness of Facsimile Documents and Signatures. Transaction Documents may be transmitted and/or signed by facsimile. The effectiveness of any such documents and signatures shall, subject to applicable law, have the same force and effect as manually-signed originals and shall be binding the Board and the Liquidity Provider. The Liquidity Provider may also require that any such documents and signatures be confirmed by a manually-signed original thereof; provided, however, that the failure to request or deliver the same shall not limit the effectiveness of any facsimile document or signature.

(d) Limited Use of Electronic Mail. Electronic mail and internet and intranet websites may be used only to distribute routine communications, such as financial statements, and to distribute Transaction Documents for execution by the parties thereto, and may not be used for any other purpose.

(e) Reliance by the Liquidity Provider. The Liquidity Provider shall be entitled to rely and act upon any notices purportedly given by or on behalf of Board even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The Board shall, to the extent permitted by law, indemnify the Liquidity Provider from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of Board. All telephonic notices to and other communications with the Liquidity Provider may be recorded by the Liquidity Provider, and each of the parties hereto hereby consents to such recording.

(d) Change of Addresses. Except as otherwise specifically provided herein, the Liquidity Provider, the Board, the Bond Registrar and the Tender Agent may each change the address for service of any notice under this Agreement by a notice in writing to the others.

ARTICLE XI

ADDITIONAL YIELD CORRECTIONS

Section 11.1. Taxes. The Board intends that the Liquidity Provider shall receive in respect of interest on the Liquidity Facility Bonds and fees and other Obligations due hereunder all amounts due in respect thereof when due, free and clear of and without deduction for or by reason of any taxes (other than taxes imposed or measured on net income or profits), levies, duties, reserve requirements other than reserve requirements covered by Section 11.2 below, special deposit requirements, limitations, charges or deductions (collectively, "*Taxes*") which may be imposed or assessed after the date hereof due to a change in applicable law or interpretation thereof by any court or governmental authority charged with the interpretation thereof, occurring after the date hereof, which Taxes shall be paid by the Board. The Liquidity Provider shall provide to the Board a certificate specifying the amount of Taxes to be paid and the basis of computation of such amount, if applicable. Such certificate of the Liquidity Provider shall be, absent manifest error, binding on the Board. The Board agrees to pay the Liquidity Provider the amounts necessary such that the net amount of payments received and retained by the Liquidity Provider is not less than the amount payable under this Agreement had such Taxes not been imposed. If, notwithstanding the foregoing, the Liquidity Provider pays any such taxes, the Board agrees to reimburse the Liquidity Provider for the amount paid upon production by the Liquidity Provider of evidence of such payment of such Taxes. In the event the Board pays such Taxes, the Board will furnish to the Liquidity Provider official tax receipts or other evidence of payment of all such Taxes. If the Liquidity Provider or any participant shall obtain a refund, credit or deduction as a result of the payment of or indemnification for any Taxes paid by the Board pursuant to this Section 11.1, the Liquidity Provider shall pay, or shall cause such participant to pay, to the Board an amount with respect to such refund, credit or deduction equal to any net tax benefit actually received by the Liquidity Provider or such participant as a result thereof which the Liquidity Provider determines to be attributable to such payment.

Section 11.2. Increased Costs. If any change in any law, treaty, regulation, guideline or directive (including, without limitation, regulations and guidelines with respect to capital adequacy issued pursuant to the risk-based capital framework developed by the Basle Committee of Banking Regulation and Supervisory Practices or any interpretation of any of the foregoing by any authority or agency charged with the administration or interpretation thereof or any central bank or other fiscal, monetary or other authority having jurisdiction over the Liquidity Provider or the transactions contemplated by this Agreement (whether or not having the force of law) shall:

(a) limit the deductibility of interest on funds obtained by the Liquidity Provider to pay any of its liabilities or subject the Liquidity Provider to any tax, duty, charge, deduction or withholding on or with respect to payments relating to the Bonds, or this Agreement, or any amount paid or to be paid by the Liquidity Provider hereunder (other than any tax measured by or based upon the overall net income of the Liquidity Provider imposed by any jurisdiction having control over the Liquidity Provider);

(b) impose, modify, require, make or deem applicable to the Liquidity Provider any reserve requirement, capital requirement, special deposit requirement, insurance

assessment or similar requirement against any assets held by, deposits with or for the account of, or loans or commitments by, an office of the Liquidity Provider;

(c) change the basis of taxation of payments due the Liquidity Provider under this Agreement or the Bonds (other than by a change in taxation of the overall net income of the Liquidity Provider);

(d) impose upon the Liquidity Provider any other condition with respect to such amount paid or payable to or by the Liquidity Provider or with respect to this Agreement or the Bonds;

and the result of any of the foregoing is to increase the cost to the Liquidity Provider of making any payment hereunder or maintaining its commitment hereunder, or to reduce the amount of any payment (whether of principal, interest or otherwise) receivable by the Liquidity Provider, or to reduce the rate of return on the capital of the Liquidity Provider or to require the Liquidity Provider to make any payment on or calculated by reference to the gross amount of any sum received by it, in each case by an amount which the Liquidity Provider in its reasonable judgment deems material, then:

1. the Liquidity Provider shall promptly notify the Board in writing of the happening of such event;

2. the Liquidity Provider shall promptly deliver to the Board a certificate stating the change which has occurred or the reserve requirements or other costs or conditions which have been imposed on the Liquidity Provider or the request, direction or requirement with which it has complied, together with the date thereof, the amount of such increased cost, reduction or payment and a reasonable detailed description of the way in which such amount has been calculated, and the Liquidity Provider's determination of such amounts, absent fraud or manifest error, shall be conclusive; and

3. the Board shall pay to the Liquidity Provider, from time to time as specified by the Liquidity Provider, such an amount or amounts as will compensate the Liquidity Provider for such additional cost, reduction or payment. In determining such amount, the Liquidity Provider or any affiliate, subsidiary or participant may use any reasonable averaging or attribution methods and will treat this Agreement fairly among all like facilities issued by the Liquidity Provider on similar terms and for similar purposes.

The protection of this paragraph shall be available to the Liquidity Provider regardless of any possible contention of invalidity or inapplicability of the law, regulation or condition which has been imposed; provided, however, that if it shall be later determined by the Liquidity Provider that any amount so paid by the Board pursuant to this Section 11.2 is in excess of the amount payable under the provisions hereof, the Liquidity Provider shall promptly refund such excess amount to the Board.

Section 11.3. Benefit to Participants. The provisions of this Article XI and of Sections 2.3, 2.10, 9.2 and 9.10 hereof shall also inure to the benefit of any Person who is a participant with the Liquidity Provider in this Agreement, but shall not be entitled to receive any greater

payment thereunder than the Liquidity Provider would have been entitled to receive with respect to the rights transferred.

[SIGNATURE PAGE IMMEDIATELY FOLLOWS]

IN WITNESS WHEREOF, the Board, the Liquidity Provider, the Bond Registrar and the Tender Agent have executed this Agreement as of the date first above written.

THE BOARD OF TRUSTEES OF THE
UNIVERSITY OF ILLINOIS

By: _____
Name:
Title:

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Bond Registrar
and as Tender Agent

By: _____
Name:
Title:

STATE STREET BANK AND TRUST
COMPANY, as Liquidity Provider

By: _____
Name: Timothy Batler
Title: Senior Vice President

EXHIBIT A

FORM OF PURCHASE NOTICE

State Street Bank and Trust Company

[Bond Purchase Date]

Reference is made to that certain Standby Bond Purchase Agreement dated as of February 1, 2009 (the "*Agreement*") among The Board of the University of Illinois, yourselves, and ourselves, as Bond Registrar and as Tender Agent. Capitalized terms used herein and not defined herein have the same meanings as in the Agreement.

The undersigned as Tender Agent hereby requests you on _____ (the "*Bond Purchase Date*") to purchase Bonds in the following amounts:

Principal	\$ _____
Accrued Interest	\$ _____
Total	\$ _____

Such amounts shall be disbursed in accordance with the Agreement, the Modal Agreement and the Bond Resolution. Such amounts are to be paid into the following accounts:

<u>Account No.</u>	<u>Amount</u>
_____	\$ _____

The Tender Agent hereby confirms that (1) it has been informed by the Remarketing Agent of the amounts of principal and interest stated above and that the Bonds requested to be purchased hereunder by the Liquidity Provider cannot be remarketed by the Remarketing Agent (or the Remarketing Agent has not timely received remarketing proceeds as required under the Modal Agreement); (2) that the amounts being requested do not exceed the respective amounts of the principal component and interest component of the Bond Purchase Commitment; (3) the Bond Purchase Date is prior to the Termination Date (as defined in the Agreement); and (4) that the amounts being requested do not include any amount in respect of Purchase Price of Bonds that are held by or for the account of the Board, any affiliate of the Board or any broker-dealer holding Bonds pursuant to an arrangement with the Board or any affiliate of the Board.

The amount of Bonds tendered for purchase on the Bond Purchase Date is as follows

Principal	\$ _____
Accrued Interest	\$ _____
Total	\$ _____

The Tender Agent hereby acknowledges that, pursuant to the terms of the Agreement, and subject to upward adjustment as provided in the Agreement, the honoring by the Liquidity Provider of the request for payment made by this Bond will automatically result in one downward adjustment in the amount of the Bond Purchase Commitment in accordance with the terms of the Agreement.

As of the Bond Purchase Date, it is not aware that any Automatic Termination Event or Automatic Suspension Event has occurred, as each is defined in the Agreement.

[THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.,] as Tender Agent

By: _____
Name:
Title:

EXHIBIT B

FORM OF REQUEST FOR EXTENSION OF EXPIRATION DATE

[DATE]

State Street Bank and Trust Company

Re: Request for Extension of Expiration Date

Ladies and Gentlemen:

Reference is hereby made to that certain Standby Bond Purchase Agreement, dated as of February 1, 2009 (the "*Agreement*"), among The Board of Trustees of the University of Illinois (the "*Board*"), The Bank of New York Mellon Trust Company, N.A., as bond registrar and tender agent (the "*Tender Agent*"), and State Street Bank and Trust Company, as Liquidity Provider (the "*Liquidity Provider*"). All capitalized terms contained herein which are not specifically defined shall be deemed to have the definition set forth in the Agreement. The Board hereby requests, pursuant to Section 2.9 of the Agreement, that the Stated Expiration Date be extended by [IDENTIFY APPROPRIATE PERIOD]. We have enclosed along with this request the following information:

1. The outstanding principal amount of Bonds;
2. The nature of any and all Defaults or Events of Default, or, if no such Defaults or Events of Default exist, a statement to that effect; and
3. Any other pertinent information previously requested by the Liquidity Provider.

The Liquidity Provider is required to notify the Board of the Liquidity Provider's decision with respect to this request for extension within thirty (30) days of the date of receipt hereof. If the Liquidity Provider fails to notify the Board of its decision within such 30-day period, the Liquidity Provider shall be deemed to have rejected such request.

Very truly yours,

THE BOARD OF TRUSTEES OF THE
UNIVERSITY OF ILLINOIS

By: _____
Name:
Title:

EXHIBIT C

NOTICE OF EXTENSION

The Board of Trustees of the University of Illinois
[Remarketing Agent]
[Bond Registrar]

Re: Notice of Extension of Expiration Date

Ladies and Gentlemen:

Reference is hereby made to that certain Standby Bond Purchase Agreement, dated as of February 1, 2009 (the "*Agreement*"), among The Board of Trustees of the University of Illinois (the "*Board*"), The Bank of New York Mellon Trust Company, N.A., as bond registrar and tender agent (the "*Tender Agent*"), and State Street Bank and Trust Company, as Liquidity Provider (the "*Liquidity Provider*"). All capitalized terms contained herein which are not specifically defined shall be deemed to have the definition set forth in the Agreement.

Pursuant to the request made by the Board pursuant to Section 2.9 of the Agreement, dated _____, _____, the Liquidity Provider hereby extends the Stated Expiration Date to [IDENTIFY APPROPRIATE EXTENDED EXPIRATION DATE].

Very truly yours,

STATE STREET BANK AND TRUST
COMPANY, as Liquidity Provider

By: _____
Name:
Title:

EXHIBIT D

FORM OF LIQUIDITY FACILITY BOND CUSTODY AGREEMENT

LIQUIDITY FACILITY BOND CUSTODY AGREEMENT dated as of February 1, 2009, by and between THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A. (the "*Custodian*"), and STATE STREET BANK AND TRUST COMPANY, as liquidity provider (the "*Liquidity Provider*").

WHEREAS, The Board of Trustees of the University of Illinois (the "*Board*"), The Bank of New York Mellon Trust Company, N.A., as bond registrar and tender agent (the "*Tender Agent*"), and the Liquidity Provider have entered into a certain Standby Bond Purchase Agreement dated as of the date hereof (as amended or otherwise modified from time to time, the "*Agreement*") pursuant to which the Liquidity Provider has agreed to purchase in certain circumstances the Board's University of Illinois Variable Rate Demand Auxiliary Facilities System Revenue Bonds, Series 2009A (the "*Bonds*"); and

WHEREAS, the Bonds were issued pursuant to the Bond Resolution (as defined in the Agreement); and

WHEREAS, the Modal Agreement (as defined in the Agreement) requires that the Bonds delivered by the holders thereof to the Tender Agent pursuant to the Model Agreement be purchased under certain circumstances by the Liquidity Provider under the Agreement; and

WHEREAS, it is a condition to the effectiveness of the obligations of the Liquidity Provider under the Agreement that the Custodian shall have entered into this Liquidity Facility Bond Custody Agreement; and

WHEREAS, the Custodian has agreed to act as custodian and agent for the Liquidity Provider as herein provided;

NOW, THEREFORE, in consideration of the mutual covenants recited herein, and other good and valuable consideration, receipt of which is hereby acknowledged, it is hereby agreed as follows:

1. The Liquidity Provider appoints the Custodian as its agent and bailee for the purpose of receiving Liquidity Facility Bonds (as defined in the Agreement) under the Agreement and holding such Liquidity Facility Bonds for and on behalf of the Liquidity Provider. The Custodian hereby agrees to hold such Liquidity Facility Bonds for such purpose, as the Liquidity Provider's agent and bailee. As used herein, the term "Liquidity Facility Bonds" means, unless the context otherwise requires, the beneficial ownership of any Liquidity Facility Bonds during any period that Liquidity Facility Bonds are maintained as Book Entry Bonds.

2. Except at the written direction of the Liquidity Provider, the Liquidity Facility Bond Custodian shall not pledge, hypothecate, transfer or release possession of any Liquidity Facility Bonds held by or registered in the name of the Custodian on behalf of the Liquidity Provider to any person or in any manner not in accordance with this Liquidity Facility Bond Custody Agreement and shall not enter into any other agreement regarding possession of

such Liquidity Facility Bonds without the prior written consent of the Liquidity Provider. The Custodian will not release Liquidity Facility Bonds to the purchaser of such Liquidity Facility Bonds unless the Liquidity Provider has delivered to the Custodian, in addition to its written direction contemplated above in this paragraph, written notice (which may be by telex, answerback received) that the principal component of the Bond Purchase Commitment (as defined in the Agreement) in an amount equal to the principal amount of such Liquidity Facility Bonds and the corresponding increase in the interest component of the Bond Purchase Commitment pursuant to the terms of the Agreement has each been reinstated.

3. Upon written notice to the Liquidity Provider and release and delivery to the Liquidity Provider or its designee of any Liquidity Facility Bonds then held by the Custodian pursuant to this Custody Agreement, the Custodian shall have the right to terminate its obligations with respect to such Liquidity Facility Bonds under this Liquidity Facility Bond Custody Agreement. The Liquidity Provider shall have the option to terminate this Liquidity Facility Bond Custody Agreement at any time upon written notice to the Custodian and, upon such termination, the Custodian will release and deliver to the Liquidity Provider or its designee any Liquidity Facility Bonds then held by the Custodian hereunder. The Liquidity Provider may also from time to time request that the Custodian release and deliver to the Liquidity Provider all or a portion of the Liquidity Facility Bonds then held by the Custodian without termination of this Liquidity Facility Bond Custody Agreement, and upon receipt of any such request in writing, the Custodian will release and deliver such Liquidity Facility Bonds to the Liquidity Provider or its designee then held by the Custodian.

4. In acting under this Liquidity Facility Bond Custody Agreement the Custodian shall not be liable to the Liquidity Provider except for gross negligence or willful misconduct in the performance of its obligations hereunder.

5. The Custodian's duties are only such as are specifically provided herein, and the Custodian shall incur no fiduciary or other liability whatsoever to the Liquidity Provider or any other person, except to the extent the Liquidity Provider incurs loss or liability due to the Custodian's gross negligence or willful misconduct. The Custodian may consult with counsel and shall be fully protected in any action taken in good faith in accordance with such advice. The Custodian may rely conclusively and shall be fully protected in acting upon any written instructions given to it hereunder and believed by it to have been properly executed.

6. The Custodian may resign at any time by giving written notice thereof to the Liquidity Provider. Such resignation shall not become effective until a successor Custodian shall have been appointed by the Liquidity Provider and shall have accepted such appointment in writing. The Liquidity Provider will use its commercially reasonable efforts to promptly appoint a successor Custodian. The resigning Custodian may, at the expense of the Board, petition any court of competent jurisdiction, including without limitation the Supreme Court of the State of New York, for the appointment of a successor Custodian.

7. This Liquidity Facility Bond Custody Agreement cannot be amended or modified except in a writing signed by the Liquidity Provider and the Custodian.

8. This Liquidity Facility Bond Custody Agreement shall inure to the benefit of and shall be binding upon the Custodian and the Liquidity Provider and their respective successors and assigns.

9. THIS IS THE LIQUIDITY FACILITY BOND CUSTODY AGREEMENT REFERRED TO IN THE AGREEMENT, AND SHALL BE GOVERNED BY THE LAW OF THE STATE OF ILLINOIS WITHOUT REGARD TO CHOICE OF LAW RULES.

10. This Liquidity Facility Bond Custody Agreement may be executed in counterparts which, taken together, shall constitute a single document.

11. Capitalized terms used herein without definition shall have the same meanings herein as such terms have in the Agreement.

[signature pages immediately follow]

IN WITNESS WHEREOF, the parties hereto have caused this Liquidity Facility Bond Custody Agreement to be duly executed and delivered by their authorized representatives as of the date first above written.

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Custodian

By: _____
Name:
Title:

STATE STREET BANK AND TRUST
COMPANY, as Liquidity Provider

By: _____
Name: Timothy Batler
Title: Senior Vice President

ACCEPTED AND AGREED TO:

THE BOARD OF TRUSTEES OF THE
UNIVERSITY OF ILLINOIS

By: _____
Name:
Title: