

MODAL AGREEMENT

between

THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ILLINOIS

and

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

Dated as of \_\_\_\_\_, 2014

\$ \_\_\_\_\_

The Board of Trustees of the University of Illinois  
University of Illinois  
Variable Rate Demand Auxiliary Facilities System  
Revenue Bonds, Series 2014\_

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## TABLE OF CONTENTS

		PAGE
ARTICLE I	DEFINITIONS .....	1
	Section 1.01. Defined Terms .....	1
	Section 1.02. Rules of Construction .....	14
ARTICLE II	THE SERIES 2014_ BONDS .....	15
	Section 2.01. Authorized Amount of Bonds .....	15
	Section 2.02. Issuance of Bonds .....	15
	Section 2.03. Interest Rates on Series 2014_ Bonds .....	16
	Section 2.04. Conversion of Interest Rate Determination Method .....	21
	Section 2.05. Tender of Bonds for Purchase .....	25
	Section 2.06. Remarketing of Bonds .....	27
	Section 2.07. Delivery of Purchased Bonds .....	30
	Section 2.08. Execution; Limited Obligation .....	30
	Section 2.09. Certificate of Authentication .....	30
	Section 2.10. Form of Bonds .....	31
	Section 2.11. Exchangeability and Transfer of Bonds; Persons Treated as Owners .....	31
	Section 2.12. Nature of Agreements .....	32
	Section 2.13. Redemption of Bonds; Partial Redemption of Bonds .....	33
	Section 2.14. Notice of Redemption .....	35
	Section 2.15. Book Entry System .....	36
ARTICLE III	CREDIT FACILITY .....	37
	Section 3.01. Credit Facility .....	37
ARTICLE IV	FUNDS .....	40
	Section 4.01. Bond Fund and Establishment and Use of Series 2014_ LOC Draw Account .....	40
	Section 4.02. Establishment and Use of Bond Purchase Fund .....	41
	Section 4.03. Records .....	42
ARTICLE V	REPRESENTATIONS, WARRANTIES AND COVENANTS .....	42
	Section 5.01. Payment of Principal and Interest .....	42
	Section 5.02. List of Owners .....	43
	Section 5.03. Provision for Payment of the Series 2014_ Bonds .....	43
ARTICLE VI	DEFAULT PROVISIONS AND REMEDIES .....	43
	Section 6.01. Events of Default .....	43
	Section 6.02. Remedies; Rights of Holders .....	44

Section 6.03.	Right of Holders and Credit Provider to Direct Proceedings .....	45
Section 6.04.	Discontinuance of Default Proceedings.....	45
Section 6.05.	Waiver.....	46
Section 6.06.	Application of Moneys .....	46
Section 6.07.	Rights of a Credit Provider .....	46
ARTICLE VII	THE BOND REGISTRAR AND THE REMARKETING AGENT .....	47
Section 7.01.	Appointment of Bond Registrar.....	47
Section 7.02.	Dealing in Bonds.....	50
Section 7.03.	Bond Registrar to Retain Information; No Responsibility .....	50
Section 7.04.	Remarketing Agent .....	51
Section 7.05.	Qualifications of Remarketing Agent; Resignation; Removal .....	51
Section 7.06.	Several Capacities .....	52
Section 7.07.	Bond Registrar Not Responsible for Duties of Remarketing Agent, Calculation Agent and Market Agent .....	52
Section 7.08.	Cooperation of the Bond Registrar, the Remarketing Agent, the Calculation Agent and the Market Agent .....	52
ARTICLE VIII	AMENDMENTS, SUPPLEMENTAL MODAL AGREEMENTS.....	53
Section 8.01.	Supplemental Modal Agreements.....	53
Section 8.02.	Amendments to Modal Agreement; Consent of Holders, the Credit Provider and the Board .....	54
Section 8.03.	Amendments, Changes and Modifications to the Credit Facility .....	55
Section 8.04.	Notice to and Consent of Holders.....	55
Section 8.05.	Favorable Opinion of Bond Counsel Required.....	56
ARTICLE IX	MISCELLANEOUS .....	56
Section 9.01.	Limitation of Rights .....	56
Section 9.02.	Severability .....	56
Section 9.03.	Extent of Board Covenants; No Personal Liability.....	56
Section 9.04.	Notices .....	57
Section 9.05.	Payments Due on Non-Business Days.....	57
Section 9.06.	Binding Effect.....	58
Section 9.07.	Captions .....	58
Section 9.08.	Governing Law .....	58
Section 9.09.	Notices to Rating Agency .....	58
Section 9.10.	Execution in Counterparts.....	58
Section 9.11.	Certain References Ineffective Except during a Period in which a Credit Facility is in Effect .....	58
Section 9.12.	Third Party Beneficiaries .....	58

EXHIBIT A	—	Bond Form – Short-Term Rate or Long-Term Rate
EXHIBIT B	—	Bond Form – Index Interest Rate
EXHIBIT C	—	Notice of Conversion Date
EXHIBIT D	—	Notice of Credit Modification Date
EXHIBIT E	—	Notice of Mandatory Purchase Date
EXHIBIT F	—	Form of Investor Letter

## MODAL AGREEMENT

This Modal Agreement, dated as of \_\_\_\_\_, 2014, between The Board of Trustees of the University of Illinois (the “*Board*”) and The Bank of New York Mellon Trust Company, N.A., as Bond Registrar under the hereinafter defined Bond Resolution (the “*Bond Registrar*”);

### 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 23, 2014 the Board adopted a resolution further supplementing the Bond Resolution (the “*Twentieth Supplemental Resolution*”) providing for the issuance of the University of Illinois Variable Rate Demand Auxiliary Facilities System Revenue Bonds, Series 2014\_ (the “*Series 2014\_ Bonds*”) in order to finance certain improvements to the University’s Auxiliary Facilities System as more completely described in *Exhibit A* to the Twentieth Supplemental Resolution (the “*Project*”); and

WHEREAS, the Board has determined that it is desirable to issue the Series 2014\_ Bonds as Variable Rate Bonds and as [Tax-Exempt Bonds/Taxable Bonds] under the Bond Resolution; and

WHEREAS, the Board has provided in the Twentieth Supplemental Resolution that it is necessary to execute and deliver a Modal Agreement to provide for the Series 2014\_ Bonds;

## ARTICLE I

### DEFINITIONS{ TC "ARTICLE I      DEFINITIONS" \F C \L "1" }

*Section 1.01. Defined Terms*{ TC "Section 1.01.      Defined Terms" \f C \l "2" }. In addition to terms defined elsewhere in this Modal Agreement, the following words and terms as used in this Modal Agreement and the preambles hereto shall have the following meanings unless the context or use clearly indicates another or different meaning or intent.

“*Act*” means the University of Illinois Revenue Bond Financing Act for Auxiliary Facilities, as amended, 110 ILCS 405/1 *et seq.*

“*Alternate Credit Facility*” means a Credit Facility delivered to, and accepted by, the Bond Registrar pursuant to Section 3.01(e) in substitution for the Credit Facility then in effect. Any amendments or extensions to a Credit Facility in accordance with its terms are not considered a new Alternate Credit Facility.

*“Alternate Daily Index”* means, with respect to the Series 2014\_ Bonds, for any Computation Date, (i) if the Series 2014\_ Bonds are (or were) bearing interest at a Daily Rate during the Daily Interest Period ending on or immediately after such Computation Date that was determined by the Remarketing Agent without applying the Alternate Daily Index, the Daily Rate for such Daily Interest Period [*consider a period of longer than an day for keeping current rate in place before going to SIFMA plus - perhaps a week?*], and (ii) if the Daily Rate for the Daily Interest Period ending on or immediately after such Computation Date was determined by applying the Alternate Daily Index, the SIFMA Index plus 0.\_\_\_\_%.

*“Alternate Weekly Index”* means, with respect to the Series 2014\_ Bonds, for any Computation Date, (i) if the Series 2014\_ Bonds are (or were) bearing interest at a Weekly Rate during the Weekly Interest Period ending on or immediately after such Computation Date that was determined by the Remarketing Agent without applying the Alternate Weekly Index, the Weekly Rate for such Weekly Interest Period, and (ii) if the Weekly Rate for the Weekly Interest Period ending on or immediately after such Computation Date was determined by applying the Alternate Weekly Index or if such Computation Date is the first Computation Date that occurs in connection with any change or deemed change in the Interest Rate Determination Method to a Weekly Rate pursuant to Section 2.03(d) or (e), the SIFMA Index plus 0.\_\_\_\_%.

*“Applicable Factor”* means, with respect to any Index Interest Rate Period, the amount (expressed as a percentage) set forth in the Conversion Notice described in the second paragraph of Section 2.04(a), or, with a Favorable Opinion of Bond Counsel, such other percentage as may be designated in writing by the Board as the Applicable Factor for such Index Interest Rate Period pursuant to Section 2.04(a).

*“Applicable Spread”* means, with respect to each Index Interest Rate Period, (i) in connection with a conversion to an Index Interest Rate Period, the number of basis points set forth in the Conversion Notice described in the second paragraph of Section 2.04(a) and (ii) thereafter, the number of basis points determined by the Market Agent on or before the first day of such Index Interest Rate Period and designated by the Board in accordance with Section 2.04(a), that, when added to the product of the LIBOR Index or the SIFMA Index, as applicable, multiplied by the Applicable Factor, would equal the minimum interest rate per annum that would enable the Series 2014\_ Bonds to be sold on such date at a price equal to the principal amount thereof (without regard to accrued interest, if any, thereon).

*“Authorized Denomination”* means (i) during any Short-Term Rate Period or any Medium-Term Rate Period, \$250,000 and multiples of \$5,000 in excess thereof, (ii) during any Fixed Rate Period, \$250,000 and integral multiples thereof, and (iii) during any Index Interest Rate Period, \$250,000 and multiples of \$5,000 in excess thereof.

*“Bank”* means, during any Direct Purchase Period, the Holder of the Series 2014\_ Bonds, *provided* that there is a single Holder of all of the Series 2014\_ Bonds and provided further that the Series 2014\_ Bonds are not then held under the Book Entry System. If there is more than one Holder of the Series 2014\_ Bonds, *“Bank”* means Holders owning a majority of the aggregate principal amount of the Series 2014\_ Bonds then Outstanding. If the Series 2014\_ Bonds are then held under the Book Entry System, *“Bank”* means the Beneficial Owner of the

Series 2014\_ Bonds, *provided* that there is a single Beneficial Owner of all of the Series 2014\_ Bonds. If there is more than one Beneficial Owner of the Series 2014\_ Bonds, “*Bank*” means Beneficial Owners who are the beneficial owners of a majority of the aggregate principal amount of the Series 2014\_ Bonds then Outstanding.

“*Bank Purchase Date*” means, during any Direct Purchase Period, the date designated by the Board pursuant to Section 2.04(a).

“*Beneficial Owner*” means the Person in whose name a Bond is recorded as beneficial owner of such Series 2014\_ Bond by the Securities Depository or a Participant or an Indirect Participant on the records of such Securities Depository, Participant or Indirect Participant, as the case may be, or such Person’s subrogee.

“*Board*” means The Board of Trustees of the University of Illinois, and its successors and assigns.

“*Board Representative*” means the Comptroller of the Board, or each other person or alternate designated to act for the Board by written certificate furnished to the Bond Registrar, containing the specimen signature of such person and signed on behalf of the Board by the Comptroller of the Board.

“*Bond*” or “*Bonds*” has the meaning ascribed to such term in the recitals hereto.

“*Bond Counsel*” means Chapman and Cutler LLP or any other attorney at law or firm of attorneys selected by the Board of nationally recognized standing in matters pertaining to the validity of and the tax-exempt nature of interest on Series 2014\_ Bonds issued by states and their political subdivisions, duly admitted to the practice of law before the highest court of any state of the United States of America or in the District of Columbia.

“*Bond Documents*” means, collectively, this Modal Agreement, the Series 2014\_ Bonds, the Reimbursement Agreement, the Bond Resolution, the Remarketing Agreement, any Continuing Covenant Agreement, any Market Agent Agreement and the Tax Certificate.

“*Bond Fund*” means the Bond and Interest Sinking Fund Account created by the Bond Resolution.

“*Bond Purchase Fund*” means the fund of that name created pursuant to Section 4.02.

“*Bond Register*” means the books for the registration and for the transfer and exchange of the Series 2014\_ Bonds to be kept by the Bond Registrar hereunder and under the Bond Resolution.

“*Bond Registrar*” means The Bank of New York Mellon Trust Company, N.A., and its successors and assigns.

“*Bond Resolution*” means the resolution adopted by the Board on September 20, 1984, providing for the issuance of revenue bonds by the Board under the Act, as such resolution has been supplemented and amended to the date hereof (including but not limited to the Twentieth Supplemental Resolution), and as it may be supplemented and amended in the future in accordance with its terms.

“*Book Entry System*” means a book entry system established and operated for the recordation of Beneficial Owners of the Series 2014\_ Bonds pursuant to Section 2.15.

“*Business Day*” means any day on which (a) the offices of the Credit Provider at which drawings on the Credit Facility are made (if a Credit Facility is in effect), the Bond Registrar, the Remarketing Agent, the Calculation Agent, if any, and the Market Agent, if any, are each open for business, (b) the Federal Reserve System is in operation, (c) the New York Stock Exchange is not closed and (d) banks in the State and in the City of New York are open for business.

“*Calculation Agent*” means, during the Direct Purchase Period, the Bank, and if the Bank shall decline to act as Calculation Agent means any Person appointed by the Board, with the consent of the Bank in its sole discretion, to serve as calculation agent for the Series 2014\_ Bonds.

“*Ceiling Rate*” means the lesser of (i) [12]% per annum and (ii) the Maximum Statutory Rate.

“*Code*” means the Internal Revenue Code of 1986, as amended, and the rulings and regulations (including temporary and proposed regulations) promulgated thereunder or under the Internal Revenue Code of 1954, as amended.

“*Computation Date*” means (i) each Business Day during each Daily Interest Period, (ii) the Business Day next preceding the first day of each Weekly Interest Period, (iii) the first Business Day of each Flexible Term Rate Period, (iv) during each SIFMA Index Rate Period, the first day of such period and thereafter Wednesday of each week, (v) during each LIBOR Index Rate Period, the second London Business Day preceding each LIBOR Index Reset Date and (vi) a date determined by the Remarketing Agent that is not more than 20 nor less than two days prior to any Conversion Date relating to conversion to a Long-Term Rate.

“*Continuing Covenant Agreement*” means, during any Direct Purchase Period, any agreement between the Board and the Bank which may be designated as the Continuing Covenant Agreement.

“*Conversion Date*” means (i) each date on which the Interest Rate Determination Method then in effect is changed to another Interest Rate Determination Method, (ii) each date on which the interest rate borne by the Series 2014\_ Bonds is changed from the interest rate applicable during a Medium-Term Rate Period to the interest rate applicable during another Medium-Term Rate Period and (iii) each date on which the then-current Index Interest Rate Period is changed to a new Index Interest Rate Period; *provided, however*, that Conversion Date shall not include deemed conversions under Sections 2.03(d) or (e).



“*Conversion Notice*” has the meaning ascribed to such term in Section 2.04(a).

“*Counsel*” means an attorney, or firm of attorneys, admitted to practice law before the highest court of any state in the United States of America or the District of Columbia, including any Bond Counsel.

“*Credit Facility*” means an irrevocable, direct-pay letter of credit delivered to, and accepted by, the Bond Registrar pursuant to the terms hereof which permits the Bond Registrar to draw amounts thereunder sufficient to pay the principal and Purchase Price of and interest on the Series 2014\_ Bonds when due and shall include the Initial Credit Facility and any Alternate Credit Facility.

“*Credit Facility Cancellation Date*” has the meaning ascribed to such term in Section 3.01(g).

“*Credit Facility Effective Date*” has the meaning ascribed to such term in Section 3.01(e).

“*Credit Modification Date*” means the earliest of (a) two Business Days prior to the date on which a Credit Facility then in effect is stated to expire (unless extended), (b) two Business Days prior to the date on which a Credit Facility then in effect is to be terminated, (c) a Credit Facility Effective Date and (d) two Business Days prior to a Credit Facility Cancellation Date.

“*Credit Provider*” means the issuer of any Credit Facility, and its successors and assigns; *provided, however*, that in connection with the Mandatory Purchase Date occurring as a result of the acceptance of an Alternate Credit Facility, until the occurrence of such Mandatory Purchase Date, “*Credit Provider*” shall mean the issuer of the Credit Facility in effect immediately prior to acceptance of such Alternate Credit Facility.

“*Credit Provider Bond*” means any Series 2014\_ Bond purchased with moneys advanced under a Credit Facility until remarketed.

“*Current Account*” means the account of that name within the Bond Fund established pursuant to Section 4.01.

“*Current Purchase Account*” means the account of that name within the Bond Purchase Fund established pursuant to Section 4.02.

“*Daily Interest Period*” means, with respect to the Series 2014\_ Bonds bearing interest at a Daily Rate, the period from and including the first Business Day on which the Interest Rate Determination Method is changed to the Daily Rate to the next succeeding Business Day and each succeeding period from and including each Business Day upon which a Daily Rate is set to the next succeeding Business Day.

“*Daily Rate*” means the interest rate on the Series 2014\_ Bonds established pursuant to Section 2.03(b).

“*Daily Rate Period*” means any period during which the Series 2014\_ Bonds bear interest at a Weekly Rate.

“*Direct Purchase Period*” means any Rate Period, other than a Short-Term Rate Period, during which the Series 2014\_ Bonds have been purchased pursuant to a direct purchase of the Series 2014\_ Bonds pursuant to a Continuing Covenant Agreement by the Bank.

“*Eligible Account*” means an account that is either (a) maintained with a federal or state-chartered depository institution or trust company that has a short-term debt rating issued by S&P of at least “A-2” (or, if no short-term debt rating has been issued, a long-term debt rating issued by S&P of at least “BBB+”); or (b) maintained with the corporate trust department of a federal depository institution or state-chartered depository institution subject to regulations regarding fiduciary funds on deposit, which, in either case, has corporate trust powers and is acting in its fiduciary capacity.

“*Event of Default*” means any of the events specified in Section 6.01.

“*Favorable Opinion of Bond Counsel*” shall mean, with respect to any action relating to the Series 2014\_ Bonds, the occurrence of which requires such an opinion to be delivered after the date of issuance thereof, an Opinion of Bond Counsel addressed to the Board to the effect that the action proposed to be taken is not prohibited by the laws of the State of Illinois, the Bond Resolution and this Modal Agreement [and will not adversely affect any exclusion from gross income for federal income tax purposes of interest on such Tax-Exempt Bonds (subject to customary exceptions)].

“*Fixed Rate*” means the Fixed Rate established in accordance with Section 2.03(f).

“*Fixed Rate Conversion Date*” means the day on which the Interest Rate Determination Method shall be converted to the Fixed Rate.

“*Fixed Rate Period*” means the period from and including the Fixed Rate Conversion Date to and including the date of payment in full of the Series 2014\_ Bonds.

“*Flexible Term Rate*” means the Flexible Term Rate established for each of the Series 2014\_ Bonds in accordance with Section 2.03(d).

“*Flexible Term Rate Bond*” means any Series 2014\_ Bond bearing interest at a Flexible Term Rate.

“*Flexible Term Rate Period*” means any period during which the Series 2014\_ Bonds bear interest at a Flexible Term Rate, as may be determined by the Board pursuant to Section 2.03(d).

“*Government Obligations*” means (i) direct obligations of the United States of America for the full and timely payment of which the full faith and credit of the United States of America is pledged, and (ii) obligations issued by a Person controlled or supervised by and acting as an

instrumentality of the United States of America, the full and timely payment of the principal of and interest on which is fully guaranteed as a full faith and credit obligation of the United States of America (including any securities described in (i) or (ii) issued or held in book entry form on the books of the Department of the Treasury of the United States of America), which obligations, in either case, are not subject to redemption prior to maturity.

“*Holder*” means the Person who shall be the Registered Owner of any Series 2014\_ Bond.

“*Index Interest Rate*” means each of the LIBOR Index Rate and the SIFMA Index Rate.

“*Index Interest Rate Period*” means any period during which the Series 2014\_ Bonds bear interest at an Index Interest Rate.

“*Indirect Participant*” means a broker-dealer, bank or other financial institution for which the Securities Depository holds Bonds as a securities depository through a Participant.

“*Initial Credit Facility*” means the Credit Facility delivered by the Initial Credit Provider to, and accepted by, the Bond Registrar on the Issue Date, including extensions thereof and amendments or supplements thereto, against which the Bond Registrar shall be entitled to draw, in accordance with the terms thereof, an amount sufficient to pay (i) (a) the aggregate principal amount of the Series 2014\_ Bonds or (b) the Purchase Price or a portion of the Purchase Price equal to the aggregate principal amount of Series 2014\_ Bonds delivered for purchase pursuant to Section 2.05 hereof; plus (ii) an amount equal to at least \_\_\_ days’ accrued interest on Series 2014\_ Bonds bearing interest at [the Daily Rate or] the Weekly Rate, calculated at an assumed rate of [12%] per annum.

“*Initial Credit Provider*” means The Northern Trust Company, Chicago, Illinois.

“*Initial Reimbursement Agreement*” means the Reimbursement Agreement dated as of \_\_\_\_\_, 2014 between the Board and the Initial Credit Provider, as the same may be amended, supplemented, restated or otherwise modified from time to time.

“*Initial Remarketing Agreement*” means the Remarketing Agreement dated as of \_\_\_\_\_, 2014 between the Board and the Remarketing Agent, as the same may be amended, supplemented, restated or otherwise modified from time to time.

“*Interest Payment Date*” means (i) during any Daily Rate Period or Weekly Rate Period, each Monthly Interest Payment Date, (ii) during any Flexible Term Rate Period, the first Business Day immediately succeeding the last day of each Flexible Term Rate Period, but only as to Bonds for which such Flexible Term Rate Period is applicable, (iii) during any Index Interest Rate Period, each Monthly Interest Payment Date, (iv) during any Long-Term Rate Period, each Semiannual Interest Payment Date, (v) each Conversion Date and (vi) during the Amortization Period, each Amortization Interest Payment Date.

“*Interest Rate Determination Method*” means any of the methods of determining the interest rate on the Series 2014\_ Bonds described in Section 2.03.

“*Issue Date*” means the date on which the Series 2014\_ Bonds are delivered to the purchaser or purchasers thereof upon original issuance.

“*LIBOR Index*” means the rate per annum determined on the basis of the rate of deposits in United States dollars of amounts equal to or comparable to the Principal Amount, offered for a term of one month, which rate appears on the LIBOR01 Page as of 11:00 a.m., London time, on each Computation Date for effect on the next succeeding LIBOR Index Reset Date, or if such rate is not available, another rate determined by the Calculation Agent of which the Board has received written notice.

“*LIBOR Index Rate*” means a per annum rate of interest established on each Computation Date equal to the product of (a) the sum of (i) Applicable Spread plus (ii) the product of (1) the LIBOR Index multiplied by (2) the Applicable Factor multiplied by (b) the Margin Rate Factor. For illustrative purposes, the LIBOR Index Rate shall be calculated according to the following formula:  $\text{LIBOR Index Rate} = [\text{Applicable Spread} + (\text{LIBOR Index} \times \text{Applicable Factor})] \times \text{Margin Rate Factor}$ .

“*LIBOR Index Rate Conversion Date*” means (a) the date on which the Series 2014\_ Bonds begin to bear interest at the LIBOR Index Rate or (b) if the Series 2014\_ Bonds have previously borne interest at the LIBOR Index Rate during a LIBOR Index Rate Period then ending, the Mandatory Purchase Date occurring at the end of the then ending LIBOR Index Rate Period.

“*LIBOR Index Rate Period*” means (a) the Initial Period and (b) each period thereafter from and including a LIBOR Index Rate Conversion Date to but excluding the earliest of (i) the immediately succeeding Mandatory Purchase Date, (ii) the immediately succeeding Conversion Date and (iii) the Maturity Date *provided, however*, that the LIBOR Index Rate Period shall not include the Amortization Period.

“*LIBOR Index Reset Date*” means the first Business Day of each month.

“*LIBOR01 Page*” means the display designated as “LIBOR01 Page” on the Reuters Service (or on any successor or substitute page of such service, or any successor to or substitute for such service, providing rate quotations comparable to those currently provided on such page of such service, as determined by the Calculation Agent from time to time for purposes of providing quotations of interest rates applicable to dollar deposits in the London interbank market).

“*Local Time*” means Eastern Time (daylight savings or standard, as applicable) in New York, New York.

“*London Business Day*” means any Business Day on which commercial banks are open for business in LIBOR transactions in London, England.

“*Long-Term Rate*” means either a Medium-Term Rate or the Fixed Rate.

“*Long-Term Rate Period*” means either a Medium-Term Rate Period or the Fixed Rate Period.

“*Mandatory Purchase Date*” means (i) a proposed Conversion Date, except to the extent provided in Section 2.04(e), (ii) a Credit Modification Date, (iii) with respect to each Series 2014\_ Bond then bearing interest at a Flexible Term Rate, the first Business Day immediately succeeding the last day of each Flexible Term Rate Period applicable to such Series 2014\_ Bond, (iv) the fourth Business Day after receipt by the Bond Registrar of a written notice from the Credit Provider that an event of default under the Reimbursement Agreement has occurred and is continuing and a written request from the Credit Provider that all of the Series 2014\_ Bonds be required to be tendered for purchase, (v) while the Series 2014\_ Bonds bear interest at the Daily Rate or the Weekly Rate, any Business Day designated by the Board with the consent of the Credit Provider, *provided* that such designation and consent are made in writing and delivered to the Bond Registrar at least 25 days (or such shorter period of time acceptable to the Bond Registrar) prior to such Mandatory Purchase Date and (vi) each Bank Purchase Date.

“*Margin Rate Factor*” means the greater of (i) 1.0, and (ii) the product of (a) one minus the Maximum Federal Corporate Tax Rate multiplied by (b) (1) 1.53846 or (2) if different, the number set forth in the Conversion Notice described in the second paragraph of Section 2.04(a). The effective date of any change in the Margin Rate Factor shall be the effective date of the decrease or increase (as applicable) in the Maximum Federal Corporate Tax Rate resulting in such change.

“*Market Agent*” means the Person appointed by the Board, with the consent of the Bank to act as Market Agent hereunder and the successors thereof.

“*Market Agent Agreement*” means an agreement between the Board and the Market Agent, as such agreement may be amended, restated, supplemented or otherwise modified from time to time pursuant to its terms.

“*Maturity Date*” means April 1, 20\_\_.

“*Maximum Federal Corporate Tax Rate*” means the maximum rate of income taxation imposed on corporations pursuant to Section 11(b) of the Code, as in effect from time to time (or, if as a result of a change in the Code, the rate of income taxation imposed on corporations generally shall not be applicable to the Bank, the maximum statutory rate of federal income taxation which could apply to the Bank).

“*Maximum Lawful Rate*” means the maximum rate interest on the relevant obligation permitted by applicable law, including the Bond Authorization Act of the State.

“*Medium-Term Rate*” means the interest rate on the Series 2014\_ Bonds established from time to time pursuant to Section 2.03(e).

“*Medium-Term Rate Period*” means any period of not less than 271 days during which the Series 2014\_ Bonds bear interest at a Medium-Term Rate.

“*Monthly Interest Payment Date*” means the first Business Day of each calendar month.

“*Moody’s*” means Moody’s Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “*Moody’s*” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Board with the approval of the Remarketing Agent, if any, and the Bank, if any, by notice to the Bank and the Bond Registrar.

“*1933 Act*” means the Securities Act of 1933, as amended.

“*Opinion of Bond Counsel*” shall mean a written opinion of counsel selected by the Board of nationally recognized standing in matters relating to the exclusion of interest from gross income on obligations issued by states and their political subdivisions or agencies.

“*Opinion of Counsel*” means any opinion of Counsel delivered pursuant to this Modal Agreement. Each such opinion shall be addressed to the Bond Registrar, the Remarketing Agent, if any, the Board, the Bank, if any, and the Credit Provider, if any.

“*Optional Tender Date*” means, during any Daily Rate Period or Weekly Rate Period, any Business Day on which a Series 2014\_ Bond is to be purchased from the Holder thereof in accordance with Section 2.05(a).

“*Outstanding*” means, when used with reference to the Series 2014\_ Bonds at any date as of which the amount of outstanding Bonds is to be determined, all Bonds that have been authenticated and delivered by the Bond Registrar hereunder, except:

- (a) Bonds cancelled or delivered for cancellation at or prior to such date;
- (b) Bonds deemed to be paid in accordance with Section 5.03;
- (c) Bonds in lieu of which others have been authenticated under Sections 2.13, 2.11 and 2.15;
- (d) Untendered Bonds to the extent that there shall be on deposit with the Bond Registrar on the date the purchase thereof is required as provided herein an amount to pay the Purchase Price thereof; and
- (e) For purposes of any consent, request, demand, authorization, direction, notice, waiver or other action to be taken by the Holders of a specified percentage of Outstanding Bonds hereunder, all Bonds held by or for the account of the Board or any affiliate of the Board; *provided, however*, that for purposes of any such consent, request, demand, authorization, direction, notice, waiver or action the Bond Registrar shall be

obligated to consider as not being Outstanding only Bonds known by the Bond Registrar by actual notice thereof to be so held; *provided, further*, that if all of the Series 2014\_ Bonds are at any time held by or for the account of the Board or any affiliate of the Board, then such Series 2014\_ Bonds shall be deemed to be Outstanding at such time for the purposes of this subparagraph (e).

“*Participant*” means a broker-dealer, bank or other financial institution for which the Securities Depository holds Bonds as a securities depository.

“*Person*” means an individual, partnership, corporation (including a business trust), limited liability company, trust, unincorporated association, joint venture, governmental unit or other entity.

“*Pledged Revenues*” is defined in the Twentieth Supplemental Resolution.

“*Principal Amount*” or “*principal amount*” means the Outstanding principal amount of the Series 2014\_ Bonds.

“*Prior Parity Bonds*” is defined in Section 1.2 of the Twentieth Supplemental Resolution.

“*Project*” has the meaning ascribed to such term in the Twentieth Supplemental Resolution.

“*Purchase Price*” means an amount equal to 100% of the principal amount of any Series 2014\_ Bond tendered or deemed tendered for purchase pursuant to Section 2.05, plus accrued and unpaid interest thereon to the date of purchase.

“*Rate*” means any Daily Rate, Weekly Rate, Flexible Term Rate, SIFMA Index Rate, LIBOR Index Rate or Long-Term Rate.

“*Rate Period*” means any Daily Rate Period, Weekly Rate Period, Flexible Term Rate Period, Medium-Term Rate Period, SIFMA Index Rate Period, LIBOR Index Rate Period or Fixed Rate Period.

“*Rating Agency*” means Moody’s when the Series 2014\_ Bonds are rated by Moody’s, S&P when the Series 2014\_ Bonds are rated by S&P, and any other nationally recognized rating services which have assigned ratings to the Series 2014\_ Bonds as requested by or on behalf of the Board and which ratings are then currently in effect.

“*Record Date*” means with respect to each Interest Payment Date (i) during any Short-Term Rate Period or Index Interest Rate Period, the Bond Registrar’s close of business on the Business Day next preceding such Interest Payment Date, and (ii) during any Long-Term Rate Period, the Bond Registrar’s close of business on the 15th day of the calendar month next preceding the calendar month during which such Interest Payment Date occurs, regardless of whether such day is a Business Day.

“*Reimbursement Agreement*” means the Initial Reimbursement Agreement and any other agreement between the Board and a Credit Provider relating to a Credit Facility, as such agreement may be amended, restated, supplemented or otherwise modified from time to time pursuant to its terms.

“*Remarketing Agent*” means Wells Fargo Bank, National Association, or any other Person appointed and serving in such capacity pursuant to Section 7.04 and the successors thereof.

“*Remarketing Agreement*” means the Initial Remarketing Agreement and any other agreement between the Board and a Remarketing Agent relating to the Series 2014\_ Bonds, as such agreement may be amended, restated, supplemented or otherwise modified from time to time pursuant to its terms.

“*Replacement Bonds*” means Bonds issued pursuant to Section 2.15, which Bonds shall contain the terms and provisions specified herein as being applicable to the Series 2014\_ Bonds following a Mandatory Purchase Date and have excised therefrom the terms and provisions that are not so applicable and added thereto terms that have become applicable.

“*Responsible Officer*” means, with respect to the Bond Registrar, any officer or authorized representative in its corporate trust office or similar group administering the trusts hereunder or any other officer of the Bond Registrar customarily performing functions similar to those performed by any of the above designated officers to whom a particular matter is referred by the Bond Registrar because of such officer’s or authorized representative’s knowledge of and familiarity with the particular subject and who shall have direct responsibility for the administration of this Modal Agreement.

“*S&P*” means Standard & Poor’s Ratings Services, a Standard & Poor’s Financial Services LLC business, a corporation organized and existing under the laws of the State of New York, its successors and assigns and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “*S&P*” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Board with the approval of the Remarketing Agent, if any, and the Bank, if any, by notice to the Bank and the Bond Registrar.

“*S&P Weekly High Grade Index*” means for a Computation Date, the level of the “*S&P Weekly High Grade Index*” (formerly known as the J.J. Kenny Index) maintained by Standard and Poor’s Securities Evaluations Inc. for a one-week maturity as published each Wednesday, or if any Wednesday is not a Business Day, on the next succeeding Business Day.

“*Securities Depository*” means The Depository Trust Company and any substitute for or successor to such securities depository that shall maintain a Book Entry System with respect to the Series 2014\_ Bonds.

“*Securities Depository Nominee*” means the Securities Depository or the nominee of such Securities Depository in whose name there shall be registered on the Bond Register the



Series 2014\_ Bonds to be delivered to such Securities Depository during the continuation with such Securities Depository of participation in its Book Entry System.

“*Semiannual Interest Payment Date*” means each April 1 and October 1.

“*Short-Term Rate*” means any of the Daily Rate, the Weekly Rate or the Flexible Term Rate.

“*Short-Term Rate Period*” means any period during which the Series 2014\_ Bonds bear interest at a Short-Term Rate.

“*SIFMA Index*” means, for any Computation Date, the level of the index which is issued weekly and which is compiled from the weekly interest rate resets of tax-exempt variable rate issues included in a database maintained by Municipal Market Data which meet specific criteria established from time to time by the Securities Industry and Financial Markets Association and issued on Wednesday of each week, or if any Wednesday is not a Business Day, the next succeeding Business Day. If the SIFMA Index is no longer published, then “*SIFMA Index*” shall mean the S&P Weekly High Grade Index. If the S&P Weekly High Grade Index is no longer published, then “*SIFMA Index*” shall mean the prevailing rate determined by the Calculation Agent for tax-exempt state and local government bonds meeting criteria determined in good faith by the Calculation Agent to be comparable under the circumstances to the criteria used by the Securities Industry and Financial Markets Association to determine the SIFMA Index immediately prior to the date on which the Securities Industry and Financial Markets Association ceased publication of the SIFMA Index.

“*SIFMA Index Rate*” means a per annum rate of interest established on each Computation Date equal to the product of (a) the sum of the Applicable Spread plus the SIFMA Index and (b) the Margin Rate Factor.

“*SIFMA Index Rate Conversion Date*” means (a) the date on which the Series 2014\_ Bonds begin to bear interest at the SIFMA Index Rate or (b) if the Series 2014\_ Bonds have previously borne interest at the SIFMA Index Rate during a SIFMA Index Rate Period then ending, the Mandatory Purchase Date occurring at the end of the then ending SIFMA Index Rate Period.

“*SIFMA Index Rate Period*” means each period from and including a SIFMA Index Rate Conversion Date to but excluding the earliest of (a) the immediately succeeding Mandatory Purchase Date, (b) the immediately succeeding Conversion Date and (c) the Maturity Date.

“*SIFMA Rate Reset Date*” means Thursday of each week.

“*State*” means the State of Illinois.

“*Tax Certificate*” means the Tax Exemption Certificate and Agreement between the Board and the Bond Registrar dated the Issue Date.

“*Twentieth Supplemental Resolution*” means the resolution of the Board adopted January 23, 2014, supplementing the Bond Resolution and authorizing the issuance of the Series 2014\_ Bonds.

“*Untendered Bond*” means any Untendered Bond as defined in Section 2.05(f).

“*Weekly Interest Period*” means, with respect to the Series 2014\_ Bonds bearing interest at a Weekly Rate, the period from and including the first day on which the Interest Rate Determination Method is changed to the Weekly Rate to and including the next Wednesday and each succeeding period from and including each Thursday to and including the following Wednesday.

“*Weekly Rate*” means the interest rate on the Series 2014\_ Bonds established pursuant to Section 2.03(c).

“*Weekly Rate Period*” means any period during which the Series 2014\_ Bonds bear interest at a Weekly Rate.

*Section 1.02. Rules of Construction*{ TC "Section 1.02. Rules of Construction" \f C \l "2" }. Unless the context clearly indicates to the contrary, the following rules shall apply to the construction of this Modal Agreement:

(a) All terms used herein and not defined herein shall have the meanings ascribed thereto in the Bond Resolution.

(b) Words importing the singular number shall include the plural number and vice versa.

(c) The table of contents, captions, and headings herein are for convenience of reference only and shall not constitute a part of this Modal Agreement nor shall they affect its meaning, construction or effect.

(d) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders, and words of the neuter gender shall be deemed and construed to include correlative words of the masculine and feminine genders.

(e) All references in this Modal Agreement to particular Articles, Sections or Exhibits are references to Articles, Sections or Exhibits of this Modal Agreement, unless otherwise indicated.

## ARTICLE II

### THE SERIES 2014\_ BONDS{ TC "ARTICLE II THE SERIES 2014\_ BONDS" \F C \L "1" }

*Section 2.01. Authorized Amount of Series 2014\_ Bonds*{ TC "Section 2.01. Authorized Amount of Series 2014\_ Bonds" \f C \l "2" }. No Bonds may be issued under the provisions of this Modal Agreement except in accordance with this Article. The total maximum principal amount of Series 2014\_ Bonds that may be issued and Outstanding hereunder is expressly limited to \$\_\_\_\_\_. The Series 2014\_ Bonds have been designated “The Board of Trustees of the University of Illinois University of Illinois Variable Rate Demand Auxiliary Facilities System Revenue Bonds, Series 2014\_.” While the Series 2014\_ Bonds bear interest (i) at a Short-Term Rate or a Long-Term Rate, the Series 2014\_ Bonds shall be in substantially the form of *Exhibit A* and (ii) at an Index Interest Rate, the Series 2014\_ Bonds shall be in substantially the form of *Exhibit B*, in each case with such variations, omissions and insertions as are permitted or required hereby or by the Bond Resolution.

*Section 2.02. Issuance of Series 2014\_ Bonds*{ TC "Section 2.02. Issuance of Series 2014\_ Bonds" \f C \l "2" }. The Series 2014\_ Bonds shall bear interest from the Issue Date, until paid, at the rates set forth in Section 2.03 (computed on the basis of a 365-day year (366 days in a leap year) for the actual days elapsed during any Daily Rate Period, Weekly Rate Period or SIFMA Index Rate Period; a 360-day year of twelve 30-day months during any Long-Term Rate Period, and a 360-day year for the actual days elapsed during any Flexible Term Rate Period, LIBOR Index Rate Period or Amortization Period (calculated by multiplying the Principal Amount by the interest rate, dividing that sum by 360, and multiplying that amount by the actual days elapsed)), and shall mature, unless sooner paid, on the Maturity Date on which date all unpaid principal of and interest on the Series 2014\_ Bonds shall be due and payable.

The Series 2014\_ Bonds shall be issued as fully registered bonds without coupons in Authorized Denominations. The Series 2014\_ Bonds shall be numbered from R-1 upwards bearing numbers not then contemporaneously outstanding (in order of issuance) according to the records of the Bond Registrar.

The Series 2014\_ Bonds shall be dated the Issue Date. Interest on the Series 2014\_ Bonds shall be computed from the Interest Payment Date to which interest has been paid or duly provided for next preceding the date of authentication thereof, unless (a) such date of authentication shall be prior to the first Interest Payment Date, in which case interest shall be computed from the Issue Date, or (b) such date of authentication shall be an Interest Payment Date to which interest on the Series 2014\_ Bonds has been paid in full or duly provided for, in which case interest shall be computed from such date of authentication; *provided, however*, that if interest on the Series 2014\_ Bonds shall be in default, Bonds issued in exchange for Bonds surrendered for registration of transfer or exchange shall bear interest from the last date to which interest has been paid or duly provided for on the Series 2014\_ Bonds or, if no interest has been paid or duly provided for on the Series 2014\_ Bonds, from the Issue Date.

The principal of and the interest on the Series 2014\_ Bonds shall be payable in lawful currency of the United States of America. The principal of the Series 2014\_ Bonds shall be

payable at the designated office of the Bond Registrar upon presentation and surrender of the Series 2014\_ Bonds. Payments of interest on the Series 2014\_ Bonds will be mailed to the persons in whose names the Series 2014\_ Bonds are registered on the Bond Register at the close of business on the Record Date next preceding each Interest Payment Date; *provided* that, prior to the Fixed Rate Conversion Date, any Holder of a Bond or Bonds in an aggregate principal amount of not less than \$1,000,000 may, by prior written instructions filed with the Bond Registrar (which instructions shall remain in effect until revoked by subsequent written instructions), instruct that interest payments for any period prior to the Fixed Rate Conversion Date be made by wire transfer to an account in the continental United States or other means acceptable to the Bond Registrar.

Notwithstanding anything herein to the contrary, at any time the Series 2014\_ Bonds are held by a Bank and are not held under the Book Entry System, the Board and the Bond Registrar agree that the Bank shall record each such payment of principal on the Bond on the Table of Partial Redemptions attached to the Bond. During any Direct Purchase Period, if any Series 2014\_ Bonds are sold or transferred, the Bank shall notify the Bond Registrar and the Board in writing of the name and address of the transferee, the effective date of the transfer, the principal amount of the Series 2014\_ Bonds transferred and the payment information notated on the Series 2014\_ Bonds as hereinafter described, and it will, prior to delivery of such Series 2014\_ Bonds, make a notation on such Series 2014\_ Bonds of the date to which interest has been paid thereon and of the amount of any prepayments made on account of the principal thereof.

*Section 2.03. Interest Rates on Series 2014\_ Bonds*{ TC "Section 2.03. Interest Rates on Series 2014\_ Bonds" \f C \l "2" }.

(a) *Initial Rate – General.* The Series 2014\_ Bonds shall bear interest as provided herein from the Issue Date to the date of payment in full of the Series 2014\_ Bonds. Interest accrued on the Series 2014\_ Bonds (or the applicable portion of the Series 2014\_ Bonds if the Series 2014\_ Bonds then bear interest at a Flexible Term Rate) shall be paid on each Interest Payment Date (or, if such day is not a Business Day, the next succeeding Business Day) commencing on the earlier of the first Interest Payment Date following the Issue Date or the first Conversion Date. The interest rate on the Series 2014\_ Bonds will be determined as provided in this Section except that no rate shall exceed the lesser of (i) the Ceiling Rate or (ii) the Maximum Lawful Rate. The Series 2014\_ Bonds shall initially bear interest at the Weekly Rate from the Issue Date until the date on which the Interest Rate Determination Method is changed as described in Section 2.04 and interest on the Series 2014\_ Bonds shall be calculated on the Principal Amount. Notwithstanding anything herein to the contrary, each Interest Rate Determination Method in effect from time to time shall continue in effect until the date on which such Interest Rate Determination Method is changed as described in Sections 2.03(d) or (e) or Section 2.04. The same Interest Rate Determination Method shall apply to all Series 2014\_ Bonds.

(b) *Daily Rate.* During any Daily Rate Period, the Series 2014\_ Bonds will bear interest at the Daily Rate. During any Daily Rate Period, the Remarketing Agent will determine the Daily Rate for the applicable Daily Interest Period by 10:00 a.m., Local Time, on the applicable Computation Date. Each Daily Rate shall be the rate of interest which, if borne by the

Series 2014\_ Bonds, would, in the judgment of the Remarketing Agent, having due regard for the prevailing financial market conditions for revenue bonds or other securities the interest on which is included or excluded (as applicable) from gross income of the holders thereof for federal income tax purposes of the same general nature as the Series 2014\_ Bonds or securities the interest on which is included or excluded (as applicable) from gross income of the holders thereof for federal income tax purposes that are comparable as to credit and maturity (or comparable with respect to optional tender provisions) with the credit and maturity or the optional tender provisions of the Series 2014\_ Bonds, be the interest rate necessary, but would not exceed the interest rate necessary, to enable the Remarketing Agent to place the Series 2014\_ Bonds at a price of par (plus accrued interest, if any) on such Computation Date; *provided*, that, if for any reason the Daily Rate for any Daily Interest Period is not established as aforesaid by the Remarketing Agent, no Remarketing Agent shall be serving as such hereunder or the rate so established is held to be invalid or unenforceable with respect to any Daily Interest Period, then the Daily Rate for such Daily Interest Period shall be equal to the Alternate Daily Index on the date such interest rate was (or would have been) determined as provided above. The Remarketing Agent (or if no Remarketing Agent is serving as such hereunder, the Bond Registrar) shall notify the Board immediately by telephone if the Alternate Daily Index is applicable, with written notice to follow promptly.

(c) *Weekly Rate.* During any Weekly Rate Period, the Series 2014\_ Bonds will bear interest at the Weekly Rate. During any Weekly Rate Period, the Remarketing Agent will determine the Weekly Rate for the applicable Weekly Interest Period by 4:00 p.m., Local Time, on the applicable Computation Date. Each Weekly Rate shall be the rate of interest which, if borne by the Series 2014\_ Bonds, would, in the judgment of the Remarketing Agent, having due regard for the prevailing financial market conditions for revenue bonds or other securities the interest on which is included or excluded (as applicable) from gross income of the holders thereof for federal income tax purposes of the same general nature as the Series 2014\_ Bonds or securities the interest on which is included or excluded (as applicable) from gross income of the holders thereof for federal income tax purposes that are comparable as to credit and maturity (or comparable with respect to optional tender provisions) with the credit and maturity or the optional tender provisions of the Series 2014\_ Bonds, be the interest rate necessary, but would not exceed the interest rate necessary, to enable the Remarketing Agent to place the Series 2014\_ Bonds at a price of par (plus accrued interest, if any) on the first Business Day of such Weekly Interest Period; *provided*, that, if for any reason the Weekly Rate for any Weekly Interest Period is not established as aforesaid by the Remarketing Agent, no Remarketing Agent shall be serving as such hereunder or the rate so established is held to be invalid or unenforceable with respect to any Weekly Interest Period, then the Weekly Rate for such Weekly Interest Period shall be equal to the Alternate Weekly Index on the date such interest rate was (or would have been) determined as provided above. The Remarketing Agent (or if no Remarketing Agent is serving as such hereunder, the Bond Registrar) shall notify the Board immediately by telephone if the Alternate Weekly Index is applicable, with written notice to follow promptly. In connection with any change or deemed change in the Interest Rate Determination Method to a Weekly Rate pursuant to Section 2.03(d) or (e) or Section 2.04(a), the initial Weekly Rate shall be determined as provided above on the applicable Computation Date.

(d) *Flexible Term Rate.* During any Flexible Term Rate Period, each of the Series 2014\_ Bonds will bear interest at a Flexible Term Rate. With respect to any Flexible Term Rate Period, the Board shall determine the Flexible Term Rate Period, and the Remarketing Agent shall determine the Flexible Term Rate to be applicable to each Series 2014\_ Bond by 1:00 p.m., Local Time, on the applicable Computation Date. No Flexible Term Rate Period applicable to any Series 2014\_ Bond may (A) be less than one or more than 270 days in length, (B) extend beyond any scheduled Mandatory Purchase Date or the Maturity Date, or (C) end on a day preceding a non-Business Day. The Board may assign different Flexible Term Rate Periods to different Flexible Term Rate Bonds. For each Flexible Term Rate Bond, the Flexible Term Rate shall be the rate of interest which, if borne by such Series 2014\_ Bond for its applicable Flexible Term Rate Period, would, in the judgment of the Remarketing Agent, having due regard for the prevailing financial market conditions for revenue bonds or other securities the interest on which is included or excluded (as applicable) from gross income of the holders thereof for federal income tax purposes of the same general nature as such Series 2014\_ Bond or securities the interest on which is included or excluded (as applicable) from gross income of the holders thereof for federal income tax purposes which are comparable as to credit and maturity (or period for tender) with the credit and maturity of such Series 2014\_ Bond, be the interest rate necessary, but would not exceed the interest rate necessary, to enable the Remarketing Agent to place such Series 2014\_ Bond at a price of par (plus accrued interest, if any) on the first Business Day of such Flexible Term Rate Period. If for any reason the applicable rate is not established as aforesaid by the Remarketing Agent, no Remarketing Agent shall be serving as such hereunder or the rate so established is held to be invalid or unenforceable, then the Interest Rate Determination Method shall be deemed to have converted to the Weekly Rate on the date such interest rate was (or would have been) determined as provided above. The Remarketing Agent (or if no Remarketing Agent is serving as such hereunder, the Bond Registrar) shall notify the Board and the Bond Registrar immediately by telephone if such a conversion is deemed to have occurred, with written notice to follow promptly. In connection with any change in the Interest Rate Determination Method to a Flexible Term Rate pursuant to Section 2.04, the initial Flexible Term Rate and Flexible Term Rate Period for each Series 2014\_ Bond shall be determined as provided above on the applicable Computation Date.

(e) *Medium-Term Rate.* During any Direct Purchase Period where the Series 2014\_ Bonds bear the Medium-Term Rate, the Market Agent shall determine the Medium-Term Rate and during any other Medium-Term Rate Period, the Remarketing Agent shall determine the Medium-Term Rate. During any Medium-Term Rate Period, the Series 2014\_ Bonds shall bear interest at the Medium-Term Rate. The interest rate to be borne by the Series 2014\_ Bonds from the applicable Conversion Date to the last day of the applicable Medium-Term Rate Period shall be the rate determined by the Remarketing Agent or Market Agent, as applicable, on the applicable Computation Date to be the rate which, if borne by the Series 2014\_ Bonds would, in the judgment of the Remarketing Agent or Market Agent, as applicable, having due regard for prevailing market conditions for revenue bonds or other securities the interest on which is included or excluded (as applicable) from gross income of the holders thereof for federal income tax purposes and that are comparable as to credit and maturity to the Series 2014\_ Bonds, be the interest rate necessary, but would not exceed the interest rate necessary, to enable the Remarketing Agent or Market Agent, as applicable, to place the Series 2014\_ Bonds at a price of par (plus accrued interest, if any) on the applicable Conversion Date. If for any reason the

applicable rate is not established as aforesaid by the Remarketing Agent or Market Agent, as applicable, no Remarketing Agent or Market Agent shall be serving as such hereunder or the rate so established is held to be invalid or unenforceable, then the Interest Rate Determination Method shall be deemed to have converted to the Weekly Rate on the date such interest rate was (or would have been) determined as provided above. The Remarketing Agent or Market Agent, as applicable, (or if no Remarketing Agent or Market Agent is serving as such hereunder, the Bond Registrar) shall notify the Board and the Bond Registrar immediately by telephone if such a conversion is deemed to have occurred, with written notice to follow promptly.

On the Computation Date with respect to a Medium-Term Rate, the Board shall determine the Medium-Term Rate Period. No Medium-Term Rate Period may be (A) less than 271 days, (B) extend beyond any scheduled Mandatory Purchase Date or the final maturity of the Series 2014\_ Bonds or, (C) end on a day preceding a non-Business Day. If the Board fails to determine the Medium-Term Rate Period or the Medium-Term Rate Period so established is held to be invalid or unenforceable, the Medium-Term Rate Period shall be (i) if the Interest Rate Determination Method in effect immediately prior to such Conversion Date was a Medium-Term Rate, the shorter of (a) the period equal to the Medium-Term Rate Period for such Medium-Term Rate (provided, however, that if the last day of such period would not be a day immediately preceding a Business Day, such period shall be extended to the next succeeding day that is a day immediately preceding a Business Day) and (b) the remaining maturity of the Series 2014\_ Bonds, or (ii) if the Interest Rate Determination Method in effect immediately prior to such Conversion Date was not a Medium-Term Rate, the shorter of (a) the period ending on the first date that is a day immediately preceding a Business Day and is at least 271 days after the Conversion Date and (b) the remaining maturity of the Series 2014\_ Bonds.

(f) *Fixed Rate.* The Series 2014\_ Bonds shall bear interest at the Fixed Rate during the Fixed Rate Period. If the Fixed Rate Period is a Direct Purchase Period, the Market Agent shall determine the Fixed Rate and if the Fixed Rate Period is not a Direct Purchase Period, the Remarketing Agent shall determine the Fixed Rate. The interest rate to be borne by the Series 2014\_ Bonds from the Fixed Rate Conversion Date to the date of payment in full of the Series 2014\_ Bonds shall be the rate determined by the Remarketing Agent or the Market Agent, as applicable, on the applicable Computation Date to be the rate which, if borne by the Series 2014\_ Bonds would, in the judgment of the Remarketing Agent or the Market Agent, as applicable, having due regard for the prevailing market conditions for revenue bonds or other securities the interest on which is included or excluded, as applicable, from gross income of the holders thereof for federal income tax purposes and that are comparable as to credit and maturity to the Series 2014\_ Bonds, be the interest rate necessary, but would not exceed the interest rate necessary, to enable the Remarketing Agent or the Market Agent, as applicable, to place the Series 2014\_ Bonds at a price of par (plus accrued interest, if any) on the Fixed Rate Conversion Date. If for any reason the Fixed Rate is not established as aforesaid by the Remarketing Agent or the Market Agent, as applicable, or no Remarketing Agent or Market Agent shall be serving as such hereunder, then the provisions of the last paragraph of Section 2.04(e) shall apply; if the Fixed Rate established by the Remarketing Agent or the Market Agent, as applicable, is held to be invalid or unenforceable, the interest rate to be borne by the Series 2014\_ Bonds from the Fixed Rate Conversion Date to the date of payment in full of the Series 2014\_ Bonds shall be

determined by the Remarketing Agent or the Market Agent, as applicable, based on the criteria in the preceding sentence and avoiding the cause of invalidity or unenforceability.

(g) *Index Interest Rates.*

(i) During each SIFMA Index Rate Period, the Series 2014\_ Bonds shall, subject to Section 2.03(1), bear interest at the SIFMA Index Rate. The Calculation Agent shall determine the SIFMA Index Rate on each Computation Date during the SIFMA Index Rate Period, and such rate shall become effective on the SIFMA Rate Reset Date next succeeding such Computation Date.

(ii) During each LIBOR Index Rate Period, the Series 2014\_ Bonds shall, subject to Section 2.03(1), bear interest at the LIBOR Index Rate. The Calculation Agent shall determine the LIBOR Index Rate on each Computation Date during the LIBOR Index Rate Period, and such rate shall become effective on the LIBOR Index Reset Date next succeeding such Computation Date and interest at such rate shall accrue each day during such LIBOR Index Rate Period, commencing on and including the first day of such period to but excluding the last day of such period. The LIBOR Index Rate shall be rounded to the fifth decimal place.

(h) *Notice of Rates and Deemed Conversions.* Promptly following the determination of any Rate (and in the case of the determination of a Daily Rate, not later than 10:30 a.m., Local Time, on such Computation Date), the Remarketing Agent, Market Agent or the Calculation Agent, as applicable, shall give notice thereof to the Bond Registrar, the Board and the Bank, if any. Promptly upon receipt from the Remarketing Agent or Market Agent of any Medium-Term Rate or Fixed Rate, the Bond Registrar shall give each Holder notice of the new Rate. The Board and any Holder or Beneficial Owner may obtain any Rate on or after the applicable Computation Date upon request to the Remarketing Agent, Market Agent or the Calculation Agent, as applicable. Promptly upon receipt from the Remarketing Agent or the Bond Registrar of notice of any deemed conversion to the Weekly Rate under this Section, the Bond Registrar shall give each Holder, the Credit Provider, if any, and each Rating Agency, if any, then rating the Series 2014\_ Bonds notice of the deemed conversion.

(i) *Determination of Rate Conclusive.* The determination of any Rate by the Remarketing Agent, the Market Agent or the Calculation Agent, as applicable, shall be conclusive and binding upon the Board, the Bond Registrar, the Remarketing Agent, if any, Market Agent, if any, the Calculation Agent, the Credit Provider, if any, and the Holders or Beneficial Owners absent manifest error.

(j) *No Liability.* In determining the interest rate or rates that the Series 2014\_ Bonds shall bear as provided in this Section, neither the Remarketing Agent, the Market Agent nor the Calculation Agent, as applicable, shall have any liability to the Board, the Bond Registrar, the Credit Provider, if any, or any Holder or Beneficial Owners except for its gross negligence or willful misconduct.



(k) *Credit Provider Bonds.* Notwithstanding anything herein to the contrary, interest on Credit Provider Bonds shall be payable at the rates, on the dates and in the manner provided in the Reimbursement Agreement, subject to the Ceiling Rate.

(l) Notwithstanding the foregoing provisions of this Section 2.03 but subject to the interest rate limitations of Section 2.03(a), upon the occurrence and continuation of an Event of Default, from and after the effective date of such Event of Default, the interest rate for the Series 2014\_ Bonds (i) not in a Direct Purchase Period shall be established at a rate or rates equal to the interest rate that otherwise would be applicable thereto but for the occurrence of such Event of Default and (ii) during a Direct Purchase Period shall be established at a rate determined as provided in the applicable Continuing Covenant Agreement.

*Section 2.04. Conversion of Interest Rate Determination Method*{ TC "Section 2.04. Conversion of Interest Rate Determination Method" \f C \l "2" }.

(a) *Conversion Notice.* The Interest Rate Determination Method for the Series 2014\_ Bonds may be changed under this Section from any Short-Term Rate, Index Interest Rate or Medium-Term Rate to any other Interest Rate Determination Method, or from a Medium-Term Rate to a new Medium-Term Rate, on any Conversion Date by the Board giving written notice of such change (a “*Conversion Notice*”) to the Remarketing Agent, if any, Market Agent, if any, the Calculation Agent, the Bond Registrar and during a Direct Purchase Period, the Bank, with a copy to each Rating Agency, if any, rating the Series 2014\_ Bonds and the Credit Provider, if any; *provided, however*, that during a Direct Purchase Period the Interest Rate Determination Method may not be changed to another Interest Rate Determination Method or from an Index Interest Rate Period to a new Index Interest Rate Period without the prior written consent of the Bank. During a period other than a Direct Purchase Period, the Conversion Notice must be received by the Remarketing Agent or the Calculation Agent, as applicable, and the Bond Registrar at least 25 days prior to the proposed Conversion Date, and during a Direct Purchase Period, the Conversion Notice must be received by the Remarketing Agent, if any, the Market Agent, if any, the Calculation Agent, the Bond Registrar and the Bank at least 60 days prior to the proposed Conversion Date.

Each Conversion Notice shall state (i) that the Board elects to change the Interest Rate Determination Method to a new Interest Rate Determination Method, or from the interest rate applicable during a Medium-Term Rate Period to a new interest rate during a new Medium-Term Rate Period, or from an Index Interest Rate Period to a new Index Interest Rate Period, (ii) the proposed Conversion Date, (iii) the Interest Rate Determination Method to be in effect from and after such Conversion Date and (iv) whether a Credit Facility is to be in effect from and after such Conversion Date, and, if so, the terms of such Credit Facility. In addition, if an Index Interest Rate is to be in effect immediately following such Conversion Date, such Conversion Notice shall state (a) whether such Index Interest Rate shall be a SIFMA Index Rate or a LIBOR Index Rate, (b) the Bank Purchase Date, (c) the Applicable Factor, (d) the Applicable Spread and (e) if different from the number set forth in clause (ii)(b)(1) of the definition of the term “Margin Rate Factor”, the new Margin Rate Factor. The new Applicable Spread shall be determined by the Market Agent. In the case of a conversion to a Weekly Rate Period, each Conversion Notice

shall be accompanied by evidence satisfactory to the Bond Registrar that a Remarketing Agent shall have been appointed and accepted such appointment.

(b) *Opinions with Respect to Conversions.* The Board shall deliver to the Remarketing Agent, if any, the Market Agent, if any, the Calculation Agent, if any, the Bank, if any, and the Bond Registrar, by 10:00 a.m., Local Time, on the proposed Conversion Date under this Section a Favorable Opinion of Bond Counsel.

(c) *Conversion Date.* If the Interest Rate Determination Method in effect prior to the proposed Conversion Date under this Section is:

(i) a Daily Rate or a Weekly Rate, the Conversion Date may be any Business Day;

(ii) a Flexible Term Rate, the Conversion Date must be the day that would otherwise be an Interest Payment Date for all of the Series 2014\_ Bonds, such Interest Payment Date to be determined at the time the Conversion Notice is received by the Remarketing Agent, the Market Agent or the Calculation Agent, as applicable;

(iii) an Index Interest Rate, the Conversion Date (A) must be a day that would otherwise be an Interest Payment Date and (B) shall be subject to any conditions set forth in a Continuing Covenant Agreement; or

(iv) a Medium-Term Rate, the Conversion Date must be the Business Day immediately succeeding the last day of the Medium-Term Rate Period.

(d) *Notice of Conversions to Holders.* The Bond Registrar shall give written notice to the Holders of a proposed Conversion Date (except with respect to a Conversion Date occurring solely due to an event described in clause (iii) of the definition thereof), which notice shall be in substantially the form attached to this Modal Agreement as *Exhibit C*, appropriately completed, and shall be sent by first-class mail, postage prepaid, at least 15 days prior to the proposed Conversion Date.

(e) *Failure or Revocation of Conversion.* If (i) the Board fails to deliver the Favorable Opinion of Bond Counsel required by Section 2.04(b) to the Bond Registrar, the Bank, if applicable, and the Remarketing Agent, the Market Agent or the Calculation Agent, as applicable, by 10:00 a.m., Local Time, on the proposed Conversion Date, or (ii) an Event of Default shall have occurred and be continuing hereunder, the Interest Rate Determination Method for the Series 2014\_ Bonds shall not be changed on the proposed Conversion Date and the Bond Registrar shall immediately notify by telephone the Credit Provider, if any, the Remarketing Agent, if any, the Market Agent, if any, the Calculation Agent and the Bank, if any, that the Interest Rate Determination Method for the Series 2014\_ Bonds shall not be changed on the proposed Conversion Date.

Notwithstanding any other provision in this Modal Agreement to the contrary, no conversion of the Interest Rate Determination Method to the Fixed Rate shall occur if the Board,

not later than 10:00 a.m., Local Time, on the Business Day immediately preceding the applicable Computation Date, directs the Remarketing Agent, or the Market Agent, as applicable, not to change the Interest Rate Determination Method to the Fixed Rate by written notice, with a copy to the Bond Registrar, the Remarketing Agent, if any, the Market Agent, if any, the Calculation Agent, the Bank, if any, and the Credit Provider, if any.

If a proposed conversion of the Interest Rate Determination Method is cancelled pursuant to the provisions of the two preceding paragraphs, all Bonds, other than Bonds subject to a Direct Purchase Period, shall nevertheless be tendered for purchase on the proposed Conversion Date and shall be purchased by the Board on the proposed Conversion Date. If the Board shall fail to so purchase the Series 2014\_ Bonds subject to tender on such proposed Conversion Date, such failure shall constitute an Event of Default and, except as otherwise provided in Section 2.03(1), the Series 2014\_ Bonds shall continue to bear interest in accordance with the Interest Rate Determination Method in effect prior to the proposed Conversion Date and, in the case of a proposed change from a Medium-Term Rate, for a Medium-Term Rate Period ending on the first day that is a day immediately preceding a Business Day and that occurs on or after the day that is the same number of days after the proposed Conversion Date as the number of days in the immediately preceding Medium-Term Rate Period (but in no event later than the Maturity Date); *provided, however*, that the rate of interest that the Series 2014\_ Bonds will bear shall be determined on the proposed Conversion Date. If the proposed conversion of the Interest Rate Determination Method is cancelled pursuant to the provisions of the two preceding paragraphs, the Series 2014\_ Bonds which are subject to the Direct Purchase Period shall not be subject to tender for purchase and shall continue to bear interest at the Interest Rate Determination Method in effect prior to the proposed conversion.

(f) *Failure to Mail Certain Notices.* Failure to mail the notice described in Section 2.04(d), or any defect therein, shall not affect the validity of any interest rate or change in the Interest Rate Determination Method on any of the Series 2014\_ Bonds or the requirement that the Series 2014\_ Bonds shall be tendered pursuant to Section 2.05(e) or extend the period for tendering any of the Series 2014\_ Bonds for purchase, and the Bond Registrar shall not be liable to any Holder by reason of its failure to mail such notice or any defect therein.

(g) *Compliance with Rule 15c2-12.* Notwithstanding any provision in this Modal Agreement to the contrary, no conversion of the Interest Rate Determination Method (except for Bonds subject to a Direct Purchase Period immediately succeeding such conversion) shall be permitted unless the Bond Registrar and the Remarketing Agent, if any, shall have received, at least two Business Days prior to the proposed Conversion Date, either (i) a copy of a continuing disclosure agreement imposing obligations upon the Board, the Bond Registrar or any other responsible party to comply with the requirements of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the “*Rule*”), with respect to the Series 2014\_ Bonds, together with such disclosure documents as the Remarketing Agent, if any, shall require in order to comply with the Rule, if the Rule will be applicable upon such conversion or (ii) an Opinion of Counsel that, notwithstanding such conversion, the Rule will not be applicable to the Series 2014\_ Bonds as of and after the Conversion Date.

(h) *Conversion to Flexible Term Rate or a Long-Term Rate.* The Interest Rate Determination Method may not be converted to (i) a Flexible Term Rate unless the interest component of the Credit Facility to be in effect immediately following such conversion, if any, provides for payment of at least 271 days of interest on the Series 2014\_ Bonds at the Ceiling Rate or (ii) a Long-Term Rate having a Rate Period which is not a Direct Purchase Period unless the interest component of the Credit Facility to be in effect immediately following such conversion, if any, provides for payment of at least 183 days of interest on the Series 2014\_ Bonds at such Long-Term Rate. If a rating for the Series 2014\_ Bonds is to be maintained after any such conversion, the Bond Registrar and the Remarketing Agent, if any, must receive, prior to the effective date of such conversion, written confirmation from each Rating Agency rating the Series 2014\_ Bonds that such rating will not be reduced or withdrawn.

The following additional conditions must be satisfied before a conversion to a Flexible Term Rate shall become effective:

(A) The Board must engage, at its expense, an issuing and paying agent, reasonably acceptable to the Bond Registrar, having access to the Securities Depository's electronic money market issuing and payment system and otherwise eligible to serve as an issuing and paying agent under the Securities Depository's policies and procedures for the issuance and payment of Flexible Term Rate;

(B) The Remarketing Agent, the Market Agent or the Calculation Agent, as applicable, must arrange for the execution and delivery to the Securities Depository of the required Security Depository letter of representation for eligibility of the Series 2014\_ Bonds in the Flexible Term Rate in the Securities Depository's book entry system and the provision of any needed CUSIP numbers; and

(C) The Board shall take all other action needed to comply with the Securities Depository's requirements applicable to the issuance and payment of the Series 2014\_ Bonds while in the Flexible Term Rate.

(i) *Exchange of Series 2014\_ Bonds.* Upon conversion to an Index Interest Rate from a different Interest Rate Determination Method, or from an Index Interest Rate to a different Interest Rate Determination Method, the Board shall execute and the Bond Registrar shall authenticate and deliver, new Bonds of like dates and denominations and in the form of *Exhibit A* when converting from an Index Interest Rate Period and *Exhibit B* when converting to an Index Interest Rate Period, all in accordance with Section 2.15.

Section 2.05. Tender of Series 2014\_ Bonds for Purchase{ TC "Section 2.05. Tender of Series 2014\_ Bonds for Purchase" \f C \l "2" }.

(a) *Optional Tender During Daily Rate Period or Weekly Rate Period.* During any Daily Rate Period or Weekly Rate Period, the Holders of the Series 2014\_ Bonds shall have the right to tender any such Series 2014\_ Bond (or portion thereof in an Authorized Denomination, *provided* that any Series 2014\_ Bond or portion thereof remaining is also in an Authorized Denomination), for purchase on any Optional Tender Date, but only upon:

(i) (A) during any Daily Rate Period, delivery to the Remarketing Agent at its designated office, not later than 10:00 a.m., Local Time, on such Optional Tender Date, of an irrevocable written, telephonic (followed by written or facsimile confirmation delivered to the Remarketing Agent no later than the close of business on such Optional Tender Date), facsimile or telegraphic notice (with a written or facsimile copy to the Bond Registrar) stating (1) that such Holder will tender for purchase all or any portion of his or her Bonds in an Authorized Denomination and the amount of Series 2014\_ Bonds to be tendered and (2) the Optional Tender Date on which such Series 2014\_ Bonds will be tendered (which may be the Business Day on which such notice is delivered); and

(B) during any Weekly Rate Period, delivery to the Remarketing Agent at its designated office, not later than 4:00 p.m., Local Time, on or before the seventh day (or on the immediately preceding Business Day, if such seventh day is not a Business Day) next preceding such Optional Tender Date, of an irrevocable written, telephonic (followed by written or facsimile confirmation delivered to the Remarketing Agent no later than the close of business on the next succeeding Business Day), facsimile or telegraphic notice (with a written or facsimile copy to the Bond Registrar) stating (1) that such Holder will tender for purchase all or any portion of his or her Bonds in an Authorized Denomination and the amount of Series 2014\_ Bonds to be tendered and (2) the Optional Tender Date on which such Series 2014\_ Bonds will be tendered; and

(ii) delivery of such Series 2014\_ Bond (with an appropriate instrument of transfer duly executed in blank) to the Bond Registrar at its designated office at or prior to 10:00 a.m., Local Time, on such Optional Tender Date; *provided, however*, that no Bond (or portion thereof) shall be purchased unless such Series 2014\_ Bond as delivered to the Bond Registrar shall conform in all respects to the description thereof in the aforesaid notice.

(b) *Optional Tender by Beneficial Owners.* If the Series 2014\_ Bonds are held in a Book Entry System, a purchase notice pursuant to Section 2.05(a)(i) may be delivered by a Beneficial Owner. Such purchase notice must be delivered as set forth in Section 2.05(a)(i) and must state that such Beneficial Owner will cause its beneficial interest (or portion thereof in an Authorized Denomination) to be tendered, the amount of such interest to be tendered, the Optional Tender Date on which such interest will be tendered and the identity of the Participant through which the Beneficial Owner maintains its interest. Upon delivery of such notice, the Beneficial Owner must make arrangements to have its beneficial ownership interest in the Series

2014\_ Bonds being tendered transferred to the Bond Registrar at or prior to 10:00 a.m., Local Time, on the Optional Tender Date, but need not otherwise comply with Section 2.05(a)(ii).

(c) *Election to Tender Irrevocable.* Any election of a Holder to tender Bonds for purchase on an Optional Tender Date in accordance with Section 2.05(a) above shall be irrevocable and shall be binding on the Holder making such election and on any transferee of such Holder.

(d) *Notices.* The Remarketing Agent shall give prompt notice by telephone of receipt of any tender notice received by it in accordance with Section 2.05(a)(i) (and in the case of a tender notice received during a Daily Rate Period, such notice shall be given not later than 10:30 a.m., Local Time, on the date such tender notice is received) to the Bond Registrar and the Credit Provider, if any.

(e) *Mandatory Purchase on Mandatory Purchase Date.* Subject to the provisions of Section 2.05(i), the Series 2014\_ Bonds (or the applicable portion of the Series 2014\_ Bonds during any Flexible Term Rate Period) shall be subject to mandatory tender for purchase on each Mandatory Purchase Date at the Purchase Price thereof. Holders of Series 2014\_ Bonds subject to mandatory tender for purchase shall tender such Series 2014\_ Bonds to the Bond Registrar by 10:00 a.m., Local Time, on each Mandatory Purchase Date.

(f) *Bonds Deemed Tendered.* If (i) with respect to a Mandatory Purchase Date, a Holder fails to deliver such Series 2014\_ Bond to the Bond Registrar on or before the Mandatory Purchase Date, or (ii) with respect to an Optional Tender Date, a Holder gives notice pursuant to Section 2.05(a) to the Remarketing Agent and thereafter fails to deliver such Series 2014\_ Bonds (or portion thereof) to the Bond Registrar, as required, then such Series 2014\_ Bond (or portion thereof) that is not delivered to the Bond Registrar shall be deemed to have been properly tendered (such Series 2014\_ Bond being hereinafter referred to as an “*Untendered Bond*”) and, to the extent that there shall be on deposit with the Bond Registrar on the date purchase thereof is required as provided herein funds sufficient to pay the Purchase Price thereof, such Untendered Bond shall cease to constitute or represent a right to payment of principal or interest thereon and shall constitute and represent only the right to the payment of the Purchase Price payable on such date.

(g) *Source of Funds for Purchase of Series 2014\_ Bonds.* On each Optional Tender Date and each Mandatory Purchase Date the Board shall cause the purchase (but solely from funds set forth below) of the Series 2014\_ Bonds (or portions thereof), tendered (or deemed tendered) to the Bond Registrar for purchase in accordance with this Section at the applicable Purchase Price. Funds for the payment of the Purchase Price for such Series 2014\_ Bonds (or, in the case of an Optional Tender Date, portions thereof), shall be paid by the Bond Registrar solely from the following sources and in the following order of priority:

(i) proceeds of the remarketing of such Series 2014\_ Bonds (or portions thereof) pursuant to Section 2.06 that have been transferred to the Bond Registrar pursuant to such Section;

(ii) if a Credit Facility is then in effect, moneys drawn under such Credit Facility pursuant to Section 2.06(b) and Section 3.01(a)(ii);

(iii) moneys from the Bond Purchase Fund constituting funds, if any, that have been applied pursuant to Section 4.02; and

(iv) any other moneys furnished by the Board to the Bond Registrar and available for such purpose.

Bonds (or portions thereof) purchased as provided above shall be registered for transfer as provided in Section 2.07.

(h) *Notice of Mandatory Purchase Date.* Not less than 15 days prior to each Mandatory Purchase Date occurring as a result of a Credit Modification Date, a Bank Purchase Date or at the Board's direction, and not less than three days prior to each Mandatory Purchase Date occurring at the Credit Provider's direction, the Bond Registrar shall give written notice of such Mandatory Purchase Date to the Remarketing Agent, Market Agent or the Calculation Agent, as applicable, and, by first-class mail, postage prepaid, the Holders, which notice shall be in substantially the form of *Exhibit D* or *Exhibit E*, as applicable, appropriately completed. Failure to mail such notice or any defect therein shall not affect the rights or obligations of Holders and the Bond Registrar shall not be liable to any Holder by reason of its failure to mail such notice or any defect therein. With respect to a Mandatory Purchase Date that is a Conversion Date, the Bond Registrar shall provide notice to the Holders as set forth in Section 2.04(d). With respect to a Mandatory Purchase Date that is a Credit Facility Effective Date, the Bond Registrar shall provide notice to the Holders as set forth in Section 3.01(e). With respect to a Mandatory Purchase Date that is the first Business Day immediately succeeding the last day of each Flexible Term Rate Period applicable to a Bond, no notice of such Mandatory Purchase Date shall be sent to the Holder of such Series 2014\_ Bond.

(i) If funds described in Section 2.05(g) shall not be available to purchase a Series 2014\_ Bond tendered for purchase, the Holder shall continue to hold such Series 2014\_ Bond and it shall bear interest, commencing on the date on which such Series 2014\_ Bond was tendered for purchase, at an interest rate equal to the lesser of (i) \_\_\_\_\_ for Series 2014\_ Bonds in a Short-Term Rate Period, or the then-existing Medium-Term Rate for Series 2014\_ Bonds in the Medium-Term Rate Period, or (ii) the Ceiling Rate.

*Section 2.06. Remarketing of Series 2014\_ Bonds*{ TC "Section 2.06. Remarketing of Series 2014\_ Bonds" \f C \l "2" }.

(a) *Best Efforts to Place Bonds.* The Remarketing Agent shall use its best efforts to place Bonds (or portions thereof) at a price of par plus accrued interest, if any, on each date that such Series 2014\_ Bonds (or portions thereof) are required to be purchased pursuant to Section 2.05 and if such Series 2014\_ Bonds are not placed on such date (such Series 2014\_ Bonds being hereinafter referred to as "*Unremarketed Bonds*"), the Remarketing Agent shall continue to use its best efforts to place such Unremarketed Bonds at a price of par plus accrued interest, if any. With respect to the remarketing of all Series 2014\_ Bonds (except Series 2014\_

Bonds in a Daily Rate Period), by 12:00 noon, Local Time, on the Business Day prior to each date that the Series 2014\_ Bonds (or portions thereof) are required to be purchased pursuant to Section 2.05, the Remarketing Agent shall give initial notice by telephone (promptly confirmed by telecopy) of the principal amount of the Series 2014\_ Bonds for which it has arranged placement, together with the principal amount of the Series 2014\_ Bonds, if any (and such other particulars with respect thereto as the Bond Registrar may deem necessary), for which it has not arranged placement, to the Bond Registrar, the Board and the Credit Provider, if any.

Such initial notice shall be confirmed by telephone notice by 9:00 a.m., Local Time, on the date that such Series 2014\_ Bonds are to be purchased (such notice to be promptly confirmed in writing) specifying the amount of Series 2014\_ Bonds not remarketed and the information necessary to enable the Bond Registrar to prepare new Bond certificates with respect to the Series 2014\_ Bonds that were remarketed. By 9:30 a.m., Local Time, the Remarketing Agent shall transfer to the Bond Registrar the proceeds of the remarketing of such Series 2014\_ Bonds.

With respect to the remarketing of Series 2014\_ Bonds in a Daily Rate Period, by 10:30 a.m., Local Time, on the Business Day prior to each date that the Series 2014\_ Bonds (or portions thereof) are required to be purchased pursuant to Section 2.05, the Remarketing Agent shall give initial notice by telephone (promptly confirmed by telecopy) of the principal amount of the Series 2014\_ Bonds for which it has arranged placement and the information necessary to enable the Bond Registrar to prepare new Bond certificates with respect to the Series 2014\_ Bonds that were remarketed, together with the principal amount of the Series 2014\_ Bonds, if any (and such other particulars with respect thereto as the Bond Registrar may deem necessary), for which it has not arranged placement, to the Bond Registrar, the Board and the Credit Provider, if any. By 11:00 a.m., Local Time, the Remarketing Agent shall transfer to the Bond Registrar the proceeds of the remarketing of such Series 2014\_ Bonds.

Notwithstanding anything herein to the contrary, Series 2014\_ Bonds may be remarketed only at a price of par plus accrued interest, if any.

(b) *Draws on Credit Facility.* In the event that moneys from the source described in Section 2.05(g)(i) are insufficient to pay the Purchase Price of Series 2014\_ Bonds tendered or deemed tendered on an Optional Tender Date or a Mandatory Purchase Date, if a Credit Facility is then in effect, the Bond Registrar shall, by 11:00 a.m., Local Time, on such Optional Tender Date or Mandatory Purchase Date, take all action required to cause the Purchase Price of such Series 2014\_ Bonds, to the extent not available from the source described in Section 2.05(g)(i), to be paid from the Credit Facility. In the event the Purchase Price of Series 2014\_ Bonds is paid from the Credit Facility as described herein, and the Board does not reimburse the Credit Provider for such Purchase Price, upon the remarketing of such Series 2014\_ Bonds as described in Section 2.06(a), the Bond Registrar shall deliver the proceeds of the remarketing of such Series 2014\_ Bonds to the Credit Provider.

(c) *No Remarketing During Default.* The Remarketing Agent shall not be required to remarket any Series 2014\_ Bonds pursuant to this Section if it has actual knowledge that an Event of Default shall have occurred and be continuing hereunder or if the Remarketing Agent determines, in its sole discretion, that the remarketing of the Series 2014\_ Bonds would be



unlawful or would be likely to result in the imposition of liability or damages against the Board, the Remarketing Agent, the Bond Registrar, the Credit Provider, if any or the Bank, if any.

(d) *Remarketing to Board.* Series 2014\_ Bonds shall not be remarketed to the Board; provided, that the Board, acting through the Comptroller, reserves the right to purchase from any lawfully available funds any Series 2014\_ Bond, including any Credit Provider Bond, by giving notice by telephone (promptly confirmed by telecopy) to the Bond Registrar, the Remarketing Agent and the Credit Provider not later than 2:00 p.m., Local Time, on the second Business Day preceding such day of purchase. Such notice shall state the principal amount of the Series 2014\_ Bonds to be purchased and the Business day upon which such Series 2014\_ Bonds are to be purchased (which shall be the date such Series 2014\_ Bonds are scheduled to be tendered or deemed tendered for purchase). Prior to the applicable date of purchase, the Board shall deposit with the Bond Registrar funds sufficient to purchase such Series 2014\_ Bonds or Credit Provider Bonds. Any Series 2014\_ Bonds so purchased shall be selected first, from Credit Provider Bonds and thereafter from any Series 2014\_ Bonds tendered for purchase and may be cancelled or remarketed as provided in Section 2.06(g) below. Series 2014\_ Bonds may be remarketed to the Board and the Board may, but shall not be obligated to, purchase such Series 2014\_ Bonds without providing for the cancellation thereof when there is a default under the Credit Facility then in effect with respect to the Series 2014\_ Bonds.

(e) *Notice to Proposed Purchasers of Series 2014\_ Bonds.* The Remarketing Agent will give any Person to whom Bonds are proposed to be remarketed written notice of any Mandatory Purchase Date or redemption of Series 2014\_ Bonds, notice of which has been given to Holders, prior to remarketing Bonds to such Person.

(f) *No Remarketing under Certain Conditions.* Notwithstanding anything to the contrary herein provided, the Series 2014\_ Bonds shall not be remarketed unless (i) a Credit Facility providing for the payment of the principal of and interest on, and Purchase Price of, the Series 2014\_ Bonds will be in effect following the remarketing of such Series 2014\_ Bonds, except as provided in Section 3.01(g) or (ii) no such Credit Facility will be in effect, but following the remarketing of such Series 2014\_ Bonds, the Series 2014\_ Bonds will bear interest at a Fixed Rate or an Index Interest Rate. Notwithstanding anything to the contrary herein provided, the Series 2014\_ Bonds shall not be remarketed following a Mandatory Purchase Date occurring at the Credit Provider's direction unless and until the Remarketing Agent has received the consent of the Credit Provider to such remarketing.

(g) *Purchase by Board.* Notwithstanding the provisions of paragraph (d) of this Section 2.06, the Board may buy on the open market from any lawfully available funds, sell, own and hold any of the Series 2014\_ Bonds for its own account; provided, however, that such Series 2014\_ Bonds may be sold or remarketed only if the Board, the Bond Registrar and the Remarketing Agent have received a Favorable Opinion of Bond Counsel. No purchase of Series 2014\_ Bonds by the Board or use of any funds to effectuate any such purchase shall be deemed to be a payment or redemption of the Series 2014\_ Bonds or of any portion thereof and such purchase shall not operate to extinguish or discharge the indebtedness evidenced by such Series 2014\_ Bonds.

*Section 2.07. Delivery of Purchased Bonds*{ TC "Section 2.07. Delivery of Purchased Bonds" \f C \l "2" }. Bonds (or portions thereof) purchased pursuant to Section 2.05 shall be delivered as follows:

(a) *Bonds Purchased from Remarketing Proceeds.* Bonds purchased with moneys described in Section 2.05(g)(i) shall be delivered to the purchasers thereof upon receipt of payment therefor. Prior to such delivery the Bond Registrar shall provide for registration of transfer to the Holders, as provided in a written notice from the Remarketing Agent.

(b) *Bonds Purchased from Draws under Credit Facility.* Credit Provider Bonds shall be surrendered to the Bond Registrar for registration of transfer in the name of the Credit Provider, and no such Series 2014\_ Bond shall be released, pledged or otherwise transferred or disposed of until the Bond Registrar shall have received written notice from the Credit Provider that amounts so drawn under the Credit Facility for the purchase of such Credit Provider Bonds, together with interest thereon, if any, due pursuant to any Reimbursement Agreement, have been reimbursed to the Credit Provider and that the amount so drawn under the Credit Facility with respect to such Series 2014\_ Bonds has been, or upon such release will be correspondingly and fully reinstated.

(c) *Bonds Purchased with Other Moneys.* Bonds (or portions thereof) purchased with any moneys pursuant to Section 2.05(g)(iii) or (iv) shall be delivered to the Bond Registrar (i) for cancellation and shall be cancelled, or (ii) if the Board requests, for registration of transfer to the Board or its designee.

(d) *During Book Entry System.* Notwithstanding anything herein to the contrary, so long as the Series 2014\_ Bonds are held under the Book Entry System, Bonds will not be delivered as set forth in Section 2.07(a) through (c) (except as set forth in Section 2.07(b)); rather, transfers of beneficial ownership and pledges of the Series 2014\_ Bonds to the Persons indicated above will be effected on the books of the Securities Depository and its Participants pursuant to the rules and procedures of the Securities Depository.

*Section 2.08. Execution; Limited Obligation*{ TC "Section 2.08. Execution; Limited Obligation" \f C \l "2" }. The Series 2014\_ Bonds shall be executed as provided in the Bond Resolution.

*Section 2.09. Certificate of Authentication*{ TC "Section 2.09. Certificate of Authentication" \f C \l "2" }. No Bonds shall be secured hereby or entitled to the benefit hereof or shall be or become valid or obligatory for any purpose unless there shall be endorsed thereon a certificate of authentication, substantially in the form as set forth in the respective forms of Series 2014\_ Bond referred to in Section 2.10, as applicable, executed by an authorized representative of the Bond Registrar; and such certificate on any Series 2014\_ Bond issued by the Board shall be conclusive evidence and the only competent evidence that it has been duly authenticated and delivered hereunder.

*Section 2.10. Form of Series 2014\_ Bonds*{ TC "Section 2.10. Form of Series 2014\_ Bonds" \f C \l "2" }. (a) The Series 2014\_ Bonds, the Bond Registrar's certificate of authentication and the form of assignment shall be in substantially the forms set forth as *Exhibit A* or *Exhibit B*, as applicable, with such appropriate variations, omissions, substitutions and insertions as are permitted or required hereby or are required by law and may have such letters, numbers or other marks of identification and such legends and endorsements placed thereon as may be required to comply with any applicable laws or rules or regulations.

(b) The Series 2014\_ Bonds shall be in either typewritten or printed form, as the Board shall direct, with approval of the Bond Registrar; *provided* that any expenses, including but not limited to expenses of printing, incurred in connection therewith shall be paid by the Board.

(c) On and after any Mandatory Purchase Date, Bonds authenticated and delivered hereunder shall have omitted from the text thereof such provisions contained in the forms of the Series 2014\_ Bonds set forth as *Exhibit A* or *Exhibit B*, as applicable, as are not applicable to the Series 2014\_ Bonds on and after such date or shall include such provisions as will become applicable after such date including, without limitation, any reference to entitlement to any benefit of the Credit Facility, if then in effect, and any optional redemption provisions made applicable as a result of the occurrence of a Conversion Date relating to a conversion to a Long-Term Rate.

*Section 2.11. Exchangeability and Transfer of Series 2014\_ Bonds; Persons Treated as Owners*{ TC "Section 2.11. Exchangeability and Transfer of Series 2014\_ Bonds; Persons Treated as Owners" \f C \l "2" }. Books for the registration of the Series 2014\_ Bonds and for the registration of transfer of the Series 2014\_ Bonds as provided herein shall be kept by the Bond Registrar.

A Series 2014\_ Bond or Series 2014\_ Bonds may be exchanged for fully registered Series 2014\_ Bonds, aggregating in principal amount the then unpaid principal amount of the Series 2014\_ Bond or Series 2014\_ Bonds surrendered, of Authorized Denominations, as set forth in the Twentieth Supplemental Resolution.

As to any Series 2014\_ Bonds, the Holder shall be deemed and regarded as the absolute owner thereof for all purposes and neither the Board nor the Bond Registrar shall be affected by any notice, actual or constructive, to the contrary.

Any Holder of a Bond, in person or by such Holder's duly authorized attorney, may transfer title to such Holder's Bond on the Bond Register upon surrender thereof at an office designated by the Bond Registrar, and by providing the Bond Registrar with a written instrument of transfer (in substantially the form of assignment attached to the Bond) executed by the Holder or such Holder's duly authorized attorney, and thereupon, the Board shall execute and the Bond Registrar shall authenticate and deliver in the name of the transferee or transferees a new Bond or Bonds of the same aggregate principal amount and tenor as the Bond surrendered (or for which transfer of registration has been effected) and of any Authorized Denomination or Authorized Denominations.

After notice calling any Series 2014\_ Bond for redemption has been given and prior to such redemption, the Bond Registrar shall only register the transfer of such Series 2014\_ Bond pursuant to a tender of such Series 2014\_ Bond on an Optional Tender Date or a Mandatory Purchase Date. In the case of any Series 2014\_ Bond to be redeemed in part, the portion thereof to be redeemed shall be subject to the provisions of the immediately preceding sentence. In connection with any such transfer pursuant to a tender of Series 2014\_ Bonds on an Optional Tender Date or a Mandatory Purchase Date, the Bond Registrar shall deliver to the transferee a copy of the applicable notice of redemption.

The person in whose name any Series 2014\_ Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of either principal, Purchase Price or interest shall be made only to or upon the order of the Registered Owner thereof or such Holder's duly authorized attorney, but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Series 2014\_ Bond to the extent of the sum or sums so paid.

All Bonds issued upon any registration of transfer or exchange of Series 2014\_ Bonds shall be legal, valid and binding limited obligations of the Board, evidencing the same debt, and entitled to the same security and benefits under this Modal Agreement, as the Series 2014\_ Bonds surrendered upon such registration of transfer or exchange.

Notwithstanding the foregoing, (i) for so long as the Series 2014\_ Bonds are held under the Book Entry System, transfers of beneficial ownership will be effected pursuant to rules and procedures established by the Securities Depository, and (ii) during any Direct Purchase Period the Series 2014\_ Bonds may only be transferred to (x) an affiliate of the Bank, (y) a trust or custodial arrangement established by the Bank or one of its affiliates, the owners of the beneficial interests in which are limited to qualified institutional buyers, as defined in Rule 144A promulgated under the 1933 Act, or (z) to a Person that is a qualified institutional buyer and a commercial bank having capital and surplus of \$5,000,000,000 or more that has executed and delivered to the Bond Registrar and the Board an Investor Letter in the form of *Exhibit F*.

*Section 2.12. Nature of Agreements*{ TC "Section 2.12. Nature of Agreements" \f C \l "2" }. The Bond Resolution, including the Twentieth Supplemental Resolution, and this Modal Agreement shall each constitute a continuing agreement to secure the full and final payment of the principal and interest on the Series 2014\_ Bonds from the Pledged Revenues, on a parity with the Prior Parity Bonds. This Modal Agreement is executed and delivered by the Board in order to set forth certain details with respect to the Series 2014\_ Bonds, and is in all respects subject to the provisions of the Bond Resolution, and to the extent of any conflict with the Bond Resolution, the provisions of the Bond Resolution shall be interpreted to supersede the provisions of this Modal Agreement.

*Section 2.13. Redemption of Series 2014\_ Bonds; Partial Redemption of Series 2014\_ Bonds*{ TC "Section 2.13. Redemption of Series 2014\_ Bonds; Partial Redemption of Series 2014\_ Bonds" \f C \l "2" }.

(a) *Optional Redemption.* During any Daily Rate Period or Weekly Rate Period, the Series 2014\_ Bonds are subject to redemption, at the direction of the Board, in whole or in part on any Business Day at a redemption price equal to the principal amount of the Series 2014\_ Bonds to be redeemed plus accrued interest thereon to, but not including, the redemption date.

Subject to any limitations set forth in a Continuing Covenant Agreement, during any Direct Purchase Period, the Series 2014\_ Bonds are subject to redemption on any Business Day at the direction of the Board, in whole or in part, at a redemption price equal to the principal amount of the Series 2014\_ Bonds to be redeemed plus accrued interest thereon to, but not including, the redemption date.

During any Flexible Term Rate Period, the Series 2014\_ Bonds are subject to redemption, at the direction of the Board, in whole or in part on any Business Day, at a redemption price equal to the principal amount of such Series 2014\_ Bond plus accrued interest thereon to, but not including, the redemption date.

During any Long-Term Rate Period, the Series 2014\_ Bonds are subject to redemption, at the direction of the Board, in whole or in part on any Business Day occurring on or after the First Day of Redemption Period as described below, at a redemption price (expressed as a percentage of the principal amount) plus accrued interest thereon to, but not including, the redemption date as follows: *[revise for term of Series 2014\_ Bonds]*

LENGTH OF LONG-TERM RATE PERIOD FROM CONVERSION DATE UNTIL END OF RATE PERIOD (EXPRESSED IN YEARS)	FIRST DAY OF REDEMPTION PERIOD	REDEMPTION PRICE
More than 15	10th anniversary of Conversion Date	100%
More than 10 but not more than 15	7th anniversary of Conversion Date	100%
More than 5 but not more than 10	4th anniversary of Conversion Date	100%
5 or less	Bonds not redeemable pursuant to this paragraph	N/A

(b) *Mandatory Sinking Fund Redemption.* The Series 2014\_ Bonds are subject to mandatory redemption prior to maturity through the application of sinking fund payments, in Authorized Denominations, selected by the Bond Registrar, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the date fixed for redemption, in the following principal amounts on April 1 in each of the years set forth below:

REDEMPTION DATE  
(April 1)

PRINCIPAL AMOUNT

The principal amounts of Series 2014\_ Bonds to be redeemed or paid on each date through mandatory sinking fund redemptions, as set forth in the preceding table, may be reduced through the earlier optional redemption thereof, with any partial optional redemption of Series 2014\_ Bonds being credited against such future mandatory sinking fund requirements as determined by the Board, with written notice of such determination to be given to the Bond Registrar and to the Bank, in connection with Series 2014\_ Bonds in a Direct Purchase Period.

(d) *Selection of Series 2014\_ Bonds to be Redeemed.* If less than all the Outstanding Bonds shall be called for redemption, the Bond Registrar or, if the Series 2014\_ Bonds are held in the Book Entry System, the Securities Depository, shall first select and call for redemption Credit Provider Bonds. If, following such selection, additional Bonds must be selected and called for redemption, the Bond Registrar or, if the Series 2014\_ Bonds are held in the Book Entry System, the Securities Depository, shall select or arrange for the selection, in such manner as it shall deem fair and equitable and pursuant to its rules and procedures, the Series 2014\_ Bonds, in Authorized Denominations, *provided* that any Series 2014\_ Bond or portion thereof remaining Outstanding shall be in an Authorized Denomination. If there shall be called for redemption less than the principal amount of a Bond, (i) the Board shall execute and the Bond Registrar shall authenticate and deliver, upon surrender of such Series 2014\_ Bond, without charge to the Holder thereof in exchange for the unredeemed principal amount of such Series 2014\_ Bond at the option of such Holder, Bonds in any of the Authorized Denominations or (ii) if the Series 2014\_ Bonds are held in the Book Entry System, the Securities Depository shall, acting pursuant to its rules and procedures, reflect in said system the partial redemption and the

Bond Registrar shall (A) either exchange the Bond or Bonds held by the Securities Depository for a new Bond or Bonds in the appropriate principal amount, if such Series 2014\_ Bond is presented to the Bond Registrar by the Securities Depository, or (B) obtain from the Securities Depository a written confirmation of the reduction in the principal amount of the Series 2014\_ Bonds held by such Securities Depository or (iii) to the extent provided in the form of Series 2014\_ Bond, the Bond Registrar or the Holder may reflect the amount of the Bond being redeemed in the Table of Partial Redemptions without further action.

*Section 2.14. Notice of Redemption*{ TC "Section 2.14. Notice of Redemption" \f C \l "2" }. The Board shall exercise its option to cause a redemption of Series 2014\_ Bonds by giving written notice to the Remarketing Agent, the Bond Registrar, the Credit Provider, if a Credit Facility is then in effect, and during a Direct Purchase Period, the Bank, not less than 45 days prior to the date selected for redemption; *provided, however*, that, if such redemption is pursuant to Section 2.13, the Board shall also deliver a certificate of a Board Representative certifying that the conditions precedent to such redemption have been met, and during any Direct Purchase Period, that any conditions to such redemption set forth in a Continuing Covenant Agreement have been met.

To exercise any optional redemption pursuant to Section 2.13(a) so long as a Credit Facility is in effect, at least one day before the Bond Registrar is to give notice of such redemption, the Bond Registrar must have received written consent from the Credit Provider to a drawing on the Credit Facility in the amount of such redemption price if moneys in the Bond Fund will not be available to reimburse the Credit Provider for such drawing on the date of such redemption. If the Credit Provider does not consent to a drawing for such optional redemption of Series 2014\_ Bonds pursuant to Section 2.13(a), the Bond Registrar shall condition such call for redemption upon the deposit with the Bond Registrar of sufficient moneys on or prior to the date selected for redemption to reimburse the Credit Provider for such drawing and if sufficient moneys are not so available on the date selected for redemption, such call for redemption shall be revoked.

Notice of redemption shall be mailed by the Bond Registrar by first-class mail, postage prepaid, at least 30 days before the redemption date to each Holder of the Series 2014\_ Bonds to be redeemed in whole or in part at such Holder's last address appearing on the Bond Register, but no defect in or failure to give such notice of redemption shall affect the redemption or the validity of the proceedings for the redemption of the Series 2014\_ Bonds. A notice of optional redemption shall describe whether and the conditions under which the call for redemption shall be revoked. All Bonds properly called for redemption will cease to bear interest on the date fixed for redemption, provided funds sufficient for their redemption have been duly deposited with the Bond Registrar and, thereafter, the Holders of such Series 2014\_ Bonds called for redemption shall have no rights in respect thereof except to receive payment of the redemption price from the Bond Registrar and a new Bond for any portion not redeemed.

Notwithstanding the foregoing provisions of this Section 2.14, during any Direct Purchase Period, in the event any of the Series 2014\_ Bonds are called for redemption, in whole or in part, pursuant to the provisions of Section 2.13, the Board shall give notice thereof to the Bank at least 30 days prior to the date fixed for redemption, which notice shall specify the

anticipated redemption date and the principal amount of the Series 2014\_ Bonds to be redeemed. On a date no later than the date fixed for redemption in such notice, the Board shall pay to the Holder moneys in an amount sufficient, together with other moneys, if any, held by the Holder and available for the redemption of the Series 2014\_ Bonds, to redeem the Series 2014\_ Bonds at the redemption price set forth above.

*Section 2.15. Book Entry System*{ TC "Section 2.15. Book Entry System" \f C \l "2" }. Upon initial issuance, the Series 2014\_ Bonds shall be, and the provisions of this Section shall apply as long as, the Series 2014\_ Bonds are maintained in a Book Entry System administered by the Securities Depository with no physical distribution of Series 2014\_ Bond certificates to be made except as provided in this Section. Upon conversion of the Interest Rate Determination Method of the Series 2014\_ Bonds from a Short-Term Rate or a Long-Term Rate to an Index Interest Rate, the Bond Registrar may, at the direction of the Board, withdraw the Series 2014\_ Bonds from the Book Entry System and authenticate and deliver the Series 2014\_ Bonds to the Holders thereof. Any provision of this Modal Agreement or the Series 2014\_ Bonds requiring physical delivery of the Series 2014\_ Bonds shall, with respect to any Series 2014\_ Bonds held under the Book Entry System, be deemed to be satisfied by a notation on the Bond Register that such Series 2014\_ Bonds are subject to the Book Entry System. The Book Entry System shall not be in effect with respect to the Series 2014\_ Bonds during an Index Interest Rate Period.

So long as a Book Entry System is being used, one Bond in the Principal Amount and registered in the name of the Securities Depository Nominee will be issued and deposited with the Securities Depository and held in its custody. The Book Entry System will be maintained by the Securities Depository and the Participants and Indirect Participants and will evidence beneficial ownership of the Series 2014\_ Bonds in Authorized Denominations, with registration of transfers of ownership effected on the records of the Securities Depository, the Participants and the Indirect Participants pursuant to rules and procedures established by the Securities Depository, the Participants and the Indirect Participants. So long as a Book Entry System is being used, the principal and Purchase Price of and interest on each Series 2014\_ Bond shall be payable to the Securities Depository Nominee or any other person appearing on the Bond Register as the Bond Registered Holder of such Series 2014\_ Bond or such Holder's registered assigns or legal representative at the office of the Bond Registrar designated in accordance with Section 9.04. So long as the Book Entry System is in effect, the Securities Depository will be recognized as the Holder of the Series 2014\_ Bonds for all purposes (except as provided in Section 2.05(b)). Transfer of principal, Purchase Price and interest or notices to Participants and Indirect Participants will be the responsibility of the Securities Depository, and transfer of principal, Purchase Price and interest or notices to Beneficial Owners will be the responsibility of the Participants and the Indirect Participants. No other party will be responsible or liable for such transfers of payments or notices or for maintaining, supervising or reviewing such records maintained by the Securities Depository, the Participants or the Indirect Participants. While the Securities Depository Nominee or the Securities Depository, as the case may be, is the Registered Owner of the Series 2014\_ Bonds, notwithstanding any other provisions set forth herein, payments of principal and Purchase Price of and interest on the Series 2014\_ Bonds shall be made to the Securities Depository Nominee or the Securities Depository, as the case may be, by wire transfer in immediately available funds to the account of said Holder as may be specified



in the Bond Register or by such other method of payment as the Bond Registrar may determine to be necessary or advisable with the concurrence of the Securities Depository.

If (i) the Securities Depository determines not to continue to administer a Book Entry System for the Series 2014\_ Bonds, or (ii) the Remarketing Agent, with the consent of the Bond Registrar, elects to remove the Securities Depository, then the Remarketing Agent, with the consent of the Bond Registrar, may appoint a new Securities Depository. The Remarketing Agent may elect to remove the Securities Depository at any time.

If (i) the Securities Depository determines not to continue to administer a Book Entry System for the Series 2014\_ Bonds or has been removed and the Remarketing Agent fails to appoint a new Securities Depository, or (ii) the Remarketing Agent, with the consent of the Bond Registrar, determines that continuation of a Book Entry System of evidence and transfer of ownership of the Series 2014\_ Bonds would adversely affect the interests of the Beneficial Owners, the Book Entry System will be discontinued, in which case the Bond Registrar will deliver replacement Bonds in the form of fully registered certificates in Authorized Denominations in exchange for the Outstanding Bonds as required by the Bond Registrar and the Beneficial Owners.

### ARTICLE III

CREDIT FACILITY{ TC "ARTICLE III CREDIT FACILITY" \f C \l "1" }

*Section 3.01. Credit Facility*{ TC "Section 3.01. Credit Facility" \f C \l "2" }.

(a) *Maintenance of Credit Facility and Draws on Credit Facility.* Upon execution and delivery of this Modal Agreement, the Initial Credit Facility shall be delivered to the Bond Registrar. So long as any Series 2014\_ Bonds (other than Series 2014\_ Bonds registered in the name of the Board and Credit Provider Bonds, which shall not be entitled to any benefit of any Credit Facility) are Outstanding which bear interest at a Short-Term Rate, the Board will cause a Credit Facility to be in effect at all times, except as otherwise provided in Section 3.01(g).

Except with respect to Bonds registered in the name of the Board and Credit Provider Bonds (which Bonds shall not be entitled to any benefit of any Credit Facility) at any time a Credit Facility is in effect (i) the Bond Registrar shall draw moneys under such Credit Facility in accordance with the terms of the Credit Facility to the extent necessary to make timely payments of principal of and interest on the Series 2014\_ Bonds in accordance with Section 4.01 and (ii) the Bond Registrar shall draw moneys, in accordance with Section 2.06(b), under such Credit Facility in accordance with the terms of the Credit Facility to the extent available in order to effect the purchase of Series 2014\_ Bonds (or portions thereof in Authorized Denominations) on a Mandatory Purchase Date or an Optional Tender Date.

(b) *Reduction of Credit Facility.* Upon any redemption or defeasance of any Series 2014\_ Bonds or upon cancellation of any Series 2014\_ Bonds upon purchase thereof as contemplated by Section 2.06(d) or Section 2.07, the Bond Registrar shall send notice to the Credit Provider to reduce the amount available to be drawn on the Credit Facility (with written

notice of the same to the Board) and the Bond Registrar shall, upon request, confirm to the Credit Provider and the Board the principal amount of Series 2014\_ Bonds redeemed, cancelled or defeased.

(c) *Extensions of Credit Facility.* In the event that the term of the Credit Facility is extended, unless it is automatically extended by its terms or is extended by amendment, the Bond Registrar shall surrender the instrument evidencing the Credit Facility to the Credit Provider in exchange for a new instrument conforming, in the Opinion of Counsel, in all material respects to the instrument evidencing the Credit Facility being surrendered, except that the term thereof shall reflect the new term of the Credit Facility. The Bond Registrar shall promptly surrender the instrument evidencing the Credit Facility to the Credit Provider for cancellation upon discharge of the Modal Agreement pursuant to Section 5.03, subject to Section 3.01(d), or following a Credit Modification Date. If the Series 2014\_ Bonds are rated by a Rating Agency, notice of any extension of the Credit Facility (unless automatically extended by its terms) shall be furnished to such Rating Agency by the Bond Registrar.

(d) *Expiration or Termination of Credit Facility.* If the Credit Facility provides that its term will be extended automatically unless the Credit Provider notifies the Bond Registrar that the term will not be extended, then if the Bond Registrar receives notice from the Credit Provider that the term of the Credit Facility will not be extended the Bond Registrar shall mail a copy of such notice to the Board, the Remarketing Agent, if any, and any Rating Agency then rating the Series 2014\_ Bonds no later than the Business Day after the Bond Registrar receives such notice. The Bond Registrar shall give notice to the Remarketing Agent, in the name of the Credit Provider, of the expiration or earlier termination of any Credit Facility then in effect, which notice shall specify the date of such expiration or earlier termination of the Credit Facility. On any Credit Modification Date, the Bond Registrar shall not surrender any evidence of the Credit Facility that is expiring or being terminated until the Bond Registrar shall have made such drawings, if any, and taken such other actions, if any, thereunder as shall be required under this Modal Agreement in order to provide sufficient money for payment of the Purchase Price of Series 2014\_ Bonds tendered or deemed tendered on such Credit Modification Date to the extent necessary pursuant to Section 2.05(g), and shall have received the proceeds of such drawing from the Credit Provider. Notwithstanding any provision hereof to the contrary, the Board may not cause any Credit Facility to be terminated prior to its stated expiration date (whether in connection with the delivery of an Alternate Credit Facility or otherwise) during a Flexible Term Rate Period or a Long-Term Rate Period.

(e) *Delivery of Alternate Credit Facility.* At any time, upon at least 25 days prior written notice to the Bond Registrar, each Rating Agency, if any, rating the Series 2014\_ Bonds, the Remarketing Agent, if any, Market Agent, if any, and the Calculation Agent, the Board may provide for delivery to the Bond Registrar of an Alternate Credit Facility in accordance with the terms and conditions contained in this Section. Not less than 15 days prior to the proposed Credit Facility Effective Date (as defined below), which shall be a Credit Modification Date, the Bond Registrar shall give each Holder notice of such Credit Modification Date by first-class mail, postage prepaid, which notice shall be in substantially the form of *Exhibit D*, appropriately completed; *provided, however*, that if the proposed Credit Facility Effective Date is also a Conversion Date, the notice provisions of Section 2.04(d) shall apply.

If the terms and conditions contained in this Section are satisfied, the Bond Registrar shall accept an Alternate Credit Facility, and such Alternate Credit Facility shall become effective on the date it is delivered to the Bond Registrar (the “*Credit Facility Effective Date*”). During any Daily Rate Period or Weekly Rate Period, the Credit Facility Effective Date may be any Business Day. During any Flexible Term Rate Period, the Credit Facility Effective Date must be a day that would otherwise be an Interest Payment Date for all of the Series 2014\_ Bonds. The Bond Registrar may accept an Alternate Credit Facility on the first day of any Long-Term Rate Period.

Any Alternate Credit Facility shall be an irrevocable direct-pay letter of credit issued by a commercial bank organized and doing business in the United States of America or a branch or agency of a foreign commercial bank located in the United States of America and subject to regulation by state or federal banking regulatory authorities. On or before the date of the delivery of any Alternate Credit Facility to the Bond Registrar, as a condition to the acceptance of such Alternate Credit Facility by the Bond Registrar, the Board shall furnish to the Bond Registrar and the Remarketing Agent, if any, (i) written evidence that the issuer of such Alternate Credit Facility is a commercial bank organized and doing business in the United States of America or a branch or agency of a foreign commercial bank located and doing business in the United States of America and subject to regulation by state or federal banking regulatory authorities, (ii) a Favorable Opinion of Bond Counsel and (iii) an Opinion of Counsel satisfactory to the Board to the effect that the Alternate Credit Facility has been duly executed, issued and delivered by, and is the legal, valid and binding obligation of, the Credit Provider (or, in the case of a branch or agency of a foreign commercial bank, the branch or agency) issuing the same, enforceable in accordance with its terms and that the Alternate Credit Facility is not subject to the registration requirements of the 1933 Act. In the case of an Alternate Credit Facility issued by a branch or agency of a foreign commercial bank, there shall also be delivered an Opinion of Counsel licensed to practice law in the jurisdiction in which the head office of such bank is located, satisfactory to the Board to the effect that the Alternate Credit Facility has been duly executed, issued and delivered by and is the legal, valid and binding obligation of such bank enforceable in accordance with its terms. The Bond Registrar shall accept any such Alternate Credit Facility only in accordance with the terms, and upon the satisfaction of the conditions, contained in this Section and any other provisions applicable to acceptance of an Alternate Credit Facility under this Modal Agreement.

(f) *Subrogation.* The Credit Provider shall be subrogated to all of the rights possessed hereunder by the Bond Registrar and the owners of the Series 2014\_ Bonds against the Board to the extent that funds are drawn pursuant to the Credit Facility and used to pay the principal or Purchase Price of or interest on the Series 2014\_ Bonds. For purposes of the subrogation rights of the Credit Provider hereunder, (i) any reference herein to the owners or registered owners of the Series 2014\_ Bonds, the principal or Purchase Price of and interest on which have been paid with moneys collected pursuant to the Credit Facility, shall be deemed to be a reference to the Credit Provider, and (ii) any principal or Purchase Price of, or interest on, the Series 2014\_ Bonds paid with moneys collected pursuant to the Credit Facility shall be deemed to be unpaid hereunder. The subrogation rights granted to the Credit Provider hereunder are not intended to be exclusive of any other remedy or remedies available to the Credit Provider, and such subrogation rights shall be cumulative and shall be in addition to every other remedy given

hereunder or under the Reimbursement Agreement, or any other instrument or agreement with respect to the reimbursement of moneys paid by the Credit Provider pursuant to the Credit Facility, and every other remedy now or hereafter existing at law or in equity or by statute.

(g) *Credit Facility Not Required in Certain Circumstances.* Notwithstanding the provisions of Section 3.01(a), the Board need not cause a Credit Facility to be in effect at all times with respect to Series 2014\_ Bonds Outstanding which bear interest at a Short-Term Rate if, prior to the expiration or termination of the Credit Facility then in effect, there is delivered to the Remarketing Agent and the Bond Registrar (i) a Favorable Opinion of Bond Counsel with respect to the expiration or termination of the Credit Facility then in effect and (ii) written evidence from each Rating Service that the ratings on the Bonds bearing interest at a Short-Term Rate following the expiration or termination of the Credit Facility will not be reduced or withdrawn from the ratings on the Series 2014\_ Bonds immediately prior to such expiration or termination.

Upon satisfaction of the requirements described in the preceding paragraph and any requirements of the applicable Reimbursement Agreement, (i) the Bond Registrar, upon receipt of a written request of the Board, shall direct or send appropriate notice to the Credit Provider requesting or directing the cancellation of the Credit Facility then in effect on the date (the "*Credit Facility Cancellation Date*") requested by the Board in such written request, which date may not be less than thirty (30) days, or such longer period as is required by the Reimbursement Agreement for its termination at the request of the Board, from the date the Bond Registrar receives such written request, and (ii) following the date of such cancellation, all Series 2014\_ Bonds tendered for purchase by the Owners thereof may be remarketed by the Remarketing Agent pursuant to the Remarketing Agreement without the benefit of a Credit Facility until such time, if any, as the Bonds are thereafter entitled to the benefits of a Credit Facility or a Liquidity Facility pursuant to the provisions of Section 3.01 hereof (the "*Subsequent Facility*"), but only if there is delivered to the Bond Registrar and the Remarketing Agent a Favorable Opinion of Bond Counsel with respect to the delivery of the Subsequent Facility. In the event of a Credit Facility Cancellation Date, the Series 2014\_ Bonds bearing interest at a Short-Term Rate shall be subject to mandatory tender pursuant to Section 2.05(e). If at any time no Credit Facility is required for the Series 2014\_ Bonds, the Bond Registrar shall affix a legend on the face of each Series 2014\_ Bond bearing interest at a Short-Term Rate authenticated on or after the date on which a Credit Facility is no longer required in substantially the following form:

"A Credit Facility is not required with respect to this Series 2014\_ Bond. If a Credit Facility is currently provided, it may be discontinued at any time without prior notice to, or a right to tender by, the Owner."

#### ARTICLE IV

FUNDS{ TC "ARTICLE IV FUNDS" \F C \L "1" }

*Section 4.01. Bond Fund and Establishment and Use of the Series 2014\_ LOC Draw Account*{ TC "Section 4.01. Bond Fund and Establishment and Use of Series 2014\_ LOC Draw

Account" \f C \l "2" }. Principal of and interest on the Series 2014\_ Bonds will be paid from moneys held in the Bond Fund as provided in the Bond Resolution. While a Credit Facility is in effect, there is hereby created and established within the Bond Fund a special account designated the "Series 2014\_ LOC Draw Account" that, while a Credit Facility is in effect, shall be used for depositing moneys drawn by the Bond Registrar under the Credit Facility for the payment of principal of and interest on the Series 2014\_ Bonds. The Bond Registrar shall not commingle proceeds of a drawing under the Credit Facility with any other funds. There shall be deposited in the Bond Fund (a) all moneys received by the Bond Registrar under the Bond Resolution for deposit by it in the Bond Fund and (b) all moneys drawn under any Credit Facility to pay principal of or interest on the Series 2014\_ Bonds.

The Board hereby authorizes and directs the Bond Registrar, and the Bond Registrar hereby agrees, to withdraw sufficient funds from the Bond Fund to pay the principal of and interest on the Series 2014\_ Bonds as the same become due and payable, but only in the following order of priority:

FIRST: Amounts drawn by the Bond Registrar under a Credit Facility then in effect (provided, however, that such amounts shall not be used to pay any amounts with respect to any Series 2014\_ Bonds owned by or for the benefit of the Board); and

SECOND: Any other available amounts in the Bond Fund.

If moneys in the Bond Fund available pursuant to item FIRST above are insufficient to make any payment of principal of or interest on the Series 2014\_ Bonds, whether due by maturity, redemption or otherwise, or if the Credit Provider has dishonored its obligations under the Credit Facility, the Bond Registrar, on or after the date such payment is to be made, shall apply any moneys described in item SECOND above.

To the extent that a Credit Facility is drawn on to make a payment of principal of or interest on Series 2014\_ Bonds to any Holder, the Bond Registrar shall use any moneys in the Bond Fund not then needed to make payments to Holders to reimburse the Credit Provider.

Each of the Bond Fund and the Series 2014\_ LOC Draw Account shall at all times constitute an Eligible Account. In the event that an account required to be an Eligible Account no longer complies with the requirement, the Bond Registrar shall promptly (and, in any case, within not more than 30 calendar days) move such account to another financial institution such that the Eligible Account requirement will again be satisfied.

*Section 4.02. Establishment and Use of Bond Purchase Fund* \f C \l "2" }. There is hereby established and created with the Bond Registrar the Bond Purchase Fund. There shall be deposited in the Bond Purchase Fund all moneys required to be paid to provide for the payment of the Purchase Price of Series 2014\_ Bonds pursuant to this Modal Agreement, together with any other moneys received by the Bond Registrar pursuant to this Modal Agreement, the Bond Resolution or otherwise (including draws under the Credit Facility pursuant to Section 3.01(a)(ii)) that are required or directed to be paid into the Bond Purchase Fund. The Bond Registrar shall establish

a separate subaccount of the Bond Purchase Fund into which the proceeds of the remarketing of Series 2014\_ Bonds to purchasers will be deposited and a separate subaccount of the Bond Purchase Fund into which all amounts drawn under the Credit Facility pursuant to Section 3.01(a)(ii) will be deposited. The Bond Registrar shall not commingle amounts in either of such subaccounts with any other funds.

Moneys in the Bond Purchase Fund shall be held in trust for the Holders and, except as otherwise expressly provided herein, shall be used solely for the payment of the Purchase Price of the Series 2014\_ Bonds required to be purchased as set forth in Section 2.05(g).

Moneys held by the Bond Registrar as part of the Bond Purchase Fund shall not be invested.

The Bond Registrar is hereby authorized and directed, and the Bond Registrar hereby agrees, to withdraw funds from the Bond Purchase Fund as contemplated by Section 2.05(g) by 1:30 p.m., Local Time, on each date that Bonds are to be purchased pursuant to Section 2.05 from the Bond Purchase Fund to pay the Purchase Price of Series 2014\_ Bonds tendered (or deemed tendered) for purchase pursuant to Section 2.05. The Bond Registrar shall give the Remarketing Agent prompt telephonic notice of each such transfer.

To the extent that a Credit Facility is drawn on to make a payment of Purchase Price to any Holder, the Bond Registrar shall use any moneys in the Bond Purchase Fund not then needed to make payments to Holders to reimburse the Credit Provider.

*Section 4.03. Records*{ TC "Section 4.03. Records" \f C \l "2" }. The Bond Registrar shall cause to be kept and maintained records pertaining to the Bond Fund and the Bond Purchase Fund and all disbursements therefrom and shall periodically deliver to the Board statements of activity and statements indicating the investments, if applicable, made with moneys in all such funds during the applicable period. Upon written request, the Bond Registrar shall provide the Board, within a reasonable period of time, with a report stating the Principal Amount and a list of the Registered Owners of the Series 2014\_ Bonds as of the date specified by the Board in its request.

## ARTICLE V

### REPRESENTATIONS, WARRANTIES AND COVENANTS{ TC "ARTICLE V REPRESENTATIONS, WARRANTIES AND COVENANTS" \f C \l "1" }

*Section 5.01. Payment of Principal and Interest*{ TC "Section 5.01. Payment of Principal and Interest" \f C \l "2" }. The Board covenants that it will promptly pay, or cause to be paid, the principal of and the interest on the Series 2014\_ Bonds, at the places, on the dates and in the manner provided herein, in the Bond Resolution and in the Series 2014\_ Bonds, according to the true intent and meaning thereof, but only from the Pledged Revenues as set forth in the Bond Resolution. The Board further covenants that it will faithfully perform at all times all of its covenants, undertakings and agreements contained in this Modal Agreement, in the Bond Resolution, in the Series 2014\_ Bonds or in any proceedings of the Board pertaining thereto.

The Board represents and warrants that it is duly authorized under the Constitution and laws of the State of Illinois, particularly the Act, to issue the Series 2014\_ Bonds and to enter into this Modal Agreement; that all action on its part for the issuance of the Series 2014\_ Bonds initially issued under the Bond Resolution and the adoption of this Modal Agreement has been duly and effectively taken; and that the Series 2014\_ Bonds in the hands of the Registered Owners thereof are and will be valid and enforceable limited obligations of the Board according to their terms.

*Section 5.02. List of Owners*{ TC "Section 5.02. List of Owners" \f C \l "2" }. The Bond Registrar will keep on file a list of names and addresses of the Owners of all Series 2014\_ Bonds as from time to time registered on the Bond Register, together with the principal amount and numbers of such Series 2014\_ Bonds owned by each such Owner. At reasonable times and under reasonable regulations established by the Bond Registrar, such list may be inspected and copied for any purpose by the Board, by the Credit Provider, if any, or by the Owners (or a designated representative thereof) of 15% or more in aggregate principal amount of Outstanding Series 2014\_ Bonds, such possession or ownership and the authority of such designated representative to be evidenced to the satisfaction of the Bond Registrar.

*Section 5.03. Provision for Payment of the Series 2014\_ Bonds*{ TC "Section 5.03. Provision for Payment of the Series 2014\_ Bonds" \f C \l "2" }. If any Series 2014\_ Bond is deemed paid for all purposes of the Bond Resolution as described in Section 29(b) or 29(d) of the Bond Resolution the deposit required shall be sufficient to pay the principal of and interest on the Series 2014\_ Bond to the due date of such principal and interest (whether at maturity, upon redemption or otherwise) (a) during a Long-Term Rate Period which ends on the maturity date or (b) during any other Interest Rate Period, assuming a maximum interest rate equal to the then-applicable Ceiling Rate and providing for such payment on the first date on which such Series 2014\_ is subject to redemption or mandatory tender for purchase. Any governmental obligations deposited with the Bond Registrar pursuant to Section 29(b) or (d) of the Bond Resolution shall (a) be non-callable by the issuer thereof prior to the maturity thereof and (b) shall mature not later than the earlier of (i) the next date on which the Series 2014\_ Bonds are subject to mandatory tender for purchase or (ii) the date scheduled for redemption of the Series 2014\_ Bonds.

## ARTICLE VI

### DEFAULT PROVISIONS AND REMEDIES{ TC "ARTICLE VI DEFAULT PROVISIONS AND REMEDIES" \f C \l "1" }

*Section 6.01. Events of Default*{ TC "Section 6.01. Events of Default" \f C \l "2" }. Any one of the following shall constitute an Event of Default hereunder:

(a) Failure to pay interest on any Series 2014\_ Bond when and as the same shall have become due;

(b) Failure to pay the principal of any Series 2014\_ Bond when and as the same shall become due, whether at the stated maturity or redemption date thereof;

(c) Failure by the Board to observe or perform any other of the covenants, agreements or conditions on its part to be observed or performed in the Bond Resolution, this Modal Agreement or in the Series 2014\_ Bonds and the continuance thereof for a period of 30 days after written notice of such failure has been given to the Board by the Bond Registrar, *provided* that the Credit Provider, if any, or the Bank, if any, shall have consented to the same constituting an Event of Default; or

(d) If, during a Direct Purchase Period, the Bond Registrar shall receive a written notice from the Bank that an event of default has occurred under the Continuing Covenant Agreement.

Within five days after actual knowledge by a Responsible Officer of the Bond Registrar of an Event of Default under subsection (a) or (b) above, the Bond Registrar shall give written notice, by registered or certified mail, to the Board, the Credit Provider, if any, the Remarketing Agent, if any, the Bank, if any and the Holders, and upon notice as provided in Section 7.01(h), shall give similar notice of any other Event of Default.

*Section 6.02. Remedies; Rights of Holders* { TC "Section 6.02. Remedies; Rights of Holders" \f C \l "2" }. Upon the happening and continuance of an Event of Default hereunder the Bond Registrar may, only with the prior written consent of the Credit Provider, if any, and the Bank, if any, in the case of an Event of Default described in Section 6.01(d), pursue any available remedy to enforce the performance of or compliance with any other obligation or requirement of this Modal Agreement.

Subject to the requirement that the consent of the Credit Provider, if any, and the Bank, if any, to the exercise by the Bond Registrar of any such available remedy must be obtained in the case of an Event of Default described in Section 6.01(d), and further subject to the provisions of Section 6.03, upon the happening and continuance of an Event of Default, and if requested to do so by the Holders of at least 25% in aggregate principal amount of Series 2014\_ Bonds then Outstanding and if the Bond Registrar is indemnified as provided in Section 7.01(l), the Bond Registrar shall exercise such of the rights and powers conferred by this Section as the Bond Registrar, being advised by Counsel, shall deem most effective to enforce and protect the interests of the Holders and, except to the extent inconsistent with the interests of the Holders, the Credit Provider, if any, and the Bank, if any.

No remedy by the terms of this Modal Agreement conferred upon or reserved to the Bond Registrar (or to the Holders) is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Bond Registrar or to the Holders hereunder or now or hereafter existing.

No delay or omission to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default or acquiescence therein and every such right and power may be exercised from time to time and as often as may be deemed expedient. No waiver of any default or Event of Default hereunder, whether by the Bond Registrar or by the Holders, shall extend to



or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereon.

*Section 6.03. Right of Holders and Credit Provider to Direct Proceedings*{ TC "Section 6.03.Right of Holders and Credit Provider to Direct Proceedings" \f C \l "2" }. Subject, if a Credit Facility is then in effect, to the rights of the Credit Provider and the Bank, if any, as provided in Section 6.02, the Holders of a majority in aggregate principal amount of Series 2014\_ Bonds then Outstanding shall have the right at any time, by an instrument or instruments in writing executed and delivered to the Bond Registrar, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Modal Agreement, or any other proceedings hereunder; *provided* that such direction shall not be otherwise than in accordance with the provisions of law and this Modal Agreement, and provided that the Bond Registrar shall be indemnified to its satisfaction and the Bond Registrar may take any other action deemed proper by the Bond Registrar that is not inconsistent with such direction. Notwithstanding the foregoing or any other provision of this Modal Agreement, during any Direct Purchase Period, the Bank shall be entitled to exercise all of the powers, consents, rights and remedies to which the Holders of a majority in aggregate principal amount of Series 2014\_ Bonds then Outstanding are entitled hereunder, including the right, at any time, by an instrument in writing executed and delivered to the Bond Registrar, to direct the time, method and place of conducting all remedial proceedings on behalf of the Holders available to the Bond Registrar under this Modal Agreement to be taken in connection with the enforcement of the terms of this Modal Agreement or exercising any trust or power conferred on the Bond Registrar by this Modal Agreement.

No Holder shall have the right to institute any proceeding for the enforcement of this Modal Agreement unless such Holder (or the Bank during any Direct Purchase Period) has given the Bond Registrar and the Board written notice of an Event of Default, the Holders of a majority in aggregate principal amount of the Series 2014\_ Bonds then Outstanding (or the Bank during any Direct Purchase Period) shall have requested the Bond Registrar in writing to institute such proceeding, the Bond Registrar shall have been afforded a reasonable opportunity to exercise its powers or to institute such proceeding, there shall have been offered to the Bond Registrar indemnity satisfactory to it against the cost, expense and liability to be incurred in connection with such request and the Bond Registrar shall have thereafter failed or refused to exercise such powers or to institute such proceeding within 60 days after receipt of notice with no inconsistent direction given during such 60 days by the Holders of a majority in aggregate principal amount of the Series 2014\_ Bonds then Outstanding (or by the Bank during any Direct Purchase Period). Nothing in this Modal Agreement shall affect or impair any right of enforcement conferred on any Holder to enforce (i) the payment of the principal of and interest on Series 2014\_ Bonds at and after the maturity thereof, or (ii) the obligation of the Board to pay the principal of and interest on Series 2014\_ Bonds to such Holder at the time, place, from the sources and in the manner as provided in this Modal Agreement. No Holder shall individually have the right to present a draft to, or otherwise make a demand on, the Credit Provider to collect amounts available under the Credit Facility.

*Section 6.04. Discontinuance of Default Proceedings*{ TC "Section 6.04. Discontinuance of Default Proceedings" \f C \l "2" }. In case the Bond Registrar shall have

proceeded to enforce any right under this Modal Agreement by the appointment of a receiver or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the Board, the Credit Provider, if any, the Bank, if any, and the Bond Registrar shall be restored to their former positions and rights hereunder and all rights, remedies and powers of the Board, the Bond Registrar, the Bank and the Credit Provider shall continue as if no such proceedings had been taken subject to the limits of any adverse determination.

*Section 6.05. Waiver*{ TC "Section 6.05. Waiver" \f C \l "2" }. The Bond Registrar, with the consent of the Credit Provider, if any, and the Bank, if any, may waive any default or Event of Default hereunder and its consequences and shall do so upon the written request of the Credit Provider, if any, or during a Direct Purchase Period, the Bank; *provided, however*, that the Bond Registrar shall not cause such a waiver or rescission (a) during a Direct Purchase Period, unless and until the Bank has provided to the Bond Registrar its prior written consent and (b) unless and until the Purchase Price and all principal of and interest on the Series 2014\_ Bonds in arrears, together with interest thereon (to the extent permitted by law) at the applicable rate of interest borne by the Series 2014\_ Bonds and all fees and expenses of the Bond Registrar shall have been paid or provided for. The Bond Registrar may not waive any default or Event of Default until the Bond Registrar has received notice in writing from the Credit Provider that the amount available to be drawn under any Credit Facility then in effect in respect of the principal and Purchase Price of and interest on the Series 2014\_ Bonds has been reinstated in full and the notice of the Event of Default has been rescinded by the Credit Provider.

*Section 6.06. Application of Moneys*{ TC "Section 6.06. Application of Moneys" \f C \l "2" }. All moneys received by the Bond Registrar pursuant to any right given or action taken under the provisions of this Article, shall be deposited in the Bond Fund and, after payment (out of moneys derived from a source other than the Credit Facility, moneys held for the purchase of Untendered Bonds, moneys held for the redemption of Series 2014\_ Bonds and proceeds from the remarketing of Series 2014\_ Bonds) of the cost and expenses of the proceedings resulting in the collection of such moneys and of the expenses, liabilities and advances incurred or made by the Bond Registrar, including reasonable attorneys' fees, and all other outstanding fees and expenses of the Bond Registrar, and thereafter any fees, expenses, liabilities and advances due to, or incurred or made by, the Bond Registrar, such moneys shall be applied as provided in the Bond Resolution.

*Section 6.07. Rights of a Credit Provider*{ TC "Section 6.07. Rights of a Credit Provider" \f C \l "2" }. All rights of any Credit Provider under this Modal Agreement to consent to certain extensions, remedies, waivers, actions and amendments hereunder shall be suspended (i) for so long as the Credit Provider wrongfully dishonors any draft (or other appropriate form of demand) presented in strict conformity with the requirements of the Credit Facility and has not honored a subsequent draft (or other appropriate form of demand), if any, thereunder or (ii) if no Credit Facility is in effect or any Credit Facility terminates in accordance with its terms.

## ARTICLE VII

**THE BOND REGISTRAR AND THE REMARKETING AGENT{ TC "ARTICLE VII THE BOND REGISTRAR AND THE REMARKETING AGENT" \F C \L "1" }**

*Section 7.01. Appointment of Bond Registrar*{ TC "Section 7.01. Appointment of Bond Registrar" \f C \l "2" }. The Bond Registrar does hereby agree to perform the duties of the Bond Registrar under this Modal Agreement, but only upon and subject to the following express terms and conditions (and no implied covenants or other obligations shall be read into this Modal Agreement against the Bond Registrar):

(a) The Bond Registrar, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in the Bond Resolution and this Modal Agreement. In case an Event of Default has occurred (which has not been cured or waived), the Bond Registrar shall exercise such of the rights and powers vested in it by the Bond Resolution and this Modal Agreement, and use the same degree of care and skill in the exercise of such rights and powers as an ordinary, prudent man would exercise or use in the conduct of his own affairs.

(b) The Bond Registrar may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers or employees, but shall not be answerable for the conduct of the same if appointed with due care, *provided* that the Bond Registrar shall be entitled to advice of counsel concerning its duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the trusts hereof. The Bond Registrar may act upon the opinion or advice of Counsel (who may be Counsel for the Board) selected by the Bond Registrar in the exercise of reasonable care. The Bond Registrar shall not be responsible for any loss or damage resulting from any action or inaction taken or not taken, as the case may be, in good faith in reliance upon such opinion or advice.

(c) The Bond Registrar shall not be responsible for any recital herein or in the Series 2014\_ Bonds (except with respect to the certificate of authentication endorsed on the Series 2014\_ Bonds), or for the validity of the execution by the Board of this Modal Agreement or of any supplements hereto or instruments of further assurance, or for the sufficiency of the security for the Series 2014\_ Bonds.

(d) The Bond Registrar shall not be accountable for the use of any Series 2014\_ Bonds authenticated or delivered under the Bond Resolution and this Modal Agreement.

(e) The Bond Registrar shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document believed to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken by the Bond Registrar pursuant to this Modal Agreement upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the Holder of any Series 2014\_ Bond shall be

conclusive and binding upon all future Holders of the same Series 2014\_ Bond and upon Series 2014\_ Bonds issued in exchange therefor or in place thereof.

(f) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Bond Registrar shall be entitled to rely upon a certificate signed by a Board Representative as sufficient evidence of the facts therein contained and prior to the occurrence of an Event of Default of which the Bond Registrar has been notified as provided in Section 7.01(h) hereof, or of which by said subsection the Bond Registrar is deemed to have notice, shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed by it to be necessary or advisable, but shall in no case be bound to secure the same. The Bond Registrar may accept a certificate of such officials of the Board who executed the Series 2014\_ Bonds (or their successors in office) to the effect that a resolution in the form therein set forth has been adopted by the Board as conclusive evidence that such resolution has been duly adopted and is in full force and effect.

(g) The permissive right of the Bond Registrar to do things enumerated in this Modal Agreement shall not be construed as a duty, and the Bond Registrar shall not be answerable for other than its negligence or willful misconduct.

(h) The Bond Registrar shall not be required to take notice or be deemed to have notice of any Event of Default hereunder except for Events of Default specified in subsections (a) or (b) of Section 6.01 hereof, unless a Responsible Officer of the Bond Registrar shall be specifically notified in writing at its Principal Office of such Event of Default by the Board or by the Holders of at least 50% in aggregate principal amount of Outstanding Series 2014\_ Bonds, and all notices or other instruments required by this Modal Agreement to be delivered to the Bond Registrar, must, in order to be effective, be received by a Responsible Officer of the Bond Registrar, and in the absence of such notice so delivered the Bond Registrar may conclusively assume no Event of Default has occurred, except as aforesaid.

(i) At any and all reasonable times the Bond Registrar, and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right fully to inspect all books and records of the Board pertaining to the Series 2014\_ Bonds, and to make such copies and memoranda from and with regard thereto as may be desired.

(j) The Bond Registrar shall not be required to give any bond or surety in respect of the execution of this Modal Agreement or otherwise in respect of the premises.

(k) Notwithstanding anything elsewhere in this Modal Agreement with respect to the authentication of any Series 2014\_ Bonds, the withdrawal of any cash, the release of any property or any action whatsoever within the purview of this Modal Agreement, the Bond Registrar shall have the right, but shall not be required, to demand any showings, certificates, opinions, appraisals or other information, or corporate action

or evidence thereof, in addition to that by the terms hereof required as a condition of such action, deemed desirable by the Bond Registrar for the purpose of establishing the right of the Board to the authentication of any Series 2014\_ Bonds, the withdrawal of any cash or the taking of any other action.

(l) Before taking any action under this Modal Agreement (other than paying the principal and Purchase Price of and interest on the Series 2014\_ Bonds as the same shall become due and payable), the Bond Registrar may require that a satisfactory indemnity bond be furnished for the reimbursement of any expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from its negligence or willful misconduct in connection with any such action.

(m) All moneys received by the Bond Registrar shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received but need not be segregated from other funds except to the extent otherwise required herein or required by law.

(n) The Bond Registrar's immunities and protections from liability and its right to compensation and indemnification in connection with the performance of its duties under this Modal Agreement shall extend to the Bond Registrar's officers, directors, agents and employees. Notwithstanding anything else contained herein or in any other document or instrument executed by or on behalf of the Bond Registrar in connection herewith, no stipulation, covenant, agreement or obligation contained herein or therein shall be deemed or construed to be a stipulation, covenant, agreement or obligation of any present or future officer, director, employee, or agent of the Bond Registrar in any such person's individual capacity and no such person, in his individual capacity shall be liable personally for any breach or non-observance of or for any failure to perform, fulfill or comply with any such stipulation, covenant, agreement or obligation. All immunities and protections and rights to indemnification of the Bond Registrar and its officers, directors, employees and agents, together with the Bond Registrar's rights to compensation, shall survive the Bond Registrar's resignation or removal and final payment of the Series 2014\_ Bonds.

(o) Notwithstanding anything else herein contained, (i) the Bond Registrar shall not be liable for any error or judgment made in good faith unless it is proven that the Bond Registrar was negligent in ascertaining the pertinent facts, and (ii) no provisions of this Modal Agreement shall require the Bond Registrar to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it believes the repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(p) The Bond Registrar shall not be liable or responsible for the acts or omissions of the Remarketing Agent, the Credit Provider, if any, or the Bank, if any.

(q) In the event the Bond Registrar receives inconsistent or conflicting requests and indemnity from two or more groups of Holders of the Series 2014\_ Bonds,

each representing less than a majority in aggregate principal amount of the Series 2014\_ Bonds Outstanding, the Bond Registrar, in its sole discretion, may determine what action, if any, shall be taken.

(r) The Bond Registrar shall have no responsibility for any registration, filing, recording, reregistration, refiling or rerecording of this Modal Agreement or any other document or instrument executed in connection with this Modal Agreement and the issuance and sale of the Series 2014\_ Bonds, including without limitation, any financing statements or continuation statements with respect thereto.

(s) To the extent that it is necessary for the Bond Registrar to determine whether any Person is a Beneficial Owner, the Bond Registrar shall make such determination based on a certification of such Person (on which the Bond Registrar may conclusively rely) setting forth in satisfactory detail the principal balance and bond certificate owned and any intermediaries through which such bond certificate is held. The Bond Registrar shall be entitled to rely conclusively on information it receives from DTC or other applicable Securities Depository, its direct Participants and the indirect participating brokerage firms for such Participants with respect to the identity of a Beneficial Owner. The Bond Registrar shall not be deemed to have actual or constructive knowledge of the books and records of DTC or its Participants.

(t) In situations where an Opinion of Counsel or a Favorable Opinion of Bond Counsel is required or requested to be delivered under this Modal Agreement or under the Bond Resolution after the date of delivery of the Series 2014\_ Bonds, the Bond Registrar shall accept (unless otherwise directed by the Board) an opinion in such form and with such disclosures as may be required so that such opinion will not be treated as a “covered opinion” for purposes of the United States Treasury Department regulations governing practice before the Internal Revenue Service (Circular 230), 31 CFR Part 10.

*Section 7.02. Dealing in Bonds*{ TC "Section 7.02. Dealing in Bonds" \f C \l "2" }. The Bond Registrar and any of its directors, officers, employees or agents may become the owners of any or all of the Series 2014\_ Bonds secured hereby with the same rights as if such owner were not the Bond Registrar or an affiliate of the Bond Registrar.

*Section 7.03. Bond Registrar to Retain Information; No Responsibility*{ TC "Section 7.03. Bond Registrar to Retain Information; No Responsibility" \f C \l "2" }. So long as any of the Series 2014\_ Bonds shall be outstanding, the Bond Registrar shall retain all certificates, all financial statements for the most recent three years and all other written information furnished to it by or on behalf of the Board or any other Person under this Modal Agreement and shall make such documentation available for review after reasonable notice during regular business hours at the principal corporate trust office of the Bond Registrar to the Board and the Holders of any Series 2014\_ Bonds and, so long as the Series 2014\_ Bonds are held by DTC or other Securities Depository or its nominee, any Beneficial Owner of Series 2014\_ Bonds presenting evidence of such ownership reasonably satisfactory to the Bond Registrar. The Bond Registrar shall permit such reviewers to take copies of all or any part of such documentation, subject to their payment of such reasonable copying and handling charges as the Bond Registrar may impose. Unless

otherwise expressly provided, the Bond Registrar shall not have any responsibility with respect to any such reports, notices, certificates, financial statements and other written information furnished to it hereunder, except to make them available for inspection, at reasonable times, as provided above.

*Section 7.04. Remarketing Agent*{ TC "Section 7.04.Remarketing Agent" \f C \l "2" }. The Board shall appoint one or more Remarketing Agents for the purpose of determining the interest rate on the Bonds in a Short-Term Rate Period and remarketing the Series 2014\_ Bonds as provided herein. The Initial Remarketing Agent and the Initial Remarketing Agreement executed and delivered on the Issue Date are each deemed to comply with the provisions of this Section 7.04 and Section 7.05. The Board, with the consent of the Credit Provider, if any and the Bank, if any, shall appoint any successor Remarketing Agent for the Series 2014\_ Bonds (except for assignees permitted under the following sentence), subject to the conditions set forth in Section 7.05. To the extent permitted by any Remarketing Agreement then in effect, the Remarketing Agent may at any time transfer all of its duties and obligations as Remarketing Agent hereunder to an affiliate of such Remarketing Agent that satisfies the conditions set forth in Section 7.05 and, upon such transfer, such affiliate shall automatically become the Remarketing Agent hereunder without any further action.

Any Remarketing Agent shall designate to the Board and the Bond Registrar its designated office for purposes hereof, which shall be the office of such Remarketing Agent at which all notices and other communications in connection herewith may be delivered to it, and signify its acceptance of the duties and obligations imposed upon it hereunder by a written instrument of acceptance delivered to the Board, the Bond Registrar, the Bank, if any, and the Credit Provider, if any, under which such Remarketing Agent shall agree particularly (i) to hold all Bonds delivered to it hereunder in trust for the benefit of the respective Holders of Series 2014\_ Bonds that delivered such Series 2014\_ Bonds until moneys representing the Purchase Price of such Series 2014\_ Bonds are delivered to or for the account of or to the order of such Holders of Series 2014\_ Bonds; (ii) to hold all moneys delivered to it hereunder for the purchase of Series 2014\_ Bonds in trust for the benefit of the person or entity that has delivered such moneys until the Series 2014\_ Bonds purchased with such moneys are delivered to or for the account of such person or entity; and (iii) to keep books and records with respect to its activities hereunder available for inspection by the Bond Registrar, the Board, the Bank, if any, and the Credit Provider, if any, at all reasonable times.

*Section 7.05. Qualifications of Remarketing Agent; Resignation; Removal*{ TC "Section 7.05.Qualifications of Remarketing Agent; Resignation; Removal" \f C \l "2" }. The Remarketing Agent shall be a financial institution or registered broker/dealer authorized by law to perform all the duties imposed upon it by this Modal Agreement. The Remarketing Agent may at any time resign and be discharged of its duties and obligations created by this Modal Agreement by giving at least 30 days' notice to the Board, the Bond Registrar, the Bank, if any, and the Credit Provider, if any; *provided, however*, that if no successor Remarketing Agent has been appointed in accordance with Section 7.04 and this Section on or prior to the effective date of such resignation, (i) the resigning Remarketing Agent shall give written notice to Holders on the effective date of such resignation that all optional tender notices under Section 2.05(a) should be delivered to the Bond Registrar until a successor Remarketing Agent has been appointed and

(ii) until a successor Remarketing Agent has been appointed, the Bond Registrar shall have no duty to remarket the Series 2014\_ Bonds, but shall provide the funds described in clauses (ii), (iii) and (iv) of Section 2.05(g) to the Bond Registrar in that order on each Optional Tender Date specified in such notices to pay the Purchase Price of all Bonds tendered. The Remarketing Agent may be removed at any time, upon not less than 30 days' notice, at the direction of the Board, by an instrument signed by the Board and filed with the Remarketing Agent, the Bond Registrar, the Bank, if any, and the Credit Provider, if any; *provided* that no such removal shall be effective until a successor Remarketing Agent has been appointed in accordance with Section 7.04 and this Section and such successor Remarketing Agent has accepted such appointment.

*Section 7.06. Several Capacities*{ TC "Section 7.06. Several Capacities" \f C \l "2" }. Anything in this Modal Agreement to the contrary notwithstanding, the same entity may serve hereunder as the Bond Registrar, the Credit Provider, the Bank, the Calculation Agent, Market Agent and the Remarketing Agent and in any other combination of such capacities, to the extent permitted by law.

*Section 7.07. Bond Registrar Not Responsible for Duties of Remarketing Agent, Calculation Agent and Market Agent*{ TC "Section 7.07. Bond Registrar Not Responsible for Duties of Remarketing Agent, Calculation Agent and Market Agent" \f C \l "2" }. Notwithstanding anything to the contrary in this Modal Agreement, the Bond Registrar shall not be liable or responsible for any of the duties or obligations of the Remarketing Agent, the Calculation Agent or the Market Agent under this Modal Agreement (or be liable or responsible for the acts or omissions of the Calculation Agent, the Market Agent or the Remarketing Agent or failure to act in reasonable reliance upon any action or failure to act by the Calculation Agent, the Market Agent or the Remarketing Agent) except for the duties imposed upon, or the acts and omissions of the Bond Registrar as recipient of optional tender notices after the written notice provided for in Section 7.05 has been given by the resigning Remarketing Agent to Holders to the effect that no successor Remarketing Agent has been appointed. The Bond Registrar shall not be bound to ascertain or inquire as to the truth or accuracy of any information provided to it by the Calculation Agent, the Market Agent or the Remarketing Agent but may for any purpose conclusively rely upon any information given to the Bond Registrar by the Calculation Agent, the Market Agent or the Remarketing Agent.

*Section 7.08. Cooperation of the Bond Registrar, the Remarketing Agent, the Calculation Agent and the Market Agent*{ TC "Section 7.08. Cooperation of the Bond Registrar, the Remarketing Agent, the Calculation Agent and the Market Agent" \f C \l "2" }. The Bond Registrar, the Remarketing Agent, if any, the Calculation Agent and the Market Agent shall cooperate in all respects and shall provide to the other in a timely fashion the information and knowledge each possesses so that the Bond Registrar and each of such parties may faithfully exercise their respective obligations hereunder.



## ARTICLE VIII

### AMENDMENTS, SUPPLEMENTAL MODAL AGREEMENTS{ TC "ARTICLE VIII AMENDMENTS, SUPPLEMENTAL MODAL AGREEMENTS" \F C \L "1" }

*Section 8.01. Supplemental Modal Agreements*{ TC "Section 8.01. Supplemental Modal Agreements" \f C \l "2" }. The Board and the Bond Registrar, with the consent of the Credit Provider, if any, and during a Direct Purchase Period, the consent of the Bank, but without the consent of or notice to any Holders during any Short-Term Rate Period or Long-Term Rate Period, may enter into an agreement or agreements supplemental to this Modal Agreement that do not materially adversely affect the interest of the Holders for one or more of the following purposes:

(a) to grant to or confer upon the Bond Registrar for the benefit of the Holders and such Credit Provider, if any, any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Holders or the Bond Registrar;

(b) to modify, amend or supplement this Modal Agreement or any agreement or agreements supplemental hereto in such manner as to permit the qualification thereof under the Trust Indenture Act of 1939 or any similar federal statute then in effect or to permit the qualification of the Series 2014\_ Bonds for sale under the securities laws of any of the states of the United States of America;

(c) to appoint a successor Bond Registrar, separate Bond Registrars or co-Bond Registrars in the manner provided in the Bond Resolution;

(d) to modify, amend or supplement this Modal Agreement to permit a transfer of Series 2014\_ Bonds from one Securities Depository to another or the discontinuance of the Book Entry System and issuance of replacement Bonds to the Beneficial Owners;

(e) to cure any ambiguity or to correct or supplement any provision contained herein or in any supplemental agreement or agreements that may be defective or inconsistent with any provision contained herein or in any supplemental agreement or agreements, or to make such other provisions in regard to matters or questions arising under this Modal Agreement which shall not materially adversely affect the interest of the Holders or such Credit Provider, if any;

[(f) to make any change herein necessary, in the opinion of Bond Counsel, to maintain the exclusion of the interest on any Outstanding Bonds from gross income of the Holders thereof for federal income tax purposes;]

(g) to make any change herein necessary to accommodate a conversion of the interest rate on the Series 2014\_ Bonds to a different Rate, including any changes necessary to accommodate a conversion to a Direct Purchase Period;

(h) to make any change to the administrative provisions hereof, to accommodate the provisions of an Alternate Credit Facility, bond insurance or a liquidity facility; and

(i) to modify, alter, amend, supplement or restate this Modal Agreement in any other respect, including amendments which would otherwise be described in Section 8.02, if the effective date of such amendment is a date on which all then-outstanding Bonds affected thereby (1) will no longer be outstanding; (2) are subject to mandatory tender; or (3) are subject to optional tender and whose owners have received notice of such amendment at least 30 days before such effective date.

When requested by the Board, and if all conditions precedent under this Modal Agreement have been met, the Bond Registrar shall join the Board in the execution of any such supplemental agreement unless it imposes additional obligations on the Bond Registrar or adversely affects the Bond Registrar's rights and immunities under this Modal Agreement or otherwise. A copy of all such agreements supplemental hereto shall be promptly furnished to the Credit Provider, if any.

The Bond Registrar shall file copies of all such supplemental agreement or agreements with the Bank, if any, and the Credit Provider, if any, and, if the Series 2014\_ Bonds are rated by a Rating Agency, shall forward copies of all such supplemental agreements to each Rating Agency.

*Section 8.02. Amendments to Modal Agreement; Consent of Holders, the Credit Provider and the Board*{ TC "Section 8.02. Amendments to Modal Agreement; Consent of Holders, the Credit Provider and the Board" \f C \l "2" }. Exclusive of supplemental agreements covered by Section 8.01 and subject to the terms and provisions contained in this Section, and not otherwise, the Holders of a majority in aggregate principal amount of the Series 2014\_ Bonds then Outstanding and affected by such agreement or agreements supplemental hereto, with the consent of the Credit Provider, if any, shall have the right, from time to time, anything contained in this Modal Agreement to the contrary notwithstanding, to consent to and direct the execution by the Bond Registrar of such other agreement or agreements supplemental hereto as shall be consented to by the Board in its sole discretion for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Modal Agreement or in any agreement or agreements supplemental hereto; *provided, however*, that nothing contained in this Section shall permit, or be construed as permitting, without the consent of the Holders of all Outstanding Bonds, (a) an extension of the maturity of the principal of, or the mandatory redemption date of, or interest on, any Series 2014\_ Bond, or (b) a reduction in the principal amount of or the rate of interest on, any Series 2014\_ Bond, (c) a preference or priority of any Series 2014\_ Bond or Bonds over any other Bond or Bonds or (d) a reduction in the aggregate principal amount of the Series 2014\_ Bonds required for any consent to any supplemental agreement; *provided further, however*, that without the written consent of the Bond Registrar, the Bond Registrar shall not be required to join in the execution of any supplemental agreement that affects the rights, duties, obligations or immunities of the Bond Registrar or that imposes additional obligations on the Bond Registrar. The giving of notice to and consent of the

Holders to any such proposed supplemental agreement shall be obtained pursuant to Section 8.04.

If the Series 2014\_ Bonds are rated by a Rating Agency, the Bond Registrar shall furnish copies of all such supplemental agreements to such Rating Agency.

*Section 8.03. Amendments, Changes and Modifications to the Credit Facility*{ TC "Section 8.03. Amendments, Changes and Modifications to the Credit Facility" \f C \l "2" }. Except as otherwise provided in this Modal Agreement, subsequent to the initial issuance of the Series 2014\_ Bonds and prior to payment of the Series 2014\_ Bonds in full (or provision for the payment thereof having been made in accordance with the provisions of this Modal Agreement), no Credit Facility may be effectively amended, changed or modified without the prior written consent of the Bond Registrar. The Bond Registrar may, without the consent of the Holders of the Series 2014\_ Bonds, consent to any amendment of the Credit Facility as may be required to extend the term thereof or for purposes of curing any ambiguity, formal defect or omission or obtaining or retaining a rating on the Series 2014\_ Bonds from a Rating Agency that, in the Bond Registrar's judgment, does not prejudice in any material respect the interests of the Holders. Except for such amendments, and as otherwise provided herein, the Credit Facility may be amended only with the consent of the Board, the Bond Registrar and the Holders of a majority in aggregate principal amount of Outstanding Bonds, except that no such amendment may be made that would reduce the amounts required to be paid thereunder, change the time for payment of such amounts or accelerate the expiration date of the Credit Facility without the written consent of the Holders of all Outstanding Bonds. The foregoing shall not limit the Bond Registrar's obligation to send notice to the Credit Provider to reduce amounts available to be drawn under a currently effective Credit Facility under the circumstances set forth therein.

The Bond Registrar shall file copies of all such amendments, changes or modifications with each Rating Agency, if any, rating the Series 2014\_ Bonds.

*Section 8.04. Notice to and Consent of Holders*{ TC "Section 8.04. Notice to and Consent of Holders" \f C \l "2" }. If consent of the Holders is required under the terms of this Modal Agreement for the amendment of this Modal Agreement or any of the other Bond Documents or the Credit Facility or for any other similar purpose, the Bond Registrar shall cause notice of the proposed execution of the amendment or supplemental agreement to be given by first-class mail, postage prepaid, to the Holders of the Outstanding Bonds then shown on the Bond Register. Such notice shall briefly set forth the nature of the proposed amendment, supplemental agreement or other action and shall state that copies of any such amendment, supplemental agreement or other document are on file at the office of the Bond Registrar designated in accordance with Section 9.04 for inspection by all Holders. If, within 60 days or such longer period as shall be prescribed by the Bond Registrar following the mailing of such notice, the Holders of a majority or all, as the case may be, of the principal amount of the Series 2014\_ Bonds Outstanding (or, during any Direct Purchase Period, the Bank) by instruments filed with the Bond Registrar shall have consented to the amendment, supplemental Modal Agreement or other proposed action, then the Bond Registrar may execute such amendment, supplemental Modal Agreement or other document or take such proposed action and the consent of the Holders shall thereby be conclusively presumed. Notwithstanding the foregoing provisions of

this Section, the Remarketing Agent shall be deemed to be the Holder of the Outstanding Bonds on any Mandatory Purchase Date for the purpose of giving any consent required under the terms of this Modal Agreement for the amendment of this Modal Agreement or the Credit Facility, if notice of such amendment has been given to the Persons to whom the Series 2014\_ Bonds are proposed to be remarketed.

*Section 8.05. Favorable Opinion of Bond Counsel Required*{ TC "Section 8.05. Favorable Opinion of Bond Counsel Required" \f C \l "2" }. No agreement supplemental to or amending this Modal Agreement shall become effective without the delivery of a Favorable Opinion of Bond Counsel.

## ARTICLE IX

### MISCELLANEOUS{ TC "ARTICLE IX MISCELLANEOUS" \f C \l "1" }

*Section 9.01. Limitation of Rights*{ TC "Section 9.01. Limitation of Rights" \f C \l "2" }. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Modal Agreement or the Series 2014\_ Bonds is intended or shall be construed to give to any Person other than the parties hereto, the Holders, the Credit Provider, the Bank, if any, and the Remarketing Agent, if any, any legal or equitable right, remedy or claim under or in respect to this Modal Agreement or any covenants, conditions and provisions herein contained; this Modal Agreement and all of the covenants, conditions and provisions herein being intended to be and being for the sole and exclusive benefit of the parties hereto, the Holders, the Credit Provider, the Bank, if any, and the Remarketing Agent, if any, as herein provided.

*Section 9.02. Severability*{ TC "Section 9.02. Severability" \f C \l "2" }. If any provision of this Modal Agreement is held to be in conflict with any applicable statute or rule of law or is otherwise held to be unenforceable for any reason whatsoever, such circumstances shall not have the effect of rendering the other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatsoever. The invalidity of any one or more phrases, sentences, clauses or Sections of this Modal Agreement shall not affect the remaining portions of this Modal Agreement or any part thereof.

*Section 9.03. Extent of Board Covenants; No Personal Liability*{ TC "Section 9.03. Extent of Board Covenants; No Personal Liability" \f C \l "2" }. No covenant, stipulation, obligation or agreement of the Board contained in this Modal Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, director, officer, employee or agent of the Board in his or her individual capacity; and no such person (including any such person executing the Series 2014\_ Bonds) shall be liable personally on the Series 2014\_ Bonds or be subject to any personal liability by reason of their issuance. No recourse shall be had by the Board, the Bond Registrar or any Holder for any claim based on this Modal Agreement against any member, director, officer, employee or agent of the Board alleging personal liability on the part of such person unless such claim is based upon the willful dishonesty of or intentional violation of law by such person.

*Section 9.04. Notices*{ TC "Section 9.04. Notices" \f C \l "2" }. Except as otherwise provided herein, all notices, approvals, consents, requests, and other communications hereunder shall be in writing and shall be deemed to have been given when the writing is delivered if given or delivered by hand, overnight delivery service or facsimile transmitter (with confirmed receipt) to the address or facsimile number set forth below and shall be deemed to have been given on the date deposited in the mail, if mailed, by first-class, registered or certified mail, postage prepaid, addressed as set forth below. Where required herein, notice shall be given by telephone, and promptly confirmed in writing, and shall be deemed given when given by telephone to the telephone numbers set forth below. The Board, any Credit Provider, the Bond Registrar, the Remarketing Agent, if any, The Bank, if any, the Calculation Agent and the Market Agent, if any, may, by written notice given hereunder, designate any different addresses, phone numbers and facsimile numbers to which subsequent notices, certificates, approvals, consents, requests or other communications shall be sent.

To the Board:

The Board of Trustees of the University of Illinois  
506 South Wright Street  
349 Administration Building  
Urbana, Illinois 61801  
Attention: Comptroller  
Telephone: (217) 244-8108  
Facsimile: (217) 333-1566

To the Bond Registrar:

The Bank of New York Mellon Trust  
Company, N.A.  
Institutional Trust Services  
Two North LaSalle Street  
Suite 1020  
Chicago, Illinois 60602  
Attention:  
Telephone:  
Facsimile:

To the Initial Credit Provider:

Attention:  
Telephone:  
Facsimile:

*Section 9.05. Payments Due on Non-Business Days*{ TC "Section 9.05. Payments Due on Non-Business Days" \f C \l "2" }. In any case where the date of maturity of interest on or principal of the Series 2014\_ Bonds or the date fixed for redemption or purchase of any Series 2014\_ Bonds shall not be a Business Day, then payment of such Purchase Price, interest or

principal, unless otherwise provided herein, need not be made on such date but shall be made on the next succeeding Business Day, with the same force and effect as if made on the date of maturity or the date fixed for redemption, and, in the case of such payment, no interest shall accrue for the period from and after such date.

*Section 9.06. Binding Effect*{ TC "Section 9.06. Binding Effect" \f C \l "2" }. This instrument shall inure to the benefit of and shall be binding upon the Board and the Bond Registrar and their respective successors and assigns, subject, however, to the limitations contained in this Modal Agreement.

*Section 9.07. Captions*{ TC "Section 9.07. Captions" \f C \l "2" }. The captions or headings in this Modal Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Sections of this Modal Agreement.

*Section 9.08. Governing Law*{ TC "Section 9.08. Governing Law" \f C \l "2" }. This Modal Agreement shall be governed by and interpreted in accordance with the laws of the State.

*Section 9.09. Notices to Rating Agency*{ TC "Section 9.09. Notices to Rating Agency" \f C \l "2" }. If the Series 2014\_ Bonds are rated by a Rating Agency, the Bond Registrar shall provide written notice to such Rating Agency with respect to (i) the appointment of any successor Bond Registrar or Remarketing Agent, (ii) the appointment of any agent by the Bond Registrar to perform any material duties of the Bond Registrar under this Modal Agreement, (iii) the expiration, termination, extension or substitution of any Credit Facility, (iv) any Fixed Rate Conversion Date or any conversion to a Flexible Term Rate or a Long-Term Rate, (v) any Mandatory Purchase Date (except Conversion Dates), (vi) any amendment or supplement to this Modal Agreement, the Credit Facility, the Reimbursement Agreement or the Remarketing Agreement, and (vii) the payment in full of all of the Series 2014\_ Bonds (whether at stated maturity or upon redemption or defeasance). Failure of the Bond Registrar to provide any such notice shall not have any effect on the occurrence of such enumerated event or constitute an Event of Default hereunder.

*Section 9.10. Execution in Counterparts*{ TC "Section 9.10. Execution in Counterparts" \f C \l "2" }. This Modal Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

*Section 9.11. Certain References Ineffective Except during a Period in which a Credit Facility is in Effect*{ TC "Section 9.11. Certain References Ineffective Except during a Period in which a Credit Facility is in Effect" \f C \l "2" }. Except during any period in which a Credit Facility is in effect and during the period immediately succeeding such a period until receipt by the Bond Registrar of a certificate from the Credit Provider stating that all amounts payable to the Credit Provider under the Reimbursement Agreement have been paid in full, all references to the Credit Provider, the Reimbursement Agreement (as defined herein) and the Series 2014\_ Bonds shall be ineffective.

*Section 9.12. Third Party Beneficiaries*{ TC "Section 9.12. Third Party Beneficiaries" \f C \l "2" }. To the extent any of the Bank or any Credit Provider is determined not to be a direct

beneficiary under this Modal Agreement, such entity shall be a direct third party beneficiary in interest under this Modal Agreement.

[THE REMAINDER OF THIS PAGE IS LEFT BLANK INTENTIONALLY.]

IN WITNESS WHEREOF, the parties hereto have caused this Modal Agreement to be executed and delivered in their names and on their behalf by their respective duly authorized representatives, all as of the day and year first above written.

THE BOARD OF TRUSTEES OF THE UNIVERSITY OF  
ILLINOIS

By: \_\_\_\_\_  
Comptroller

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

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_



**EXHIBIT A**

**BOND FORM – SHORT-TERM RATE OR LONG-TERM RATE**

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”) to the Board or its agent for registration of transfer, exchange, or payment and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the Registered Owner hereof, Cede & Co., has an interest herein.

**THIS SERIES 2014\_ BOND MAY NOT BE TRANSFERRED EXCEPT IN ACCORDANCE WITH SECTION 2.11 OF THE MODAL AGREEMENT.**

REGISTERED  
NO. \_\_\_\_\_

REGISTERED  
\$ \_\_\_\_\_

**UNITED STATES OF AMERICA  
STATE OF ILLINOIS**

**THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ILLINOIS  
UNIVERSITY OF ILLINOIS**

**VARIABLE RATE DEMAND AUXILIARY FACILITIES SYSTEM REVENUE BOND, SERIES 2014\_**

INTEREST RATE	MATURITY DATE	ISSUE DATE	CUSIP
AS STATED BELOW	April 1, 20__	_____, 2014	_____

REGISTERED OWNER: CEDE & Co.

PRINCIPAL AMOUNT: \_\_\_\_\_ DOLLARS

THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ILLINOIS (the “Board”), a body corporate created and existing under the laws of the State of Illinois, hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above (or if this Series 2014\_ Bond is called for earlier redemption, on the redemption date), the Principal Amount identified above, together with interest thereon at the rates determined as set forth herein from the Issue Date specified above, but only from the sources and in the manner hereinafter provided on the first Business Day of each calendar month during any Daily Rate Period or Weekly Rate Period, on each April 1 and October 1 during any Medium-Term Rate Period or Fixed Rate Period, on the first Business Day immediately succeeding the last day of each Flexible Term Rate Period (but only as to Bonds for which such Flexible Term Rate Period is applicable) and

on each Conversion Date (each, an “*Interest Payment Date*”) until the principal hereof is paid or duly provided for upon redemption or maturity. Payment of the principal of and interest on this Series 2014\_ Bond shall be made in lawful money of the United States of America which on the respective dates of payment thereof shall be legal tender for the payment of public and private debts. Unless other arrangements are made pursuant to the Modal Agreement (hereinafter defined), interest is payable by check or draft drawn upon The Bank of New York Mellon Trust Company, N.A., Chicago, Illinois, as bond registrar and paying agent (the “*Bond Registrar*”), mailed on the Interest Payment Date (or, if such day is not a Business Day, the next succeeding Business Day) to the Owner hereof at the close of business on the Record Date immediately preceding each Interest Payment Date at the address of such Owner as it appears on the Bond Register. Interest on this Series 2014\_ Bond shall be computed on the basis of a 365-day year (366 days in a leap year) for the actual days elapsed during any Daily Rate Period or Weekly Rate Period, a 360-day year consisting of twelve months of thirty days each during any Long-Term Rate Period and a 360-day year for the actual days elapsed during any Flexible Term Rate Period (calculated by multiplying the Principal Amount of Series 2014\_ Bonds by the interest rate, dividing that sum by 360, and multiplying that amount by the actual days elapsed). In any case where the date of maturity of interest on or principal of this Series 2014\_ Bond or the date fixed for redemption of this Series 2014\_ Bond shall not be a Business Day, then payment of such interest or principal need not be made on such date but shall be made on the next succeeding Business Day, with the same force and effect as if made on the date of maturity or the date fixed for redemption, and, in the case of such payment, no interest shall accrue for the period from and after such date.

This Series 2014\_ Bond is one of a duly authorized series of \$\_\_\_\_\_ principal amount of the Series 2014\_ Bonds (the “*Series 2014\_ Bonds*”) of The Board of Trustees of the University of Illinois (the “*Board*”), issued or to be issued, pursuant to a Bond Resolution of the Board duly adopted September 20, 1984, as supplemented (said Bond Resolution as so supplemented being herein referred to as the “*Bond Resolution*”) for the purpose of improving certain facilities which are part of, and constructing or acquiring certain new facilities which will become part of, the University of Illinois Auxiliary Facilities System (the “*System*”), all under and pursuant to the University of Illinois Revenue Bond Financing Act for Auxiliary Facilities, as amended, and the Bond Resolution, to which Bond Resolution reference is hereby made for a statement of the funds and revenues from which this Series 2014\_ Bond and the issue of which it is a part are payable and the conditions and restrictions pursuant to which outstanding bonds on a parity herewith have been issued and future additional bonds on a parity herewith may be issued (such parity bonds being collectively the “*Parity Bonds*”), and pursuant to which this Series 2014\_ Bond has been issued and future Parity Bonds may be issued. All capitalized terms not defined herein shall have the meanings assigned to them in the Bond Resolution or in the hereinafter defined Modal Agreement.

All of the Bonds are equally and ratably secured by said pledge and lien without priority or preference one over the other by reason of series designation, denomination, number, maturity, date or terms of redemption prior to maturity, date of sale or delivery or otherwise. Certain Parity Bonds heretofore issued, specifically, the Series 1991 Bonds, are further secured, and Parity Bonds that may be issued by the Board in the future may be secured, by income received from, and funds on deposit in, the Debt Service Reserve Fund. The Series 2014\_ Bonds

are not secured by nor payable from any income received from, or funds on deposit in, the Debt Service Reserve Fund.

The Series 2014\_ Bonds are additionally secured by an irrevocable, direct-pay letter of credit (the “*Initial Credit Facility*”) from The Northern Trust Company (the “*Credit Provider*”), in the amount of the aggregate principal amount of the Series 2014\_ Bonds Outstanding from time to time, plus [COVERAGE] days interest computed at an assumed interest rate of 10% per annum, which Initial Credit Facility will expire on [CREDIT EXPIRATION DATE], unless extended or earlier terminated in accordance with its terms. Under certain circumstances described in the Modal Agreement, the Board may obtain an Alternate Credit Facility in substitution for the Initial Credit Facility.

The Series 2014\_ Bonds are issuable as fully registered Bonds in the principal amount of \$250,000 and multiples of \$5,000 in excess thereof (an “*Authorized Denomination*”). This Series 2014\_ Bond, upon surrender hereof at the designated office of the Bond Registrar with a written instrument of transfer satisfactory to the Bond Registrar executed by the Owner hereof or his or her attorney duly authorized in writing, may, at the option of the Owner hereof, be exchanged for an equal aggregate principal amount of Series 2014\_ Bonds of the same aggregate principal amount and tenor as the Bond being exchanged and of any Authorized Denomination. This Series 2014\_ Bond may be registered as transferred as provided in the Modal Agreement, subject to certain limitations therein contained, only upon the Bond Register, and only upon surrender of this Series 2014\_ Bond for registration of transfer to the Bond Registrar accompanied by a written instrument of transfer (in substantially the form of the assignment attached hereto) duly executed by the Owner hereof or his or her duly authorized attorney. Thereupon, one or more new Bonds of any Authorized Denomination and in the same aggregate principal amount and tenor as the Bond surrendered (or for which registration of transfer has been effected) will be issued to the designated transferee or transferees.

The Board has covenanted in the Bond Resolution that it will keep and perform all of the covenants and agreements in the Bond Resolution and that it will require and adopt such rules and regulations as are necessary to assure maximum occupancy and use of the System and that the rents, fees, charges and admissions, chargeable to the occupants of, and students, faculty members and others being served by, or having the right to use or having the right to be served by the System and Student Tuition and Fees shall be so fixed and revised from time to time and shall be so collected that the amount of Net Revenues plus Student Tuition and Fees in each Fiscal Year is at least equal to 200 per cent (2.0 times) the Maximum Annual Net Debt Service, as defined in the Bond Resolution.

1. *Interest Rates on Series 2014\_ Bonds.*

(a) *Initial Rate – General.* This Series 2014\_ Bond shall bear interest at the Weekly Rate from the Issue Date until the date on which the Interest Rate Determination Method is changed as provided in the Modal Agreement. Interest accrued on this Series 2014\_ Bond shall be paid on each Interest Payment Date (or, if such day is not a Business Day, the next succeeding Business Day) commencing on the first Interest Payment Date following the Issue Date. The interest rate on this Series 2014\_ Bond will be determined

as provided in the Modal Agreement; *provided*, that no Rate shall exceed the lesser of (i) the Ceiling Rate and (ii) the Maximum Lawful Rate.

(b) *Determination of Rate.* After the determination of the Weekly Rate for the initial Weekly Interest Period, the applicable Rate shall be determined by the Remarketing Agent at the time and in the manner specified in the Modal Agreement; *provided* that if for any reason such Rate is not established by the Remarketing Agent, no Remarketing Agent shall be serving as such under the Modal Agreement or the Rate so established is held to be invalid or unenforceable, then the applicable Rate shall be determined as provided in the Modal Agreement. The determination of any Rate in accordance with the terms of the Modal Agreement shall be conclusive and binding absent manifest error.

2. *Tender of Series 2014\_ Bonds for Purchase.*

(a) *Optional Tender.* Except as set forth in the Modal Agreement, during any Daily Rate Period or Weekly Rate Period, the Owners of the Series 2014\_ Bonds shall have the right to tender any such Series 2014\_ Bond (or portion thereof in an Authorized Denomination, *provided* that any Series 2014\_ Bond or portion thereof remaining is also in an Authorized Denomination) for purchase on any Optional Tender Date, but only upon:

(1) (A) during any Daily Rate Period, delivery to the Remarketing Agent at its designated office, not later than 10:00 a.m., Local Time, on such Optional Tender Date, of an irrevocable written, telephonic (followed by written or facsimile confirmation delivered to the Remarketing Agent no later than the close of business on such Optional Tender Date), facsimile or telegraphic notice (with a written or facsimile copy to the Bond Registrar) stating (1) that such Holder will tender for purchase all or any portion of his or her Bonds in an Authorized Denomination and the amount of Series 2014\_ Bonds to be tendered and (2) the Optional Tender Date on which such Series 2014\_ Bonds will be tendered (which may be the Business Day on which such notice is delivered); and

(B) during any Weekly Rate Period, delivery to the Remarketing Agent at its designated office, not later than 4:00 p.m., Local Time, on or before the seventh day (or on the immediately preceding Business Day, if such seventh day is not a Business Day) next preceding such Optional Tender Date, of an irrevocable written, telephonic (followed by written or facsimile confirmation delivered to the Remarketing Agent no later than the close of business on the next succeeding Business Day), facsimile or telegraphic notice (with a written or facsimile copy to the Bond Registrar) stating (1) that such Holder will tender for purchase all or any portion of his or her Bonds in an Authorized Denomination and the amount of Series 2014\_ Bonds to be tendered and (2) the Optional Tender Date on which such Series 2014\_ Bonds will be tendered; and

(2) delivery of such Series 2014\_ Bond (with an appropriate instrument of transfer duly executed in blank) to the Bond Registrar at its designated office at or prior to 10:00 a.m., Local Time, on such Optional Tender Date; *provided, however*, that no Bond (or portion thereof) shall be purchased unless such Series 2014\_ Bond as delivered to the Bond Registrar shall conform in all respects to the description thereof in the aforesaid notice.

Any election of an Owner to tender a Bond for purchase on an Optional Tender Date in accordance with the Modal Agreement shall be irrevocable and shall be binding on the Owner making such election and on any transferee of such Owner.

(b) *Optional Tender By Beneficial Owners.* If the Series 2014\_ Bonds are held in a Book Entry System and bear interest at a Daily Rate or a Weekly Rate, a purchase notice pursuant to 2(a)(1) above may be delivered by a Beneficial Owner. Such purchase notice must be delivered as set forth in 2(a)(1) above and must state that such Beneficial Owner will cause its beneficial interest (or portion thereof in an Authorized Denomination) to be tendered, the amount of such interest to be tendered, the Optional Tender Date on which such interest will be tendered and the identity of the Participant through which the Beneficial Owner maintains its interest. Upon delivery of such notice, the Beneficial Owner must make arrangements to have its beneficial ownership interest in the Series 2014\_ Bonds being tendered transferred to the Bond Registrar at or prior to 10:00 a.m., Local Time, on the Optional Tender Date, but need not otherwise comply with 2(a)(2) above.

(c) *Certain Required Tenders for Purchase.* Bonds are subject to mandatory tender for purchase as provided in the Modal Agreement on any Mandatory Purchase Date (*i.e.*, any proposed Conversion Date, any Credit Modification Date, a proposed Credit Facility Effective Date, the first Business Day immediately succeeding the last day of each Flexible Term Rate Period applicable to such Series 2014\_ Bond then bearing interest at a Flexible Term Rate and certain dates designated by the Credit Provider or the Board) at the Purchase Price thereof.

(d) *Bonds Deemed Tendered.* If (1) with respect to a Mandatory Purchase Date, an Owner fails to deliver such Series 2014\_ Bond to the Bond Registrar on or before the Mandatory Purchase Date, or (2) with respect to an Optional Tender Date, an Owner gives notice pursuant to 2(a)(1) above to the Remarketing Agent and thereafter fails to deliver such Series 2014\_ Bonds (or portion thereof), to the Bond Registrar, as required, then such Series 2014\_ Bond (or portion thereof) that is not delivered to the Bond Registrar shall be deemed to have been properly tendered (such Series 2014\_ Bond being hereinafter referred to as an “*Untendered Bond*”) and, to the extent that there shall be on deposit with the Bond Registrar on the date purchase thereof is required as provided in the Modal Agreement, an amount sufficient to pay the Purchase Price thereof, such Untendered Bond shall cease to constitute or represent a right to payment of principal or interest thereon and shall constitute and represent only the right to the payment of the Purchase Price payable on such date.

3. *Conversion of the Interest Rate Determination Method for the Series 2014\_ Bonds.* The Modal Agreement provides that the Board may change the Interest Rate Determination Method for the Series 2014\_ Bonds, subject to the terms and conditions set forth therein.

4. *Issuance of an Alternate Credit Facility.* The Modal Agreement provides that the Board may arrange for the issuance of an Alternate Credit Facility, subject to the terms and conditions set forth therein.

5. *Optional Redemption.*

(a) *During a Short-Term Rate Period.* During any Daily Rate Period or Weekly Rate Period, the Series 2014\_ Bonds are subject to redemption, at the direction of the Board, in whole or in part on any Business Day at a redemption price equal to the principal amount of the Series 2014\_ Bonds to be redeemed plus accrued interest thereon to, but not including, the redemption date.

During any Flexible Term Rate Period, each of the Series 2014\_ Bonds is subject to redemption, at the direction of the Board, in whole or in part, on any Interest Payment Date applicable to such Series 2014\_ Bond to be redeemed at a redemption price equal to the principal amount of such Series 2014\_ Bond plus accrued interest thereon to, but not including, the redemption date.

(b) *During a Long-Term Rate Period.* During any Long-Term Rate Period, the Series 2014\_ Bonds are subject to redemption, at the direction of the Board, in whole or in part, on any Business Day occurring on or after the First Day of Redemption Period as described below, at a redemption price (expressed as a percentage of principal amount) plus accrued interest thereon to, but not including, the redemption date as follows: [*revise for term of Series 2014\_ Bonds*]

LENGTH OF LONG-TERM RATE PERIOD FROM CONVERSION DATE UNTIL END OF RATE PERIOD (EXPRESSED IN YEARS)	FIRST DAY OF REDEMPTION PERIOD	REDEMPTION PRICE
More than 15	10th anniversary of Conversion Date	100%
More than 10 but not more than 15	7th anniversary of Conversion Date	100%
More than 5 but not more than 10	4th anniversary of Conversion Date	100%
5 or less	Bonds not redeemable pursuant to this paragraph	N/A

6. *Mandatory Sinking Fund Redemption.* The Series 2014\_ Bonds are subject to mandatory redemption prior to maturity through the application of sinking fund payments, in Authorized Denominations, selected by the Bond Registrar, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the date fixed for redemption, on April 1 in each of the years and in the respective principal amounts as provided in the Modal Agreement.

The principal amounts of Series 2014\_ Bonds to be redeemed or paid on each date through mandatory sinking fund redemption may be reduced through the earlier optional redemption thereof, with any partial optional redemption of Series 2014\_ Bonds being credited against such future mandatory sinking fund requirements as determined by the Board, with written notice of such determination to be given to the Bond Registrar and to the Bank, in connection with Series 2014\_ Bonds in a Direct Purchase Period.

7. *Notice of Redemption.* Notice of redemption shall be mailed by the Bond Registrar by first-class mail, postage prepaid, at least 30 days before the redemption date to each Owner of the Series 2014\_ Bonds to be redeemed in whole or in part at his or her last address appearing on the Bond Register, but no defect in or failure to give such notice of redemption shall affect the validity of the proceedings for the redemption of the Series 2014\_ Bonds. A notice of optional redemption shall describe whether and the conditions under which the call for redemption shall be revoked. All Bonds properly called for redemption will cease to bear interest on the date fixed for redemption, provided funds sufficient for their redemption have been duly deposited with the Bond Registrar pursuant to the Modal Agreement and, thereafter, the Owners of such Series 2014\_ Bonds called for redemption shall have no rights in respect thereof except to receive payment of the redemption price from the Bond Registrar and a new Bond for any portion not redeemed.

8. *Miscellaneous.* Modifications or alterations to the Modal Agreement or the Credit Facility may be made only to the extent and in the circumstances permitted by the Modal Agreement.

The Bond Resolution provides that the Board may prepay or provide for the payment of the entire indebtedness of all Outstanding Bonds, any series of Bonds or any portion thereof, by depositing with the Bond Registrar moneys and/or Government Obligations in an amount, together with the income or increment to accrue thereon, sufficient to pay or redeem all such Bonds. In such case, the liability of the Board in respect of such Bonds shall continue but the Owners thereof shall thereafter be entitled to payment only out of the moneys and/or Government Obligations deposited with the Bond Registrar. Upon such deposit, such Bonds of such series or any such portion thereof shall cease to be entitled to any lien, benefit or security under the Bond Resolution. The Board shall remain the obligor on such Bonds of such series, or any such portion thereof, but the Owners thereof shall be entitled to payment (to the exclusion of all other Owners of Series 2014\_ Bonds) solely out of such cash and funds received from such Government Obligations.

Reference is hereby made to the Bond Resolution and the Modal Agreement for a more complete description of the nature and extent of the security, the rights of the Owners of the Bonds and the terms and conditions upon which the Bonds are, and are to be issued and secured, to all the provisions of which Bond Resolution, each Owner by the acceptance hereof assents.

With the consent of the Board and to the extent permitted by and as provided in the Bond Resolution, the terms and provisions of the Bond Resolution, or of any instrument supplemental thereto, may be modified or altered by the assent or authority of the Owners of at least a majority in aggregate original principal amount of the Bonds then Outstanding thereunder.

This Series 2014\_ Bond does not constitute an obligation of the State of Illinois within the meaning or application of any Constitutional or statutory limitation or provision, and the Owner thereof shall never have the right to demand payment of this Series 2014\_ Bond or interest hereon out of any funds other than the revenues and income pledged for payment thereof.

It is hereby certified and recited that all conditions, acts and things required by law to exist or to be done precedent to and in the issuance of this Series 2014\_ Bond did exist, have happened, been done and performed in regular and due form and time as required by law; and that the amount of this Series 2014\_ Bond, and the series of which it is one, and the total authorized issue of Series 2014\_ Bonds, do not exceed any limit prescribed by the Constitution or statutes of the State of Illinois.

This Series 2014\_ Bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Bond Registrar.

IN WITNESS WHEREOF, The Board of Trustees of the University of Illinois has caused this Series 2014\_ Bond to be executed by the manual or facsimile signatures of its President and two of its members, its corporate seal or a facsimile thereof to be impressed or imprinted hereon, and attested by the Secretary by her manual or facsimile signature, all as of the Dated Date identified above.

THE BOARD OF TRUSTEES OF THE UNIVERSITY  
OF ILLINOIS

\_\_\_\_\_  
Member

\_\_\_\_\_  
President

\_\_\_\_\_  
Member

\_\_\_\_\_  
Secretary

(SEAL)



**CERTIFICATE OF AUTHENTICATION**

This Series 2014\_ Bond is one of the Series 2014\_ Bonds issued under the provisions of the within-mentioned Modal Agreement.

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

By: \_\_\_\_\_  
Authorized Officer

Dated: \_\_\_\_\_, 20\_\_

**ASSIGNMENT**

FOR VALUE RECEIVED, the undersigned sells, assigns, and transfers unto \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
(Please Print or Typewrite Name and Address of Assignee)

the within Series 2014\_ Bond and does hereby irrevocably constitute and appoint \_\_\_\_\_ attorney-in-fact, to transfer the said Series 2014\_ Bond on the Bond Register with full power of substitution in the premises.

Dated: \_\_\_\_\_

NOTICE: The signature on this Assignment must correspond with the name as it appears upon the face of the within-mentioned Series 2014\_ Bond in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed

By: \_\_\_\_\_

NOTICE: Signature(s) must be guaranteed by a member firm of the STAMP, SEMP or MSP signature guaranty medallion program.

**EXHIBIT B**

**BOND FORM – INDEX INTEREST RATE**

**THIS SERIES 2014\_ BOND MAY NOT BE TRANSFERRED EXCEPT IN ACCORDANCE WITH SECTION 2.11 OF THE MODAL AGREEMENT AND AS PROVIDED HEREIN.**

REGISTERED  
NO. \_\_\_\_\_

REGISTERED  
\$ \_\_\_\_\_

**UNITED STATES OF AMERICA  
STATE OF ILLINOIS  
THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ILLINOIS  
UNIVERSITY OF ILLINOIS**

**VARIABLE RATE DEMAND AUXILIARY FACILITIES SYSTEM REVENUE BOND, SERIES 2014\_**

INTEREST RATE	MATURITY DATE	ISSUE DATE
AS STATED BELOW	April 1, 20__	[_____]

REGISTERED OWNER: \_\_\_\_\_

PRINCIPAL AMOUNT: \$ \_\_\_\_\_

THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ILLINOIS (the “*Board*”), a body corporate created and existing under the laws of the State of Illinois, hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns (each, an “*Owner*”), upon surrender hereof at a designated office of The Bank of New York Mellon Trust Company, N.A., Chicago, Illinois, as bond registrar and paying agent (the “*Bond Registrar*”), on the Maturity Date specified above, unless redeemed prior thereto, the principal amount specified above (the “*Principal Amount*”), together with interest thereon at the rates determined as set forth herein from the Issue Date specified above, but only from the sources and in the manner hereinafter provided on the first Business Day of each calendar month and on each Conversion Date (each, an “*Interest Payment Date*”) until the principal hereof is paid or duly provided for upon redemption or maturity. Payment of the principal of and interest on this Series 2014\_ Bond shall be made in lawful money of the United States of America which on the respective dates of payment thereof shall be legal tender for the payment of public and private debts. The Board and the Bond Registrar have agreed that all amounts payable to the Owner with respect to any Series 2014\_ Bond held by the Owner shall be made to the Owner (without any presentment thereof, except upon payment of the final installment of principal, and without any notation of such payment being made thereon) in such manner or at such address in the United States of America as may be designated by the Owner in writing to the Bond Registrar and the Board. While this Series 2014\_ Bond is subject to a Direct Purchase Period, partial payments of the principal of this Series 2014\_ Bond may be noted on the Table of Partial Redemptions attached hereto in lieu of surrendering this Series 2014\_ Bond in connection with such payment. Interest on this Series 2014\_ Bond shall be computed on the basis of a 365-day

year (366 days in a leap year) for the actual days elapsed during any SIFMA Index Rate Period and a 360-day year for the actual days elapsed during any LIBOR Index Rate Period or Amortization Period. In any case where the date of maturity of interest on or principal of this Series 2014\_ Bond or the date fixed for redemption of this Series 2014\_ Bond shall not be a Business Day, then payment of such interest or principal need not be made on such date but shall be made on the next succeeding Business Day, with the same force and effect as if made on the date of maturity or the date fixed for redemption, and, in the case of such payment, no interest shall accrue for the period from and after such date.

This Series 2014\_ Bond is one of a duly authorized series of \$\_\_\_\_\_ principal amount of the Series 2014\_ Bonds (the "*Series 2014\_ Bonds*") of The Board of Trustees of the University of Illinois (the "*Board*"), issued or to be issued, pursuant to a Bond Resolution of the Board duly adopted September 20, 1984, as supplemented (said Bond Resolution as so supplemented being herein referred to as the "*Bond Resolution*") for the purpose of improving certain facilities which are part of, and constructing or acquiring certain new facilities which will become part of, the University of Illinois Auxiliary Facilities System (the "*System*"), all under and pursuant to the University of Illinois Revenue Bond Financing Act for Auxiliary Facilities, as amended, and the Bond Resolution, to which Bond Resolution reference is hereby made for a statement of the funds and revenues from which this Series 2014\_ Bond and the issue of which it is a part are payable and the conditions and restrictions pursuant to which outstanding bonds on a parity herewith have been issued and future additional bonds on a parity herewith may be issued (such parity bonds being collectively the "*Parity Bonds*"), and pursuant to which this Series 2014\_ Bond has been issued and future Parity Bonds may be issued. All capitalized terms not defined herein shall have the meanings assigned to them in the Bond Resolution or in the hereinafter defined Modal Agreement.

All of the Bonds are equally and ratably secured by said pledge and lien without priority or preference one over the other by reason of series designation, denomination, number, maturity, date or terms of redemption prior to maturity, date of sale or delivery or otherwise. Certain Parity Bonds heretofore issued, specifically the Series 1991 Bonds, are further secured, and Parity Bonds that may be issued by the Board in the future may be secured, by income received from, and funds on deposit in, the Debt Service Reserve Fund. The Series 2014\_ Bonds are not secured by nor payable from any income received from, or funds on deposit in, the Debt Service Reserve Fund.

The Series 2014\_ Bonds are issuable as fully registered Bonds in the principal amount of \$250,000 and multiples of \$5,000 in excess thereof (an "*Authorized Denomination*"). This Series 2014\_ Bond, upon surrender hereof at the designated office of the Bond Registrar with a written instrument of transfer satisfactory to the Bond Registrar executed by the Owner hereof or his or her attorney duly authorized in writing, may, at the option of the Owner hereof, be exchanged for an equal aggregate principal amount of Series 2014\_ Bonds of the same aggregate principal amount and tenor as the Bond being exchanged and of any Authorized Denomination. This Series 2014\_ Bond may be registered as transferred as provided in the Modal Agreement, subject to certain limitations therein contained, only upon the Bond Register, and only upon surrender of this Series 2014\_ Bond for registration of transfer to the Bond Registrar accompanied by a written instrument of transfer (in substantially the form of the assignment

attached hereto) duly executed by the Owner hereof or his or her duly authorized attorney. Thereupon, one or more new Bonds of any Authorized Denomination and in the same aggregate principal amount and tenor as the Bond surrendered (or for which registration of transfer has been effected) will be issued to the designated transferee or transferees.

The Board has covenanted in the Bond Resolution that it will keep and perform all of the covenants and agreements in the Bond Resolution and that it will require and adopt such rules and regulations as are necessary to assure maximum occupancy and use of the System and that the rents, fees, charges and admissions, chargeable to the occupants of, and students, faculty members and others being served by, or having the right to use or having the right to be served by the System and Student Tuition and Fees shall be so fixed and revised from time to time and shall be so collected that the amount of Net Revenues plus Student Tuition and Fees in each Fiscal Year is at least equal to 200 per cent (2.0 times) the Maximum Annual Net Debt Service, as defined in the Bond Resolution.

1. *Interest Rates on Series 2014\_ Bonds.*

(a) *Initial Rate – General.* Interest accrued on this Series 2014\_ Bond shall be paid on each Interest Payment Date (or, if such day is not a Business Day, the next succeeding Business Day) commencing on the first Interest Payment Date following the first Conversion Date. Except as provided further herein, this Series 2014\_ Bond shall bear interest at the [SIFMA Index Rate] [LIBOR Index Rate]; *provided* that the interest rate on this Series 2014\_ Bond shall not exceed the Maximum Lawful Rate. The Index Interest Rate shall be determined as follows:

(A) During each SIFMA Index Rate Period, this Series 2014\_ Bond shall bear interest at the SIFMA Index Rate. The Calculation Agent shall determine the SIFMA Index Rate on each Computation Date during the SIFMA Index Rate Period, and such rate shall become effective on the SIFMA Rate Reset Date next succeeding such Computation Date.

(B) During each LIBOR Index Rate Period, this Series 2014\_ Bond shall bear interest at the LIBOR Index Rate. The Calculation Agent shall determine the LIBOR Index Rate on each Computation Date and such rate shall become effective on the LIBOR Index Reset Date next succeeding such Computation Date, and interest at such rate shall accrue each day during such LIBOR Index Rate Period, commencing on and including the first day of such period to but excluding the last day of such period.

(b) *Interest Rate Upon Event of Default.* Notwithstanding the foregoing but subject to the interest rate limitations set forth in the Modal Agreement and in paragraph 1(a) above, upon the occurrence and continuation of an Event of Default, from and after the effective date of such Event of Default, the interest rate for this Series 2014\_ Bond shall be established at a rate at all times equal to the interest rate that otherwise would be applicable to this Series 2014\_ Bond.

The determination of any Index Interest Rate by the Calculation Agent shall be conclusive and binding upon the Board, the Bond Registrar, the Remarketing Agent, if any, and the Owner absent manifest error.

2. *Tender of Series 2014\_ Bonds for Purchase.*

(a) *Certain Required Tenders for Purchase.* This Series 2014\_ Bond is subject to mandatory tender for purchase as provided in the Modal Agreement on any Mandatory Purchase Date (e.g., any proposed Conversion Date, a Bank Purchase Date and certain dates designated by the Owner or the Board) at the Purchase Price thereof.

(b) *Bonds Deemed Tendered.* If, with respect to a Mandatory Purchase Date, an Owner fails to deliver such Series 2014\_ Bond to the Bond Registrar on or before the Mandatory Purchase Date, as required, then such Series 2014\_ Bond (or portion thereof) that is not delivered to the Bond Registrar shall be deemed to have been properly tendered (such Series 2014\_ Bond being hereinafter referred to as an “*Untendered Bond*”) and, to the extent that there shall be on deposit with the Bond Registrar on the date purchase thereof is required as provided in the Modal Agreement, an amount sufficient to pay the Purchase Price thereof, such Untendered Bond shall cease to constitute or represent a right to payment of principal or interest thereon and shall constitute and represent only the right to the payment of the Purchase Price payable on such date.

(c) [Describe applicable Continuing Covenant Agreement provisions regarding mandatory tender on mandatory purchase date and any accelerated amortization if such Series 2014\_ Bonds are held by the Bank and not remarketed.]

3. *Conversion of the Interest Rate Determination Method for the Series 2014\_ Bonds.* The Modal Agreement provides that the Board may change the Interest Rate Determination Method for the Series 2014\_ Bonds, subject to the terms and conditions set forth therein.

4. *Optional Redemption.* Subject to any limitations set forth in the Continuing Covenant Agreement, the Series 2014\_ Bonds are subject to redemption, at the direction of the Board, in whole or in part, on any Interest Payment Date at a redemption price equal to the principal amount of the Series 2014\_ Bonds to be redeemed plus accrued interest thereon to, but not including, the redemption date.

5. *Mandatory Sinking Fund Redemption.* The Series 2014\_ Bonds are subject to mandatory redemption prior to maturity through the application of sinking fund payments, in Authorized Denominations, selected by the Bond Registrar, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the date fixed for redemption, on April 1 in each of the years and in the respective principal amounts as provided in the Modal Agreement. The principal amounts of Series 2014\_ Bonds to be redeemed or paid on each date through mandatory sinking fund redemption may be reduced through the earlier optional redemption thereof, with any partial optional redemption of Series 2014\_ Bonds being credited against such

future mandatory sinking fund requirements as determined by the Board, with written notice of such determination to be given to the Bond Registrar.

6. *Notice of Redemption.* During any Index Interest Rate Period, the Board shall exercise its option to prepay Repayments (and thereby cause a redemption of Series 2014\_ Bonds) by giving written notice to the Remarketing Agent, if any, the Bond Registrar and the Bank not less than 45 days prior to the date selected for redemption; *provided, however,* that, if such redemption is pursuant to paragraph 4 above, the Board shall also deliver a certificate of a Board Representative certifying that the conditions precedent to such redemption have been met and that any conditions to such redemption set forth in the Continuing Covenant Agreement have been met. On a date no later than the date fixed for redemption in such notice, the Board shall pay to the Owner moneys in an amount sufficient, together with other moneys, if any, held by the Owner and available for the redemption of this Series 2014\_ Bond, to redeem this Series 2014\_ Bond at the redemption price set forth above.

7. *Miscellaneous.* The Bond Resolution provides that the Board may prepay or provide for the payment of the entire indebtedness of all Outstanding Bonds, any series thereof or any portion thereof, by depositing with the Bond Registrar moneys and/or Government Obligations in an amount, together with the income or increment to accrue thereon, sufficient to pay or redeem all such Bonds. In such case, the liability of the Board in respect of such refunded Bonds shall continue but the Owners thereof shall thereafter be entitled to payment only out of the moneys and/or Government Obligations deposited with the Bond Registrar. Upon such deposit, such Bonds of such series or any such portion thereof shall cease to be entitled to any lien, benefit or security under the Bond Resolution. The Board shall remain the obligor on such Bonds of such series, or any such portion thereof, but the Owners thereof shall be entitled to payment (to the exclusion of all other Owners of Series 2014\_ Bonds) solely out of such cash and funds received from such Government Obligations.

Reference is hereby made to the Bond Resolution and the Modal Agreement for a more complete description of the nature and extent of the security, the rights of the Owners of the Bonds and the terms and conditions upon which the Bonds are, and are to be issued and secured, to all the provisions of which Bond Resolution, each Owner by the acceptance hereof assents.

With the consent of the Board and to the extent permitted by and as provided in the Bond Resolution, the terms and provisions of the Bond Resolution, or of any instrument supplemental thereto, may be modified or altered by the assent or authority of the Owners of at least a majority in aggregate original principal amount of the Bonds then Outstanding thereunder.

This Series 2014\_ Bond does not constitute an obligation of the State of Illinois within the meaning or application of any Constitutional or statutory limitation or provision, and the Owner thereof shall never have the right to demand payment of this Series 2014\_ Bond or interest hereon out of any funds other than the revenues and income pledged for payment thereof.

The Board and the Bond Registrar have agreed that the Bank shall record each payment of principal on the Table of Partial Redemptions attached hereto. During any Direct Purchase Period, if this Series 2014\_ Bond is sold or transferred, the Owner shall notify the Bond

Registrar and the Board in writing of the name and address of the transferee, and it will, prior to delivery of this Series 2014\_ Bond, make a notation on this Series 2014\_ Bond of the date to which interest has been paid thereon and of the amount of any prepayments made on account of the principal thereof.

This Series 2014\_ Bond is transferable only to a Person:

- (a) that is an affiliate of \_\_\_\_\_;
- (b) that is a trust or other custodial arrangement established by \_\_\_\_\_ or one of its affiliates, the owners of any beneficial interest in which are limited to qualified institutional buyers as defined in Rule 144A promulgated under the 1933 Act; or
- (c) that is a qualified institutional buyer and a commercial bank having capital and surplus of \$5,000,000,000 or more who executes an investor letter substantially in the form of *Exhibit F* to the Modal Agreement.

It is hereby certified and recited that all conditions, acts and things required by law to exist or to be done precedent to and in the issuance of this Series 2014\_ Bond did exist, have happened, been done and performed in regular and due form and time as required by law; and that the amount of this Series 2014\_ Bond, and the series of which it is one, and the total authorized issue of Series 2014\_ Bonds, do not exceed any limit prescribed by the Constitution or statutes of the State of Illinois.

This Series 2014\_ Bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Bond Registrar.

IN WITNESS WHEREOF, The Board of Trustees of the University of Illinois has caused this Series 2014\_ Bond to be executed by the manual or facsimile signatures of its President and two of its members, its corporate seal or a facsimile thereof to be impressed or imprinted hereon, and attested by the Secretary by her manual or facsimile signature, all as of the Dated Date identified above.

THE BOARD OF TRUSTEES OF THE UNIVERSITY  
OF ILLINOIS

\_\_\_\_\_  
Member

\_\_\_\_\_  
President

\_\_\_\_\_  
Member

\_\_\_\_\_  
Secretary

(SEAL)





**CERTIFICATE OF AUTHENTICATION**

This Series 2014\_ Bond is one of the Series 2014\_ Bonds issued under the provisions of the within-mentioned Modal Agreement.

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

By: \_\_\_\_\_  
Authorized Representative

Dated: \_\_\_\_\_, 20\_\_

**ASSIGNMENT**

FOR VALUE RECEIVED, the undersigned sells, assigns, and transfers unto \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
(Please Print or Typewrite Name and Address of Assignee)

the within Series 2014\_ Bond and does hereby irrevocably constitute and appoint \_\_\_\_\_ attorney-in-fact, to transfer the said Series 2014\_ Bond on the Bond Register with full power of substitution in the premises.

Dated: \_\_\_\_\_

NOTICE: The signature on this Assignment must correspond with the name as it appears upon the face of the within-mentioned Series 2014\_ Bond in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed

By: \_\_\_\_\_

NOTICE: Signature(s) must be guaranteed by a member firm of the STAMP, SEMP or MSP signature guaranty medallion program.

**TABLE OF PARTIAL REDEMPTIONS**

Upon all partial redemptions (whether optional, mandatory or otherwise) the above Series 2014\_ Bond may be surrendered to the Bond Registrar for the appropriate notation by it on the table below or the Holder may make such notation itself. The Bond Registrar's records relating to the outstanding principal amount of Series 2014\_ Bonds shall in all cases prevail absent manifest error.

DATE	AMOUNT REDEEMED	REMAINING UNPAID PRINCIPAL AMOUNT	SIGNATURE OF HOLDER OR BOND REGISTRAR
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[End of Form of Series 2014\_ Bond]

## EXHIBIT C

### NOTICE OF CONVERSION DATE

[Name and Address of Holder]

This Notice of Conversion Date is delivered pursuant to that certain Modal Agreement dated as of \_\_\_\_\_, 2014 (the “*Modal Agreement*”), between The Board of Trustees of the University of Illinois (the “*Board*”) and The Bank of New York Mellon Trust Company, N.A., as bond registrar and paying agent (the “*Bond Registrar*”), relating to the University of Illinois Variable Rate Demand Auxiliary Facilities System Revenue Bonds, Series 2014\_, of the Board (the “*Series 2014\_ Bonds*”). You are hereby notified that:

1. The Board has elected to change the Interest Rate Determination Method pertaining to the Series 2014\_ Bonds to a new Interest Rate Determination Method (or the interest rate applicable during a Medium-Term Rate Period to a new interest rate during a new Medium-Term Rate Period, or from an Index Interest Rate Period to a new Index Interest Rate Period).

2. The proposed Conversion Date shall be \_\_\_\_\_.

3. As a result of the proposed conversion, a Mandatory Purchase Date, as defined in the Modal Agreement, shall occur and the Series 2014\_ Bonds shall be subject to mandatory tender for purchase at the Purchase Price thereof, as defined in the Modal Agreement.

4. If certain conditions set forth in the Modal Agreement are not satisfied or if the conversion is revoked, the Interest Rate Determination Method shall not be changed.

5. All Series 2014\_ Bonds should be presented to the Bond Registrar at [\_\_\_\_\_].

6. Holders have no right to retain Bonds subject to mandatory tender. [The Series 2014\_ Bonds will be remarketed by Wells Fargo Bank, National Association, as Remarketing Agent. Holders interested in repurchasing Bonds on the Conversion Date may contact the Remarketing Agent at [\_\_\_\_\_].]

7. The consent of the Bank, if applicable, required by the Modal Agreement is attached hereto as Exhibit 1.

8. All capitalized terms not otherwise defined herein shall have the meaning given to such terms in the Modal Agreement.

Very truly yours,

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

By: \_\_\_\_\_

## EXHIBIT D

### NOTICE OF CREDIT MODIFICATION DATE

[Name and Address of Holder]

This Notice of Credit Modification Date is delivered pursuant to that certain Modal Agreement dated as of \_\_\_\_\_, 2014 (the “*Modal Agreement*”), between The Board of Trustees of the University of Illinois (the “*Board*”) and The Bank of New York Mellon Trust Company, N.A., as bond registrar and paying agent (the “*Bond Registrar*”), relating to the University of Illinois Variable Rate Demand Auxiliary Facilities System Revenue Bonds, Series 2014\_, of the Board (the “*Series 2014\_ Bonds*”). You are hereby notified that:

1. The undersigned is Bond Registrar under the Modal Agreement.
2. A Credit Modification Date, as defined in the Modal Agreement, shall occur on \_\_\_\_\_, 20\_\_ and the Series 2014\_ Bonds shall be subject to mandatory tender for purchase at the Purchase Price thereof, as defined in the Modal Agreement.
3. [The Board intends to deliver an Alternate Credit Facility issued by \_\_\_\_\_ on the Credit Modification Date. Upon acceptance by the Bond Registrar of the Alternate Credit Facility, [the ratings on the Series 2014\_ Bonds from \_\_\_\_\_ are anticipated to be \_\_\_\_\_/the Series 2014\_ Bonds are not expected to be rated]. If certain conditions set forth in the Modal Agreement are not satisfied, the Bond Registrar shall not accept the Alternate Credit Facility.] [Pursuant to Section 3.01(g) of the Modal Agreement, the Board intends to cancel the Credit Facility currently in effect on \_\_\_\_\_, 20\_\_, necessitating the mandatory tender on the Credit Modification Date, which occurs two Business Days prior to such date of cancellation.]
4. All Series 2014\_ Bonds should be presented to the Bond Registrar at [\_\_\_\_\_].
5. Holders have no right to retain Series 2014\_ Bonds subject to mandatory tender. [The Series 2014\_ Bonds will be remarketed by Wells Fargo Bank, National Association, as Remarketing Agent. Holders interested in repurchasing Bonds on the Credit Modification Date may contact the Remarketing Agent at [\_\_\_\_\_].]
6. All capitalized terms not otherwise defined herein shall have the meaning given to such terms in the Modal Agreement.

Very truly yours,

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

By: \_\_\_\_\_



## EXHIBIT E

### NOTICE OF MANDATORY PURCHASE DATE

[Name and Address of Holder]

This Notice of Mandatory Purchase Date is delivered pursuant to that certain Modal Agreement dated as of \_\_\_\_\_, 2014 (the “*Modal Agreement*”), between The Board of Trustees of the University of Illinois (the “*Board*”) and The Bank of New York Mellon Trust Company, N.A., as bond registrar and paying agent (the “*Bond Registrar*”), relating to the University of Illinois Variable Rate Demand Auxiliary Facilities System Revenue Bonds, Series 2014\_, of the Board (the “*Series 2014\_ Bonds*”). You are hereby notified that:

1. The undersigned is Bond Registrar under the Modal Agreement.
2. [The Board, with the consent of the Credit Provider, has designated \_\_\_\_\_, 20\_\_ as a Mandatory Purchase Date.] [The Credit Provider has notified the Bond Registrar that an event of default under the Reimbursement Agreement has occurred and is continuing and has requested that the Series 2014\_ Bonds be required to be tendered for purchase. Under the terms of the Modal Agreement, \_\_\_\_\_, 20\_\_ has been designated as a Mandatory Purchase Date.] [The Bank has notified the Board that the Board is required to purchase the Series 2014\_ Bonds at the Purchase Price on a Bank Purchase Date. Under the terms of the Modal Agreement, \_\_\_\_\_, 20\_\_ has been designated as a Mandatory Purchase Date and Bank Purchase Date.] [The Bank has notified the Bond Registrar that an event of default under the Continuing Covenant Agreement has occurred and is continuing and has requested that the Series 2014\_ Bonds be required to be tendered for purchase. Under the terms of the Modal Agreement, \_\_\_\_\_, 20\_\_ has been designated as a Mandatory Purchase Date.] The Series 2014\_ Bonds are subject to mandatory tender for purchase at the Purchase Price thereof, as defined in the Modal Agreement, on such date.
3. All Series 2014\_ Bonds should be presented to the Bond Registrar at [\_\_\_\_\_].
4. Holders have no right to retain Series 2014\_ Bonds subject to mandatory tender. [The Series 2014\_ Bonds will be remarketed by Wells Fargo Bank, National Association, as Remarketing Agent. Holders interested in repurchasing Bonds on the Mandatory Purchase Date may contact the Remarketing Agent at [\_\_\_\_\_].]
5. All capitalized terms not otherwise defined herein shall have the meaning given to such terms in the Modal Agreement.

Very truly yours,

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

By: \_\_\_\_\_

**EXHIBIT F**

**FORM OF INVESTOR LETTER**

\_\_\_\_\_, 20\_\_

[ADDRESSEES]

\$ \_\_\_\_\_

The Board of Trustees of the University of Illinois  
University of Illinois  
Variable Rate Demand Auxiliary Facilities System  
Revenue Bonds, Series 2014\_

Ladies and Gentlemen:

[PURCHASER] (“*Purchaser*”) has agreed to purchase the above-referenced bonds (the “*Series 2014\_ Bonds*”) in the amount of \$ \_\_\_\_\_ which were issued in the original aggregate principal amount of \$ \_\_\_\_\_ by The Board of Trustees of the University of Illinois (the “*Board*”) bearing the \_\_\_\_\_ Index Rate as set forth in the Modal Agreement dated as of \_\_\_\_\_, 2014 (the “*Modal Agreement*”), between the Board and The Bank of New York Mellon Trust Company, N.A., as bond registrar and paying agent (the “*Bond Registrar*”). All capitalized terms used herein, but not defined herein, shall have the respective meanings set forth in the Modal Agreement. The undersigned, an authorized representative of the Purchaser, hereby represents to you that:

1. The Purchaser has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by the purchase of the Series 2014\_ Bonds.

2. The Purchaser has authority to purchase the Series 2014\_ Bonds and to execute this letter and any other instruments and documents required to be executed by the Purchaser in connection with the purchase of the Series 2014\_ Bonds.

3. The undersigned is a duly appointed, qualified and acting representative of the Purchaser and is authorized to cause the Purchaser to make the certifications, representations and warranties contained herein by execution of this letter on behalf of the Purchaser.

4. The Purchaser is (a) an affiliate of \_\_\_\_\_, (b) a trust or other custodial arrangement established by \_\_\_\_\_ or one of its affiliates, the owners of the beneficial interests in which are limited to “qualified institutional buyers” as defined in Rule 144A promulgated under the Securities Act of 1933, as amended or (c) a qualified institutional buyer that is a commercial bank with capital and surplus of \$5,000,000,000 or more and is able to bear the economic risks of such investment.

5. The Purchaser understands that no official statement, prospectus, offering circular, or other comprehensive offering statement is being provided with respect to the Series 2014\_ Bonds. The Purchaser has made its own inquiry and analysis with respect to the Board, the Project, the Series 2014\_ Bonds and the security therefor, and other material factors affecting the security for and payment of the Series 2014\_ Bonds.

6. The Purchaser acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, regarding the Board, to which a reasonable investor would attach significance in making investment decisions, and has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Board, the Project, the Series 2014\_ Bonds and the security therefor, so that as a reasonable investor, it has been able to make its decision to purchase the Series 2014\_ Bonds.

7. The Purchaser understands that the Series 2014\_ Bonds (i) are not registered under the 1933 Act and are not registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state, (ii) are not listed on any stock or other securities exchange, and (iii) carry no rating from any credit rating agency.

8. The Series 2014\_ Bonds are being acquired by the Purchaser for investment for its own account and not with a present view toward resale or distribution; provided, however, that the Purchaser reserves the right to sell, transfer or redistribute the Series 2014\_ Bonds, but agrees that any such sale, transfer or distribution by the Purchaser shall be to a Person:

(a) that is an affiliate of \_\_\_\_\_;

(b) that is a trust or other custodial arrangement established by \_\_\_\_\_ or one of its affiliates, the owners of any beneficial interest in which are limited to qualified institutional buyers; or

(c) that is a qualified institutional buyer and a commercial bank with capital and surplus of \$5,000,000,000 or more and who executes an investor letter substantially in the form of this letter.

[PURCHASER]

By \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_