

CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT (the “Agreement”) is executed and delivered by The Board of Trustees of the University of Illinois (the “Board”) in connection with the issuance by the Board of its \$ _____ University of Illinois Auxiliary Facilities System Revenue Bonds, Series 2014A (the “Series 2014A Bonds”) and its \$ _____ University of Illinois Auxiliary Facilities System Revenue Bonds, Series 2014B (Taxable) (the “Series 2014B Bonds”) and, together with the Series 2014A Bonds, “Series 2014AB Bonds”). The Series 2014AB Bonds are being issued pursuant to a Resolution of the Board approved September 20, 1984, as supplemented and amended (the “Bond Resolution”). The Board covenants, undertakes and agrees as follows:

1 Purpose of the Agreement

- . This Agreement is being executed and delivered by the Board for the benefit of registered and beneficial owners of the Series 2014AB Bonds and in order to assist the Participating Underwriters (as defined below) in complying with the Rule (as defined below). The Board represents that it will be the only “obligated person” with respect to the Series 2014AB Bonds within the meaning of the Rule. As required by the Rule, this Agreement is enforceable by registered and beneficial owners of the Series 2014AB Bonds, as further provided in Section 10 of this Agreement.

2 Definitions

- . Initially capitalized terms used but not otherwise defined in this Agreement have the same meanings given them in the Bond Resolution. In addition, the following terms have the following meanings:

“Board Annual Report” means the annual report of the Board described in Section 3 below.

“EMMA” means the Electronic Municipal Market Access system established by the MSRB.

“MSRB” means the Municipal Securities Rulemaking Board.

“Participating Underwriters” means any of the original purchasers of the Series 2014AB Bonds required to comply with the Rule in connection with the offering of the Series 2014AB Bonds.

“Rule” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission (“SEC”) under the Securities Exchange Act of 1934, as the same may be amended from time to time (“1934 Act”).

“Significant Event(s)” means anyone or more of the events described in Section 5 hereof

“State” means the State of Illinois.

3 Board Annual Report

. Within 180 days after each fiscal year of the Board, commencing with the fiscal year ended June 30, 2014, the Board shall provide to the MSRB through EMMA certain financial information and operating data (the “Board Annual Report”), which shall contain:

3.1 Financial information and operating data relating to the Board updating the financial information and operating data presented in the Official Statement under the following captions (provided, however, that the updating information may be provided in such format as the Board deems appropriate):

“AUXILIARY FACILITIES SYSTEM

- Housing Occupancy Rates,” and

- Statement of Revenues, Expenses and Changes in Net Position of the Auxiliary Facilities System,” and

“THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ILLINOIS

- Financial Aid to Students,”

- Financial Condition of the University,”

- Physical Plant,”

- Student Admissions,”

- Student Enrollment,”

- Tuition and Fees,”

- University and Foundation Investments,”

- Voluntary Support,” and

- 2014 Budget and State Appropriations.”

3.2 Audited financial statements of the Board and the System for the most recently ended fiscal year, prepared in conformity with U.S. generally accepted accounting principles and audited in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in “Government Auditing Standards” issued by the Comptroller General of the United States. The Board may from time to time, in order to comply with Federal or State legal requirements, modify the basis upon which its financial statements are prepared. Notice of any such modification shall be provided to the MSRB through EMMA and shall include a reference to the specific Federal or State law or regulation describing such accounting basis.

If audited financial statements are not available by the 180th day after the end of the applicable fiscal year, then they shall be provided when available, and unaudited financial statements shall be filed in place of audited financial statements by such date. If the Board changes its fiscal year, the Board shall send, or cause to be sent, notice of such change to the MSRB through EMMA.

If the Board does not provide the Board Annual Report by the date required in Section 3 to the parties described therein, the Board shall send a notice to such effect, in a timely manner, to the MSRB through EMMA.

If a change is made to the basis on which financial statements are prepared, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. Such comparison shall include a qualitative and, to the extent reasonably feasible, quantitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information.

The Board will also provide, in a timely manner, to the MSRB through EMMA, if any, notice of a failure to satisfy the requirements of this Section.

The Board Annual Report shall be submitted in such manner and format and accompanied by identifying information as is prescribed by the MSRB at the time of delivery of such information. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format.

If any part of the Board Annual Report can no longer be generated because the operations to which it is related have been materially changed or discontinued, the Board will disseminate a statement to such effect as part of the Board Annual Report for the year in which such event first occurs.

If any amendment is made to this Agreement, the Board Annual Report for the year in which such amendment or waiver is made (or in any notice or supplement provided to the MSRB) shall contain a narrative description of the reasons for such amendment and its impact on the type of information being provided.

4 Incorporation by Reference

- . Any or all of the items listed in Section 3 above may be incorporated by reference from other documents, including other official statements of the Board or related public entities, which have been submitted to EMMA or filed with the SEC. If the document incorporated by reference is a final official statement, it must be available via EMMA. The Board shall clearly identify each such other document so incorporated by reference in the Board Annual Report.

5 Reporting of Significant Events

- . The Board will also provide, in a timely manner (not in excess of ten business days after the occurrence thereof) to the MSRB through EMMA, in such manner and format and accompanied by such identifying information as is prescribed by the MSRB at the time of delivery of such information, notice of the occurrence of any of the following events (a “Significant Event”) with respect to the Series 2014AB Bonds:
- 5.1 principal and interest payment delinquencies;
 - 5.2 non-payment related defaults, if material;
 - 5.3 unscheduled draws on debt service reserves reflecting financial difficulties;
 - 5.4 unscheduled draws on credit enhancements reflecting financial difficulties;
 - 5.5 substitution of credit or liquidity providers, or their failure to perform;
 - 5.6 adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability. Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
 - 5.7 modifications to rights of holders of the Series 2014AB Bonds, if material;
 - 5.8 bond calls, if material, and tender offers (other than scheduled mandatory redemptions);
 - 5.9 defeasances;
 - 5.10 release, substitution or sale of property securing repayment of the Series 2014AB Bonds, if material;
 - 5.11 rating changes;
 - 5.12 bankruptcy, insolvency, receivership or similar event of the Board¹;
 - 5.13 the consummation of a merger, consolidation, or acquisition involving the Board or the sale of all or substantially all of the assets of the Board, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

¹ This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or Federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Board.

5.14 appointment of a successor or additional trustee or the change of name of a trustee, if material.

For purposes of this section, materiality is interpreted in accordance with the 1934 Act.

Notwithstanding the foregoing, a notice of optional or unscheduled redemption of any Series 2014AB Bonds or defeasance of any Series 2014AB Bonds need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the holders of the Series 2014AB Bonds pursuant to the Bond Resolution.

6 Management Discussion of Items Disclosed in Board Annual Reports or as Significant Events

- . If any item required to be disclosed in the Board Annual Report under Section 3, or as a Significant Event under Section 5, would be misleading without further discussion, the Board shall additionally provide a statement clarifying the disclosure in order that the statement made will not be misleading in light of the circumstances in which it is made.

7 Termination of Reporting Obligation

- . The Board's obligations under this Agreement will terminate if the Board no longer has any legal liability for any obligation on or relating to repayment of the Series 2014AB Bonds under the Bond Resolution. The Board shall give notice to EMMA in a timely manner if this Section is applicable.

8 Amendment; Waiver

- . Notwithstanding any other provision of this Agreement, the Board may amend this Agreement, and any provision of this Agreement may be waived, if such amendment or waiver (i) is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Board; (ii) is supported by an opinion of counsel expert in federal securities laws acceptable to the Board, to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule or adjudication of the Rule by a final decision of a court of competent jurisdiction; and (iii) the amendment or waiver does not materially impair the interests of holders, as determined either by parties unaffiliated with the issuer or obligated person (such as external counsel), or by approving vote of Bondholders pursuant to the terms of the Bond Resolution.

9 Centralized Post Office

- . Any filing required to be made with the MSRB through EMMA under this Agreement may be made solely through a central post office, government agency or similar entity other than EMMA or in lieu of EMMA (a "CPO") by transmitting such filing to the CPO, provided that (i) such CPO has received interpretive advice or some other approval from the SEC

with respect to its status as a CPO satisfying the requirement of the Rule or (ii) an opinion from counsel has been issued stating that such filing meets the requirements of the Rule.

10 **Additional Information**

- . Nothing in this Agreement shall be deemed to prevent the Board from disseminating any information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Board Annual Report or notice of occurrence of a Significant Event in addition to that which is required by this Agreement. If the Board chooses to include any information from any document or notice of occurrence of a Significant Event in addition to that which is specifically required by this Agreement, the Board shall have no obligation under this Agreement to update such information or include it in any future disclosure or notice of occurrence of a Significant Event.

11 **Default**

- . The intent of the Board's undertaking is to provide on a continuing basis the information described and required in the Rule. In the event of a failure of the Board to comply with any provision of this Agreement, any registered or beneficial owner of Series 2014AB Bonds may take action to compel performance by the Board under this Agreement. A default under this Agreement shall not be deemed a default or event of default under the Bond Resolution, and the sole remedy under this Agreement in the event of any failure of the Board to comply with this Agreement shall be an action to compel performance.

12 **Beneficiaries**

- . This Agreement shall inure solely to the benefit of the Board, the Participating Underwriters and registered and beneficial owners from time to time of the Series 2014AB Bonds, and shall create no rights in any other person or entity.

13 **Governing Law**

- . This Agreement shall be governed by the laws of the State.

IN WITNESS WHEREOF, the Board has executed and delivered this Agreement as of the date first above written.

THE BOARD OF TRUSTEES OF THE UNIVERSITY OF
ILLINOIS

By: _____

Vice President,
Chief Financial Officer and Comptroller

The University of Illinois
414 Administrative Office Building MC-761
1737 West Polk Street
Chicago, Illinois 60612-7224

Dated: _____, 2014

**EXHIBIT I
CUSIP NUMBERS**

Maturity

CUSIP Number