PRELIMINARY OFFICIAL STATEMENT DATED JUNE ___, 2011

BOOK-ENTRY-ONLY

RATINGS:
Moody's: ____
Standard & Poor's: ____
(See "RATINGS," herein)

Subject to compliance by The Board of Trustees of the University of Illinois (the "Board") with certain covenants, in the opinion of Pugh, Jones, Johnson & Quandt, P. C., Chicago, Illinois, Bond Counsel, under present law interest on the Series 2011A Bonds will not be includible in the gross income of the owners thereof for Federal income tax purposes, except to the extent that such interest will be taken into account in computing the corporate alternative minimum tax and the branch profits tax. Interest on the Series 2011A Bonds will not be treated as an item of tax preference in computing the alternative minimum tax for individuals and corporations. Interest on the Series 2011B Bonds is not excludable from gross income for Federal income tax purposes. See the heading "TAX MATTERS" herein for a more detailed discussion of some of the Federal tax consequences of owning the Series 2011 Bonds. The interest on the Series 2011 Bonds is not exempt from present Illinois income taxes.

$___________*
THE BOARD OF TRUSTEES OF
THE UNIVERSITY OF ILLINOIS
UNIVERSITY OF ILLINOIS
AUXILIARY FACILITIES SYSTEM REVENUE
BONDS, SERIES 2011A

$___________*
THE BOARD OF TRUSTEES OF
THE UNIVERSITY OF ILLINOIS
UNIVERSITY OF ILLINOIS
AUXILIARY FACILITIES SYSTEM
REVENUE BONDS, SERIES 2011B (TAXABLE)

Dated: Date of Delivery **Due: April 1, as shown on inside cover**

The University of Illinois Auxiliary Facilities System Revenue Bonds, Series 2011A (the "Series 2011A Bonds") and the University of Illinois Auxiliary Facilities System Revenue Bonds, Series 2011B (Taxable) (the "Series 2011B Bonds" and together with the Series 2011A Bonds, the "Series 2011 Bonds") shall be issued as fully registered Bonds in denominations of $5,000 or any integral multiple thereof and, when issued, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Series 2011 Bonds. Purchases of beneficial interests in the Series 2011 Bonds will be made in book-entry form only. Purchasers of a beneficial interest in the Series 2011 Bonds ("Beneficial Owners") will not receive certificates representing their interests in the Series 2011 Bonds.

Interest on the Series 2011 Bonds is payable on each April 1 and October 1 beginning October 1, 2011. The principal of the Series 2011 Bonds is payable at the designated corporate trust office of The Bank of New York Mellon Trust Company, N.A. (the "Bond Registrar"), or its successor. Interest on the Series 2011 Bonds, together with the principal of the Series 2011 Bonds, will be paid by the Bond Registrar directly to DTC so long as DTC or its nominee is the registered owner of the Series 2011 Bonds. The final disbursements of such payments to the Beneficial Owners will be the responsibility of the DTC participants or indirect participants. See "BOOK-ENTRY ONLY SYSTEM" for more information.

The Series 2011 Bonds are subject to redemption prior to maturity as described herein.

The Series 2011 Bonds and any Parity Bonds (as described herein) are secured by a pledge of and lien on (i) the Net Revenues of the Auxiliary Facilities System (the "System"), (ii) Student Tuition and Fees (subject to prior payment of operating and maintenance expenses of the System, but only to the extent necessary), and (iii) the Bond and Interest Sinking Fund Account.

Proceeds of the Series 2011 Bonds will be used to (i) pay a part of the costs of various improvements and additions to the System, (ii) currently refund certain outstanding obligations of the Board, (iii) pay capitalized interest on the Series 2011 Bonds and (iv) pay costs of issuing the Series 2011 Bonds. See "PLAN OF FINANCE" and "ESTIMATED SOURCES AND USES OF FUNDS," herein.

THE SERIES 2011 BONDS WILL BE SPECIAL, LIMITED OBLIGATIONS OF THE BOARD AND WILL BE PAYABLE ONLY FROM SOURCES DESCRIBED HEREIN. THE SERIES 2011 BONDS ARE NOT OBLIGATIONS, GENERAL, SPECIAL OR OTHERWISE, OF THE STATE OF ILLINOIS. THE SERIES 2011 BONDS SHALL NOT CONSTITUTE A DEBT, LEGAL OR MORAL, OF THE STATE OF ILLINOIS, AND SHALL NOT BE ENFORCEABLE OUT OF ANY FUNDS OF THE BOARD, OR OF THE UNIVERSITY, OTHER THAN THE REVENUES AND INCOME PLEDGED FOR PAYMENT THEREOF. THE BOARD HAS NO TAXING POWER.

The Series 2011 Bonds are offered when, as and if issued and received by the Underwriters, subject to prior sale, withdrawal or modification of the offer without notice, to the approval of legality of the Series 2011 Bonds by Pugh, Jones, Johnson & Quandt, P.C., Chicago, Illinois, Bond Counsel, and to certain other conditions. Certain legal matters will be passed upon for the Board by University Counsel, Thomas R. Bearrows, Esq., and its special issuer's counsel, Perkins Coie LLP, Chicago, Illinois, and for the Underwriters by their counsel, Ungaretti & Harris LLP, Chicago, Illinois. Scott Balice Strategies, LLC is serving as financial advisor to the Board. It is expected that the Series 2011 Bonds will be available for delivery through DTC on or about July __, 2011.

BARCLAYS CAPITAL

CABRERA CAPITAL MARKETS

The date of this Official Statement is June __, 2011.

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* Preliminary, subject to change.

Auxiliary Facilities System Revenue Bonds, Series 2011A
Maturities, Principal Amounts, Interest Rates, Prices and Yields*

Year (April 1)	Principal Amount	Interest Rate	Price	Yield	Year (April 1)	Principal Amount	Interest Rate	Price	Yield
2012	$	%		%	2017	$	%		%
2013					2018				
2014					2019				
2015					2020				
2016									

$________ _____% Term Bonds due April 1, 20__; Price ______ - Yield _____%
$________ _____% Term Bonds due April 1, 20__; Price ______ - Yield _____%
$________ _____% Term Bonds due April 1, 20__; Price ______ - Yield _____%

Auxiliary Facilities System Revenue Bonds, Series 2011B (Taxable)
Maturities, Principal Amounts, Interest Rates, Prices and Yields*

Year (April 1)	Principal Amount	Interest Rate	Price	Yield	Year (April 1)	Principal Amount	Interest Rate	Price	Yield
2012	$	%		%	2017	$	%		%
2013					2018				
2014					2019				
2015					2020				
2016									

$________ _____% Term Bonds due April 1, 20__; Price ______ - Yield _____%
$________ _____% Term Bonds due April 1, 20__; Price ______ - Yield _____%
$________ _____% Term Bonds due April 1, 20__; Price ______ - Yield _____%

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* Preliminary, subject to change.

REGARDING USE OF THIS OFFICIAL STATEMENT

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibility to investors under the Federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

This Official Statement, which includes the cover page and the appendices hereto, does not constitute an offer to sell or the solicitation of any offer to buy, nor shall there be any sale of any of the Series 2011 Bonds, by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale. No broker, dealer, salesperson, or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement in connection with the offering of the Series 2011 Bonds, and, if given or made, such information or representation must not be relied upon as having been authorized by the Board, the Bond Registrar, the Financial Advisor or the Underwriters.

The information set forth herein has been obtained from the Board and other sources believed to be reliable, but such information is not guaranteed as to accuracy or completeness by, and is not to be construed as the promise or guarantee of the Bond Registrar, the Financial Advisor or the Underwriters. This Official Statement contains, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates and opinions, or that they will be realized. The information and expressions of opinion contained herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Board or in the information or opinions set forth herein, since the date of this Official Statement.

This Official Statement contains "forward-looking statements" within the meaning of the Federal securities laws. These forward-looking statements include, among others, statements concerning expectations, beliefs, opinions, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. The forward-looking statements in this Official Statement are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in or implied by such statements.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

THE PRICES AT WHICH THE SERIES 2011 BONDS ARE OFFERED TO THE PUBLIC MAY VARY FROM THE INITIAL PUBLIC OFFERING PRICES APPEARING ON THE COVER PAGE HEREOF. IN ADDITION, THE UNDERWRITERS MAY ALLOW CONCESSIONS OR DISCOUNTS FROM SUCH INITIAL PUBLIC OFFERING PRICES TO DEALERS AND OTHERS, AND THE UNDERWRITERS MAY ENGAGE IN TRANSACTIONS INTENDED TO STABILIZE THE PRICES OF THE SERIES 2011 BONDS AT LEVELS ABOVE THE LEVELS THAT MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET IN ORDER TO FACILITATE THEIR DISTRIBUTION. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE SERIES 2011 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE BOND RESOLUTION BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE SERIES 2011 BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF LAW OF THE STATES IN WHICH THE SERIES 2011 BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF.

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$__________*[*]

THE BOARD OF TRUSTEES OF
THE UNIVERSITY OF ILLINOIS
UNIVERSITY OF ILLINOIS
AUXILIARY FACILITIES SYSTEM REVENUE
BONDS, SERIES 2011A

$__________*

THE BOARD OF TRUSTEES OF
THE UNIVERSITY OF ILLINOIS
UNIVERSITY OF ILLINOIS
AUXILIARY FACILITIES SYSTEM
REVENUE BONDS, SERIES 2011B (TAXABLE)

INTRODUCTION

This Official Statement, including the cover page, the inside cover page and the appendices hereto, is provided in connection with the offering by The Board of Trustees of the University of Illinois (the "Board") of $__________* principal amount of its University of Illinois Auxiliary Facilities System Revenue Bonds, Series 2011A (the "Series 2011A Bonds") and $________ principal amount of its University of Illinois Auxiliary Facilities System Revenue Bonds, Series 2011B (Taxable) (the "Series 2011B Bonds" and together with the Series 2011A Bonds, the "Series 2011 Bonds").

The Board is authorized by the University of Illinois Revenue Bond Financing Act for Auxiliary Facilities, 110 ILCS 405/1, *et seq.* (the "Act") to borrow money and issue and sell bonds to acquire by purchase or otherwise, construct, enlarge, improve, equip, complete, operate, control and manage student residence halls, apartments, staff housing facilities, health facilities, physical education buildings, union buildings, auditoriums, gymnasiums, or any other revenue producing buildings or facilities for student services, and educational facilities leased to the Federal government and the Nuclear Physics Laboratory, or any combination thereof, of the type and character as the Board deems necessary and required for the good and benefit of the University of Illinois (the "University"). The Board also is authorized to refund or refinance, from time to time as often as it shall be advantageous and in the public interest to do so, separately or in combination, any and all bonds issued and sold by the Board pursuant to the Act.

Under the Act, the Board is authorized to hold in the treasury of the University all revenues derived from the operation of any such buildings or facilities and to supplement such revenues from University income authorized by law to be retained in the University treasury for such purpose, constituting Student Tuition and Fees, and to pledge such revenues and income for the payment of operation and maintenance costs and for the retirement of such bonds.

The Series 2011 Bonds are being issued pursuant to the Act and the resolution adopted by The Board of Trustees of the University of Illinois on September 20, 1984 (the "Original Resolution") as amended and supplemented by bond resolutions adopted on June 20, 1985, May 8, 1986, May 9, 1991, June 11, 1993, January 18, 1996, October 15, 1999, June 1, 2000, March 8, 2001, May 23, 2001, May 15, 2003, March 10, 2005, July 14, 2005, September 7, 2006, May 22, 2008, January 15, 2009, May 20, 2010 and June 9, 2011 (together with the Original Resolution, the "Bond Resolution"). Initially capitalized terms used but not otherwise defined in this Official Statement have the same meanings given them under the caption "DEFINITIONS OF CERTAIN TERMS" in APPENDIX D.

[*] Preliminary, subject to change.

The proceeds of the Series 2011 Bonds will be used to (i) pay a part of the costs of various improvements and additions to the Auxiliary Facilities System (the "System") described herein, (ii) currently refund certain outstanding obligations of the Board, (iii) pay capitalized interest on the Series 2011 Bonds and (iv) pay costs of issuing the Series 2011 Bonds. See "PLAN OF FINANCE" and "ESTIMATED SOURCES AND USES OF FUNDS."

As further described under the caption "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS," the Series 1991 Bonds, the Series 1999A Bonds, the Series 1999B Bonds, the Series 2001A Bonds, the Series 2001B Bonds, the Series 2001C Bonds, the Series 2003A Bonds, the Series 2005A Bonds, the Series 2006 Bonds, the Series 2008 Bonds, the Series 2009A Bonds and the Series 2010A Bonds (collectively, the "Prior Parity Bonds"), and any Parity Bonds (hereinafter defined) issued in the future, are secured by a pledge of and lien on (i) the Net Revenues of the System, (ii) Student Tuition and Fees (subject to prior payment of operating and maintenance expenses of the System, but only to the extent necessary), and (iii) the Bond and Interest Sinking Fund Account.

The Series 1991 Bonds are further secured by income received from, and funds on deposit in, the Debt Service Reserve Account established under the Original Resolution. **The Series 2011 Bonds will not be secured by the Debt Service Reserve Account.**

Additional bonds secured on a parity with the Series 2011 Bonds and the Prior Parity Bonds (together, the "Parity Bonds") may be issued by the Board for the purposes set forth in the Bond Resolution and subject to the condition, among others, that for each of the two completed Fiscal Years immediately preceding the issuance of any Parity Bonds, the average of the sum of annual Net Revenues plus Student Tuition and Fees must be at least equal to two times Maximum Annual Net Debt Service for the then Outstanding Bonds and the proposed Parity Bonds, and, so long as any UIC South Campus Development Project Revenue Bonds, Series 2000 (Taxable) (the "UIC South Campus Bonds") are outstanding, after applying such test, that the remaining amount of Student Tuition and Fees (but excluding fees assessed for the use and operation of the System and fees assessed for the use and operation of the Health Services Facilities System of the Board) in each such Fiscal Year, after providing for the additional parity bonds test for each year for the University of Illinois Health Services Facilities Revenue Bonds described in APPENDIX A, is at least equal to 1.10 times maximum annual debt service on the then outstanding UIC South Campus Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Parity Bonds" and "THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ILLINOIS – Other Outstanding Indebtedness and Leasehold Obligations" in APPENDIX A. The Series 2011 Bonds, the Prior Parity Bonds and any Parity Bonds issued in the future are collectively referred to herein as the "Bonds" or the "Outstanding Bonds."

The Board covenants in the Bond Resolution to establish rents, fees, charges and admissions for the use of the System and Student Tuition and Fees at such a level that the amount of Net Revenues plus Student Tuition and Fees in each Fiscal Year is at least equal to 2.0 times Maximum Annual Net Debt Service. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Rate Covenant."

THE SERIES 2011 BONDS WILL BE SPECIAL, LIMITED OBLIGATIONS OF THE BOARD AND WILL BE PAYABLE ONLY FROM THE SOURCES DESCRIBED HEREIN.

THE SERIES 2011 BONDS ARE NOT OBLIGATIONS, GENERAL, SPECIAL OR OTHERWISE, OF THE STATE OF ILLINOIS. THE SERIES 2011 BONDS SHALL NOT CONSTITUTE A DEBT, LEGAL OR MORAL, OF THE STATE OF ILLINOIS, AND SHALL NOT BE ENFORCEABLE OUT OF ANY FUNDS OF THE BOARD, OR OF THE UNIVERSITY, OTHER THAN THE REVENUES AND INCOME PLEDGED FOR PAYMENT THEREOF. THE BOARD HAS NO TAXING POWER.

The descriptions and summaries of various documents hereinafter set forth do not purport to be comprehensive or definitive, and reference is made to each document for the complete details of all terms and conditions. All statements herein are qualified in their entirety by reference to each document.

DESCRIPTION OF THE SERIES 2011 BONDS

General

The Series 2011 Bonds will be issued as fully registered bonds, as shown on the inside cover page hereof. Initially, the Series 2011 Bonds will be registered under the book-entry system described under the caption "BOOK-ENTRY ONLY SYSTEM" (the "Book-Entry System") and the method of payment of the Series 2011 Bonds and matters pertaining to transfers and exchanges while the Series 2011 Bonds are held in the Book-Entry System are described under that caption.

The Series 2011 Bonds will be dated the date of delivery, and will mature on April 1 of the years and in the amounts shown on the inside cover page hereof and will bear interest (computed on the basis of a 360-day year of twelve 30-day months) at the rates set forth on the cover page hereof, payable beginning October 1, 2011 and on each April 1 and October 1 thereafter. The Series 2011 Bonds will be issued in denominations of $5,000 or any integral multiple thereof. The Series 2011 Bonds will bear interest from their date or from the most recent interest payment date to which interest has been paid, or duly provided for, until the principal amount of the Series 2011 Bonds is paid.

Redemption

Optional Redemption. The Series 2011 Bonds maturing on or after April 1, 20___ are subject to redemption prior to maturity, at the option of the Board, on or after April 1, 20___, in whole or in part at any time, and if in part, from such maturities as determined by the Board and within any maturity by lot, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the date fixed for redemption.

Mandatory Redemption of Term Bonds. The Series 2011A Bonds maturing on April 1, 20___, on April 1, 20___ and on April 1, 20___, are subject to mandatory redemption prior to maturity through the application of sinking fund payments, in integral multiples of $5,000 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:

Series 2011A
Term Bonds
Due April 1, 20___

Year	Amount
	$
*	

* Final Maturity

Series 2011A
Term Bonds
Due April 1, 20___

Year	Amount
	$
*	

* Final Maturity

Series 2011A
Term Bonds
Due April 1, 20___

Year	Amount
	$
*	

* Final Maturity

The Series 2011B Bonds maturing on April 1, 20___, on April 1, 20___ and on April 1, 20___, are subject to mandatory redemption prior to maturity through the application of sinking fund payments, in integral multiples of $5,000 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:

Series 2011B
Term Bonds
Due April 1, 20___

Year	Amount
	$
*	

* Final Maturity

Series 2011B
Term Bonds
Due April 1, 20___

Year	Amount
	$
*	

* Final Maturity

Series 2011B
Term Bonds
Due April 1, 20___

Year	Amount
	$
*	

* Final Maturity

The principal amounts of Series 2011 Bonds to be redeemed or paid on each date through mandatory sinking fund redemptions, as set forth in the preceding tables, may be reduced through the earlier optional redemption thereof, with any partial optional redemption of Series 2011 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.

In addition, on or prior to the 60th day preceding any mandatory sinking fund redemption date, the Bond Registrar may, and if directed by the Comptroller shall, purchase Series 2011

Bonds required to be retired on such mandatory redemption date at a purchase price not exceeding the principal amount thereof plus accrued interest to the purchase date. Any such Series 2011 Bonds so purchased shall be cancelled and the principal amount thereof shall be credited against the payment required on such next mandatory redemption sinking fund date.

Notice of Redemption. The Bond Registrar will mail, by registered or certified mail, postage prepaid, a notice of redemption not less than 30 days prior to the date fixed for redemption to the Owners of any Series 2011 Bonds, or portions thereof, which are to be redeemed. Failure to mail such notice or any defect therein as to any such Series 2011 Bond will not affect the validity of the proceedings for the redemption of any other Series 2011 Bonds. In the event a Series 2011 Bond is in a denomination larger than $5,000, a portion of such Series 2011 Bond may be redeemed but only in a principal amount equal to $5,000 or any integral multiple thereof.

With respect to any optional redemption of the Series 2011 Bonds, unless moneys sufficient to pay the principal of and interest on the Series 2011 Bonds to be redeemed shall have been received by the Bond Registrar prior to the giving of such notice of redemption, such notice shall state that said redemption shall be conditional upon the receipt of such moneys by the Bond Registrar on or prior to the date fixed for redemption.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

General

The Bonds are payable from and secured by a pledge of and lien on (i) the Net Revenues of the System, (ii) Student Tuition and Fees (subject to prior payment of operating and maintenance expenses of the System, but only to the extent necessary), and (iii) the Bond and Interest Sinking Fund Account. All such income and revenues are irrevocably pledged for the prompt and punctual payment of the principal of, premium, if any, and interest on the Bonds according to their terms, and all shall be equally and ratably secured by the pledge and lien without priority or preference one over the other by reason of series designation, denomination, number, maturity date, terms of redemption prior to maturity, date of sale or delivery or otherwise. All the Bonds are co-equal as to the pledge of and lien on all of the Net Revenues of the System, Student Tuition and Fees and Bond and Interest Sinking Fund Account, as described above, securing the payment of the Bonds and share ratably, without preference, priority or distinction as to the source or method of payment and security for the Bonds.

The Series 1991 Bonds are further secured by income received from, and funds deposited in, the Debt Service Reserve Account. **No other Prior Parity Bonds are, nor will the Series 2011 Bonds be, secured by or have any claim upon the Debt Service Reserve Account.**

Student Tuition and Fees

The Board is authorized by law to retain all Student Tuition and Fees in its treasury and to credit such amounts to an account known as the University Income Fund. The Bond Resolution requires the Comptroller of the Board to deposit annually the Student Tuition and Fees into the Revenue Fund established by the Bond Resolution, as shall be necessary, together with Operating Revenues, to meet (i) operating and maintenance expenses of the System and (ii) together with transfers, if any, of investment income from the Debt Service Reserve Account to the Bond and Interest Sinking Fund Account (which investment income shall be applied to debt service only on those Bonds secured by the Debt Service Reserve Account), annual debt service and required deposits to the Debt Service Reserve Account and Repair and Replacement Reserve Account.

Repair and Replacement Reserve Account

Pursuant to the Bond Resolution, the Board is required to establish and maintain a Repair and Replacement Reserve Account. On or before the close of each Fiscal Year, the Comptroller shall deposit in the Repair and Replacement Reserve Account from the funds remaining in the Revenue Fund, an amount not less than ten percent (10%) of the Maximum Annual Net Debt Service. The maximum amount which may be accumulated in such Account shall not exceed five percent (5%) of the replacement cost of the facilities constituting the System, as determined by the then current Engineering News Record Building Cost Index (or comparable index). All money and investments so held in such Account shall be used and held for use to pay the cost of unusual or extraordinary maintenance or repairs, renewals and replacements, and renovating or replacement of fixed equipment not paid as part of the ordinary maintenance and operation of the System. Moneys on deposit in the Repair and Replacement Reserve Account are not pledged as security for the payment of the Bonds. See "SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION – Flow of Funds – *Repair and Replacement Reserve Account*" in APPENDIX D.

Rate Covenant

The Board covenants and agrees that it will adopt such rules and regulations as are necessary to assure reasonable occupancy and use of the System; and that the rents, fees, charges and admissions (including charges for utility and janitor services) chargeable to the occupants of, and students, faculty members and others using or 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 2.0 times Maximum Annual Net Debt Service.

Parity Bonds

Parity Bonds may be issued under the terms of the Bond Resolution only upon compliance with all of the following conditions:

1. The Comptroller must sign a written certificate to the effect that the Board is not in default as to any covenant, condition or obligation in connection with all Outstanding Bonds, and the resolutions authorizing the same.

2. All transfers and deposits to the Bond and Interest Sinking Fund Account, the Debt Service Reserve Account (if any) and the Repair and Replacement Reserve Account, as provided in the Bond Resolution, must be current.

3. Parity Bonds must be issued for the purpose of repairing, improving or adding to the System, or for the purpose of refunding Bonds, or for any combination of such purposes.

4. For each of the two completed Fiscal Years immediately preceding the issuance of any Parity Bonds:

   (a) the average of the sum of annual Net Revenues plus Student Tuition and Fees must be at least equal to 200 percent (2.0 times) of Maximum Annual Net Debt Service for the then Outstanding Bonds and the proposed Parity Bonds; and

   (b) so long as any UIC South Campus Bonds are outstanding, after applying the test in (a) above, the remaining amount of Student Tuition and Fees (but excluding fees assessed for the use and operation of the System and fees assessed for the use and operation of the Health Services Facilities System of the Board), in each such Fiscal Year, after providing for the additional parity bonds test for each year for the University of Illinois Health Services Facilities Revenue Bonds is at least equal to 110 percent (1.10 times) of maximum annual debt service for the then outstanding UIC South Campus Bonds.

5. At the time of delivery of the proposed Parity Bonds, a determination must be made in the resolution authorizing such Parity Bonds whether such Parity Bonds shall be secured by or payable from any funds on deposit in the Debt Service Reserve Account. **The Board has provided in the authorizing resolution for the Series 2011 Bonds that the Series 2011 Bonds will not be secured by or payable from the Debt Service Reserve Account.**

6. Such Parity Bonds shall be authorized by a resolution adopted by the Board which shall conform in all respects to the terms and provisions of the Bond Resolution.

Outstanding Parity Bonds

As of June 1, 2011, the Board had outstanding twelve series of Bonds, including the Series 1991 Bonds, the Series 1999A Bonds, the Series 1999B Bonds, the Series 2001A Bonds, the Series 2001B Bonds, the Series 2001C Bonds, the Series 2003A Bonds, the Series 2005A Bonds, the Series 2006 Bonds, the Series 2008 Bonds, Series 2009A Bonds and the Series 2010A Bonds aggregating $___________ (including the accreted value of outstanding capital appreciation Bonds), which are secured by a pledge of and lien on (i) the Net Revenues of the System, (ii) Student Tuition and Fees (subject to prior payment of operating and maintenance expenses of the System, but only to the extent necessary), and (iii) the Bond and Interest Sinking Fund Account. The Series 1991 Bonds are further secured by income received from, and funds on deposit in, the Debt Service Reserve Account.

BOOK-ENTRY ONLY SYSTEM

General Provisions

The following information concerning The Depository Trust Company, New York, New York ("DTC") and its book-entry is based solely on information provided by DTC. Accordingly, no representation is made by the Board, the University, the Bond Registrar or the Underwriters as to the accuracy or completeness of such information, or as to the absence of changes in such information subsequent to the date hereof.

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Series 2011 Bonds. The Series 2011 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2011 Bond will be issued for each maturity of the Series 2011 Bonds, in the aggregate principal amount of each such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiary. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of the Series 2011 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2011 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2011 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial

Owner entered into the transaction. Transfers of ownership interests in the Series 2011 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2011 Bonds, except in the event that use of the book-entry system for the Series 2011 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2011 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2011 Bonds with DTC and their registration in the name of Cede & Co., or such other DTC nominee, does not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2011 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2011 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Series 2011 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2011 Bonds, such as redemptions, tenders, defaults and proposed amendments to the documents. For example, Beneficial Owners of Series 2011 Bonds may wish to ascertain that the nominee holding the Series 2011 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Bond Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2011 Bonds of a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Series 2011 Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Board as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2011 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, principal, and interest payments on the Series 2011 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the Board or the Bond Registrar, on each payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the

Bond Registrar, or the Board, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Board or the Bond Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2011 Bonds at any time by giving reasonable notice to the Board or the Bond Registrar. Under such circumstances, in the event that a successor securities depository is not obtained, certificates for the Series 2011 Bonds are required to be printed and delivered.

The Board may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates for the Series 2011 Bonds will be printed and delivered to DTC.

Successor Securities Depository; Discontinuation of Book-Entry System

In the event that (i) the Board determines that DTC is incapable of discharging its responsibilities described in the Bond Resolution and in the blanket letter of representations from the Board and accepted by DTC (the "Representation Letter"), (ii) the Representation Letter shall be terminated for any reason, or (iii) the Board determines that it is in the best interest of the Beneficial Owners of the Series 2011 Bonds that they be able to obtain certificated Series 2011 Bonds, the Board will notify DTC and the Direct Participants of the availability through DTC of certificated Series 2011 Bonds and the Series 2011 Bonds will no longer be restricted to being registered in the registry maintained by the Bond Registrar in the name of Cede & Co., as nominee of DTC. At that time, the Board may determine that the Series 2011 Bonds shall be registered in the name of and deposited with a successor depository operating a universal book-entry system, as may be acceptable to the Board, or such depository's agent or designee, or if the Board does not select such an alternate universal book-entry system, then the Series 2011 Bonds may be registered in whatever name or names registered owners of Series 2011 Bonds transferring or exchanging Series 2011 Bonds shall designate, in accordance with the provisions of the Bond Resolution.

PLAN OF FINANCE

Purpose of the Series 2011 Bonds

The proceeds of the Series 2011 Bonds will be used to (i) pay a part of the costs of various improvements and additions to the System described under "Series 2011 Projects" below, (ii) currently refund certain outstanding obligations of the Board described under "Refunding Plan," (iii) pay capitalized interest on the Series 2011 Bonds and (iv) pay costs of issuing the Series 2011 Bonds. See "ESTIMATED SOURCES AND USES OF FUNDS."

Series 2011 Projects

The $64 million project will fund the construction of new Residence Hall No. 2 (Ikenberry Commons Phase E) and the demolition of Forbes Hall (Phase G). Phase E will provide approximately 180,000 gross square feet of residence hall. This new LEED Silver building will offer approximately 450 suites or semi-suites configured rooms. In addition to student living spaces, floor lounges, public meeting spaces, professional staff apartments, laundry, and mailroom facilities with appropriate storage, staff offices will also be provided. Once new Residence Hall No. 2 is completed, Forbes Hall will be demolished which will allow for continued development of Stanley O. Ikenberry Commons.

Refunding Plan

[The Board has elected to currently refund and redeem $________ outstanding principal amount of the Auxiliary Facilities System Revenue Bonds, Series 2001B and $________ outstanding principal amount of the Auxiliary Facilities System Revenue Bonds, Series 2001C (Taxable) (the "Refunding Plan"). The Series 2001B and 2001C Bonds will be redeemed on __________, 2011 at the redemption price of par plus accrued interest to the redemption date.]

ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds for the Series 2011 are as follows:

	Series 2011A	Series 2011B
SOURCES OF FUNDS		
Principal Amount of Series 2011 Bonds	$	$
Net Reoffering Premium		
Total Sources of Funds	$	$
USES OF FUNDS		
Series 2011 Project Costs[(1)]	$	$
Refunding of Series 2001B Bonds		
Refunding of Series 2001C Bonds		
Capitalized Interest[(2)]		
Underwriters' Discount		
Costs of Issuance		
Total Uses of Funds	$	$

(1) Deposit to the Project Fund at Closing. Additional Series 2011 Project costs are to be paid from investment earnings on Series 2011 proceeds.

(2) Capitalized interest on a portion of the Series 2011 Bonds through _________ 1, 20___.

Pro Forma Maximum Annual Net Debt Service Coverage

The following table compares the Net Revenues of the System and Student Tuition and Fees with the estimated Maximum Annual Net Debt Service for the Series 2011 Bonds and the Outstanding Bonds, in order to determine a pro forma debt service coverage as if such debt service had been applied during the periods shown. For purposes of estimating debt service on the variable rate Series 2008 Bonds, interest is estimated at 4.85%.

	Fiscal Year Ended June 30 (in 000's)				
	2006	**2007**	**2008**	**2009**	**2010**
Net Revenues	$ 46,075	$ 77,885	$ 67,695	$69,427	$93,347
Student Tuition and Fees (1)	554,856	617,812	662,464	743,286	823,488
Total Available for Debt Service	$600,931	$695,697	$730,159	$812,713	$916,835
Coverage of Maximum Annual Net Debt Service for the Series 2011 Bonds and Outstanding Bonds ($________) Net MADS(2)	__x	__x	__x	__x	__x

(1) Student Tuition and Fees is shown net of scholarships and fellowships.

(2) Estimated Maximum Annual Debt Service for the Series 2011 Bonds and all Outstanding Bonds, following implementation of the Refunding Plan, is $________ in Fiscal Year 2022.

Source: Compiled by the Office of the Comptroller of the University of Illinois from audited Annual Financial Reports of the University for Fiscal Years 2006-2010 and other records of the Comptroller.

ANNUAL DEBT SERVICE REQUIREMENTS ON THE BONDS

The table below shows assumed annual debt service on the Series 2011 Bonds and all Outstanding Bonds, following implementation of the Refunding Plan, as of each Fiscal Year, commencing with the Fiscal Year ended June 30, 2011. All Outstanding Bonds other than the Series 2008 Bonds are fixed rate.

Fiscal Year	Series 2011 Bonds			Outstanding	Total System
(Ending 6/30)	Principal	Interest	Total	Debt Service*	Debt Service*
2011	$	$	$	$	$
2012					
2013					
2014					
2015					
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					
2036					
2037					
2038					
TOTAL	$	$	$	$	$

* Includes the variable rate Series 2008 Bonds with an assumed interest rate of 4.85% (the highest of (i) rate at date of calculation, (ii) average over previous 12 months or (iii) revenue bond index). All other Series are fixed rate.

AUXILIARY FACILITIES SYSTEM

Background

The University of Illinois Auxiliary Facilities System was created in June of 1978 pursuant to the provisions of the Act which authorized the Board to combine and consolidate into a single System certain housing, parking, union, recreation/athletic, student-oriented health and miscellaneous facilities, the net revenues of which were then pledged to secure outstanding indebtedness of the Board. As described below, certain facilities of the Springfield campus of the University were transferred to and became part of the System during Fiscal Year 1996.

At the time of formation of the System, the Board refinanced, through advance refunding or exchange, all then outstanding indebtedness secured by the various buildings and facilities initially intended to form the System.

Since the creation of the System, the Board, in addition to providing for routine maintenance, has assessed one-half of one percent of the Replacement Value of its facilities annually for renewals and replacements, unusual or extraordinary maintenance or repairs, and renovation or replacement of fixed equipment to sustain the physical and operating integrity of the System. Approved mandatory transfers for such purposes approximate $12 million each year.

Description of Facilities

The facilities comprising the System service various aspects of student campus life and include student residence halls, parking structures, student unions and recreation and athletic facilities. The University currently has residence hall and apartment facilities for about 14,213 single students and apartments for about 1,138 students and ten parking structures with a total capacity for approximately 10,393 cars. The University has three student union buildings, one at the Urbana-Champaign campus and two at the Chicago campus, which include lounges, food service, bowling and billiards facilities, meeting rooms, bookstores and other recreational facilities.

The development of recreation and athletic facilities dates back to 1925 on the Urbana-Champaign campus with the construction of Memorial Stadium, which seats approximately 62,000 persons, and the Ice Arena, which was originally constructed in 1930. The multi-purpose 16,000 seat Assembly Hall, which provides a venue for entertainment and sporting events, was constructed in 1963 at Urbana-Champaign. The multi-purpose 9,500 seat Pavilion, which serves a similar function in Chicago, was constructed in 1982. The University's McKinley Health Center, originally constructed in 1925-26, provides clinical treatment for students and staff at the Urbana-Champaign campus.

Student Services buildings in Chicago and in Urbana-Champaign provide centralized locations for comprehensive programs of student services, including career development and placement, student financial aid, student activities and student counseling and assistance. UIS facilities added to the System include a 56 unit on-campus housing complex known as University

Court, food service operations, parking operations, bookstore operations, the 2,000 seat Sangamon Auditorium, a 10,000 square feet multi-purpose gymnasium and a child care center.

Recent additions to the Auxiliary Facilities System include: (1) infrastructure repairs and improvements to the Illini Union in Urbana, (2) construction of the Student Dining and Residential Programs building in Urbana and (3) construction of the first phase of Nugent Residence Hall in Urbana.

Housing Occupancy Rates

For the past five Fiscal Years, ended June 30, 2010, the average occupancy of existing housing facilities of the Board, included within the System, has exceeded 90%.

Financial Condition of the Auxiliary Facilities System

The financial statements of the System are presented in accordance with U.S. generally accepted accounting principles.

Included in APPENDIX B are the most recent Audited Financial Statements of the Auxiliary Facilities System for Fiscal Year 2010. The Audited Financial Statements of the Auxiliary Facilities System set forth as APPENDIX B consist of the Statement of Net Assets as of June 30, 2010, the Statement of Revenues, Expenses and Changes in Net Assets for the Year Ended June 30, 2010, the Statement of Cash Flows for the Year Ended June 30, 2010, and the notes to financial statements.

Statement of Revenues, Expenses and Changes in Net Assets of the Auxiliary Facilities System

The following table summarizes the Statement of Revenues, Expenses and Changes in Net Assets of the System for the years ended June 30, 2010, 2009 and 2008.

	Fiscal Year Ended June 30,		
	2010	**2009**	**2008**
Operating revenues:			
Room and board, net of waivers	$121,897,163	116,367,807	$ 106,275,425
Merchandise and food sales	31,850,997	32,034,691	29,945,184
Student service fees	88,193,121	82,522,186	77,228,815
Public events and recreation fees	8,256,358	7,628,246	6,638,567
Parking income	22,352,952	21,893,092	21,340,660
Rental and lease income	20,515,928	17,769,580	12,525,003
Vending income	1,342,674	1,296,914	1,561,831
Other operating revenue	11,880,089	10,485,042	10,700,266
Total operating revenues	**306,289,282**	**289,997,558**	**266,215,751**
Operating expenses:			
Salaries and wages	82,470,032	82,336,187	73,269,995
Merchandise and food for resale	31,508,083	32,968,192	30,782,260
Repair and maintenance	3,521,268	3,070,837	3,100,882
Professional and other contractual services	33,430,926	37,441,274	39,142,432
Utilities	26,355,186	25,945,477	24,319,605
Supplies	12,496,674	15,213,498	13,138,583
Equipment rental	1,788,554	1,878,523	2,800,503
Administrative services	14,377,333	14,073,226	13,888,621
Other operating expense	10,502,254	12,554,148	10,307,623
Depreciation and amortization	28,673,198	24,845,142	20,055,790
On behalf payments for fringe benefits	26,900,395	20,369,977	18,287,684
Total operating expenses	**272,023,903**	**270,696,481**	**249,093,978**
Operating income	**34,265,379**	**19,301,077**	**17,121,773**
Non-operating revenues (expenses):			
On behalf payments for fringe benefits	26,900,395	20,369,977	18,287,684
Investment income (net of related expenses)	3,507,810	4,911,137	12,229,399
Interest on capital asset-related debt	(45,521,604)	(45,627,849)	(41,446,495)
Amortization of issuance costs	(275,283)	(283,848)	(269,698)
Loss on disposal of capital assets	(164,055)	(422,389)	(82,461)
Other non-operating expenses, net	(960,836)	(975,968)	(1,221,336)
Net non-operating revenues (expenses)	**(16,513,573)**	**(22,028,940)**	**(12,502,907)**
Increase (decrease) in net assets	**17,751,806**	**(2,727,863)**	**4,618,866**
Net assets, beginning of year	**105,157,012**	**107,884,875**	**103,266,009**
Net assets, end of year	**$122,908,818**	**$105,157,012**	**$107,884,875**

For more detailed information, see "ANNUAL FINANCIAL REPORT FOR THE UNIVERSITY OF ILLINOIS AUXILIARY FACILITIES SYSTEM FOR THE YEAR ENDED JUNE 30, 2010" in APPENDIX B.

TAX MATTERS

Series 2011A Bonds

General

The Internal Revenue Code of 1986, as amended (the "Code"), contains a number of requirements and restrictions which apply to the Series 2011A Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of Series 2011A Bond proceeds and the facilities financed therewith, and certain other matters. The Board has covenanted to comply with all requirements of the Code that must be satisfied in order for the interest on the Series 2011A Bonds to be excludible from gross income. Failure to comply with certain of such covenants could cause interest on the Series 2011A Bonds to become includible in gross income retroactive to the date of issuance of the Series 2011A Bonds.

Subject to the condition that the Board comply with the above-referenced covenants, under present law, in the opinion of Bond Counsel the Series 2011A Bonds are not "private activity bonds" under Section 141 of the Code, and interest on the Series 2011A Bonds will not be includible in the gross income of the owners thereof for Federal income tax purposes and will not be treated as an item of tax preference in computing the alternative minimum tax for individuals and corporations. Interest on the Series 2011A Bonds will be taken into account, however, in computing an adjustment used in determining the alternative minimum tax for certain corporations.

In rendering its opinion, Bond Counsel will rely upon a certificate of the Board with respect to certain material facts solely within the Board's knowledge relating to the property financed with the proceeds of the Series 2011A Bonds and the application of the proceeds of the Series 2011A Bonds.

The Code includes provisions for an alternative minimum tax ("AMT") for corporations. The AMT is levied in addition to the corporate regular tax in certain cases. The AMT, if any, depends upon the corporation's alternative minimum taxable income ("AMTI"), which is the corporation's taxable income with certain adjustments. One of the adjustment items used in computing the AMTI of a corporation (excluding S corporations, regulated investment companies, real estate investment trusts, REMICs or FASITs) is an amount equal to 75% of the excess of such corporation's "adjusted current earnings" over an amount equal to its AMTI (before such adjustment items and the alternative tax net operating loss deduction). "Adjusted current earnings" would include all tax-exempt interest, including interest on the Series 2011A Bonds.

Under the provisions of Section 884 of the Code, a branch profits tax may be levied on the "effectively connected earnings and profits" of certain foreign corporations, which include tax-exempt interest such as interest on the Series 2011A Bonds.

Ownership of the Series 2011A Bonds may result in collateral Federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to carry tax-exempt obligations. Prospective purchasers of the Series 2011A Bonds should consult their tax advisors as to applicability of any such collateral consequences.

Interest on the Series 2011A Bonds is not exempt from present State of Illinois income taxes.

Bond Counsel's opinions are based on existing law, which is subject to change. Such opinions are further based on factual representations made to Bond Counsel as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention or to reflect any changes in law that may thereafter occur or become effective. The opinions of Bond Counsel express the professional judgment of Bond Counsel regarding the legal issues expressly addressed therein. By rendering its legal opinion, Bond Counsel does not become an insurer or guarantor of the result indicated by that expression of professional judgment, of the transaction on which the opinion is rendered or of the future performance of the parties to the transaction. Nor does the rendering of the opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

Original Issue Discount

Series 2011A Bonds with an initial public offering price that is less than the principal amount thereof will be treated as "Discount Bonds." The difference between the principal amount payable at maturity of the Discount Bonds and the initial public offering price of such Discount Bonds, assuming that a substantial amount of such maturity is first sold at such price (the "Offering Price"), will be treated as "original issue discount." With respect to a taxpayer who purchases a Discount Bond in the initial public offering at the Offering Price and who holds such Discount Bond to maturity, the full amount of original issue discount will constitute interest which is not includible in the gross income of the owner of such Discount Bond for Federal income tax purposes to the same extent as current interest and will not be treated as taxable capital gain upon payment of such Discount Bond upon maturity.

The original issue discount on each of the Discount Bonds is treated as accruing daily over the term of such Discount Bond on the basis of a constant yield computed at the end of each six month period (or shorter period from the date of original issue). The amount of original issue discount accruing during such period will be added to the owner's tax basis for the Discount Bonds. Such adjusted tax basis will be used to determine taxable gain or loss upon disposition of the Discount Bonds (including sale, redemption or payment at maturity). An owner of a Discount Bond who disposes of it prior to maturity should consult such owner's tax advisor as to the amount of original issue discount accrued over the period held and the amount of taxable gain or loss upon the sale or other disposition of such Discount Bond prior to maturity.

Owners who purchase Discount Bonds in the initial public offering but at a price different from the Offering Price or who do not purchase Discount Bonds in the initial public offering should consult their tax advisors with respect to the tax consequences of the ownership of such Discount Bonds.

Owners of Discount Bonds should consult their own tax advisors with respect to the state and local tax consequences of owning the Discount Bonds. It is possible that under the applicable provisions governing the determination of state or local income taxes, accrued original issue discount on the Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment until a later year.

Market Discount

If a Series 2011A Bond is purchased at any time for a price that is less than the Series 2011A Bond's Offering Price plus accrued original issue discount, if any, the purchaser may be treated as having purchased the Series 2011A Bond with market discount subject to the market discount rules of the Code (unless a statutory de minimis rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Series 2011A Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser's election, as it accrues. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such Series 2011A Bond. Purchasers should consult their own tax advisors regarding the potential implications of the market discount rules with respect to the Series 2011A Bonds.

Bond Premium

An amount equal to the excess of the purchase price of a Series 2011A Bond over the principal amount payable at maturity of such Series 2011A Bond constitutes amortizable bond premium that may not be deducted for Federal income tax purposes. For purposes of determining gain or loss on the sale or other disposition of such Series 2011A Bond, the tax basis of each Series 2011A Bond is decreased by the amount of the bond premium that has been amortized. Bond premium is amortized by offsetting the interest on the Series 2011A Bond allocable to an accrual period with the bond premium allocable to the accrual period. The bond premium allocable to an accrual period is the excess of the interest on the Series 2011A Bond allocable to the accrual period over the product of the owner's adjusted acquisition price at the beginning of the accrual period and the owner's yield (determined on the basis of a constant yield over the term of the Series 2011A Bond). If the bond premium allocable to an accrual period exceeds the interest on the Series 2011A Bond allocable to the accrual period, the excess is a nondeductible loss for Federal income tax purposes that reduces the owner's basis in such Series 2011A Bond.

Purchasers of any Series 2011A Bonds at a premium, whether at the time of initial issuance or subsequent thereto, should consult with their own tax advisors with respect to the Federal, state and local consequences of owning such Series 2011A Bonds.

Series 2011B Bonds

Interest on the Series 2011B Bonds is not excludable from gross income of the holders thereof for Federal income tax purposes. *The Series 2011B Bondholders should consult their tax advisors with respect to the inclusion of interest on the Series 2011B Bonds in gross income for Federal income tax purposes.*

Interest on the Series 2011B Bonds is not exempt from present State of Illinois income taxes.

LITIGATION

There is no litigation pending against the Board or the University, or to the knowledge of the Board threatened, which in any way questions or affects the validity of the Series 2011 Bonds or any proceedings or transactions relating to their issuance, sale and delivery. The Board is not aware of any litigation, the resolution of which would have a material adverse impact on the Board's ability to meet debt service on the Series 2011 Bonds.

LEGAL MATTERS

Certain legal matters incidental to the authorization, issuance and sale of the Series 2011 Bonds by the Board are subject to the approving legal opinion of Pugh, Jones, Johnson & Quandt, P.C., Chicago, Illinois, as Bond Counsel ("Bond Counsel") who has been retained by, and acts as, Bond Counsel to the Board. Bond Counsel has not been retained or consulted on disclosure matters and has not undertaken to review or verify the accuracy, completeness or sufficiency of this Official Statement or other offering material relating to the Series 2011 Bonds and assumes no responsibility for the statements or information contained in or incorporated by reference in this Official Statement, except that in its capacity as Bond Counsel, Pugh, Jones, Johnson & Quandt, P.C. has, at the request of the Underwriters, reviewed the statements describing its approving opinion and the statements under the captions "DESCRIPTION OF THE SERIES 2011 BONDS," "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – General," "– Student Tuition and Fees," "– Repair and Replacement Reserve Account," "– Rate Covenant," and "– Parity Bonds," "TAX MATTERS," and "APPENDIX D – DEFINITIONS OF CERTAIN TERMS AND SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION" solely to determine whether such descriptions are accurate summaries in all material respects. This review was undertaken solely at the request and for the benefit of the Underwriters. The proposed forms of the opinions of Bond Counsel are included hereto as APPENDIX E.

Certain legal matters in connection with the Series 2011 Bonds will be passed upon for the Board by University Counsel, Thomas R. Bearrows, Esq. and its special issuer's counsel, Perkins Coie LLP, Chicago, Illinois. Certain legal matters will be passed upon for the Underwriters by Ungaretti & Harris LLP, Chicago, Illinois.

UNDERWRITING

The Underwriters have agreed, subject to certain customary conditions precedent to closing, to purchase the Series 2011 Bonds from the Board at a purchase price of $___________ (which is equal to the original principal amount of the Series 2011 Bonds, less an underwriting discount of $___________, plus a net original issue premium of $___________). The Underwriters will be obligated to purchase all of the Series 2011 Bonds if any Series 2011 Bonds are purchased.

FINANCIAL ADVISOR

Scott Balice Strategies, LLC is serving as Financial Advisor to the Board on debt and capital related issues, including the issuance of the Series 2011 Bonds.

All of the summaries of the opinions, contracts, agreements, financial and statistical data, and other related documents described in this Official Statement are made subject to the provisions of such documents. These summaries do not purport to be complete statements of such provisions and reference is made to such documents, copies of which are publicly available for inspection at the offices of the Board's Financial Advisor, Scott Balice Strategies, LLC, or at the University's Office of the Vice President for Administration.

FINANCIAL STATEMENTS

The financial statements of the Auxiliary Facilities System and of the University for the year ended June 30, 2010, are set forth in APPENDIX B and APPENDIX C, respectively. These financial statements have been audited by KPMG LLP, independent accountants, as set forth in their reports in APPENDIX B and APPENDIX C hereto.

RATINGS

Standard & Poor's Ratings Services, a Division of The McGraw-Hill Companies ("S&P"), and Moody's Investors Service ("Moody's") have assigned, the respective ratings set forth on the cover page of this Official Statement to the Series 2011 Bonds. The ratings and an explanation of their significance may be obtained from the rating agency furnishing such rating. Such ratings reflect only the respective views of the rating agencies. The ratings are not recommendations to buy, sell or hold the Series 2011 Bonds. The ratings are subject to revision or withdrawal at any time, and any such revision or withdrawal may affect the market price or marketability of the Series 2011 Bonds.

The Board and the University furnished to the above rating agencies certain information and materials, some of which have not been included in this Official Statement. Generally, rating agencies base their ratings on such information and materials and investigations, studies and assumptions furnished to and obtained and made by the rating agencies. There is no assurance that any rating will remain for any given period of time or that any rating will not be revised downward or withdrawn entirely if, in the judgment of the appropriate rating agency, circumstances so warrant. Any such downward revision or withdrawal of any such rating may have an adverse effect on the market price or marketability of the Series 2011 Bonds.

CONTINUING DISCLOSURE

In order to assist the Underwriters in complying with certain provisions of Rule 15c2-12 (the "Rule") of the Securities and Exchange Commission, the Board has agreed in a Continuing Disclosure Agreement to provide to certain parties certain annual financial information and operating data and notices of certain reportable events. The proposed form of the Continuing

Disclosure Agreement is included as APPENDIX F to this Official Statement. The Board is in compliance with each and every undertaking previously entered into by it pursuant to the Rule. The Continuing Disclosure Agreement may be enforced by any beneficial or registered owner of the Series 2011 Bonds, but the Board's failure to comply will not be a default under the Bond Resolution.

Annual disclosure and notices of material events will be submitted to the Municipal Securities Rulemaking Board (the "MSRB") and continuing disclosure documents will be submitted to the MSRB through its Electronic Municipal Market Access system.

ADDITIONAL INFORMATION

All of the summaries of the opinions, contracts, agreements, financial and statistical data, and other related documents described in this Official Statement are made subject to the provisions of such documents. These summaries do not purport to be complete statements of such provisions and reference is made to such documents, copies of which are publicly available for inspection at the offices of the Board's Financial Advisor, Scott Balice Strategies, LLC, 20 North Wacker Drive, Suite 2200, Chicago, Illinois 60606, or at the University's Office of the Vice President for Administration, 349 Henry Administration Building, 506 South Wright Street, Urbana, Illinois 61801.

CERTIFICATION

As of the date hereof, this Official Statement is, to the best of my knowledge, complete and correct in all material respects and does not include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made herein, in light of the circumstances under which they were made, not misleading. The preparation of this Official Statement and its distribution has been authorized by The Board of Trustees of the University of Illinois.

THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ILLINOIS

By: ______________________________

Vice President, Chief Financial Officer and Comptroller

APPENDIX A

THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ILLINOIS

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THE UNIVERSITY OF ILLINOIS

Background

The Board of Trustees of the University of Illinois (the "Board") is a body corporate and politic of the State of Illinois (the "State") created in 1867 by the Illinois General Assembly in response to the Federal Land Grant Act of 1862. The Board is responsible for the oversight and governance of the University of Illinois (the "University"), one of the nation's largest universities. Complementing the University's primary missions of education, research and public service is the University's role as an agent of economic development. The operating budget for Fiscal Year 2011 from all funding sources is approximately $4.8 billion.

Education. The University has three campuses located in Urbana-Champaign, Chicago and Springfield, as well as health professions sites in Rockford and Peoria, with a combined total enrollment of 76,886 students (Fall 2010). In addition, the University has continuing education centers in suburban and downstate Illinois, extension offices in most of the State's 102 counties, a major teaching hospital and health clinics, and research farms. Fall (2010) enrollment on the campus of the University of Illinois at Urbana-Champaign (the "Urbana campus" or "Urbana") totaled 43,862; on the campus of the University of Illinois at Chicago (the "Chicago campus" or "UIC") totaled 27,850; and on the campus of the University of Illinois at Springfield (the "Springfield campus" or "UIS") totaled 5,174. Illinois residents comprise 70 percent of the student body on the Urbana campus; 87 percent at UIC; and 86 percent at UIS. The University awarded more than 19,000 undergraduate, graduate and professional degrees in 2009-2010.

There are 5,654 (full-time equivalent) faculty on the three campuses, including members of the National Academy of Sciences, the American Academy of Arts and Sciences, and the National Academy of Engineering. Since 2000, 55 Urbana faculty have been named fellows of the American Association for the Advancement of Science. The University's faculty and alumni have won 27 Nobel prizes, including John Bardeen who won in 1956 and 1972, the only person to have won the physics prize twice. The Urbana campus had two faculty members win Nobel Prizes in the same year: Paul C. Lauterbur shared the 2003 Nobel Prize in medicine for seminal discoveries concerning the use of magnetic resonance to visualize different structures and Anthony J. Leggett shared the 2003 Nobel Prize in physics for pioneering contributions to the theory of superconductors and super fluids. The University has had seventeen National Medal of Science recipients on its faculty, including Carl Slichter, who was recognized for establishing nuclear magnetic resonance as a powerful tool and microbiologist Carl Woese, whose discovery of a third form of life was also recognized with a Crafoord Prize in 2003. In 2011 May Berenbaum received the Tyler Prize for Environmental Achievement. More than 45 faculty in Chicago and Urbana are listed on the ISI highly cited publications list, indicating significant contributions to the advancement of science and technology through fundamental, referenced research.

The three campuses of the University offer a diversity of programs that lead to baccalaureate, graduate and professional degrees as well as certificates. The University offers professional programs through the colleges of dentistry, law, medicine, pharmacy and veterinary medicine. The University is one of only four universities in the nation with a school of public health and five health sciences colleges: applied health sciences, dentistry, medicine, nursing and pharmacy.

Research. The University is a nationally ranked, research intensive institution as ranked by the Carnegie Foundation. Total Federal research expenditures now top $660 million annually on the three campuses. The Urbana campus attracts more than $365 million in Federal support, and the Chicago campus attracts more than $290 million. Because of its strong medical and healthcare research programs, over 66 percent of support to the Chicago campus comes from the National Institutes of Health. UIS attracts over $3 million in support, primarily from the Department of Education.

The knowledge being generated and transmitted through University research has far-reaching implications for health, engineering, agriculture, business as well as basic and applied research. Recent developments include the following:

- In a study funded by the National Science Foundation, UIC researchers have discovered a signaling mechanism in the bacterial ribosome that detects proteins that activate genes for antibiotic resistance. Understanding how signals are generated and transmitted within the ribosome may one day lead to better antibiotics.

- A new research center on the Urbana campus will investigate whether regular exposure to bisphenol A (BPA) and phthalates – chemicals widely used in plastics and other consumer products – can alter infant and adolescent development, cognition or behavior. The Children's Environmental Health and Disease Prevention Research Center is funded by a $2 million grant from the National Institute of Environmental Health Sciences and the U.S. Environmental Protection Agency.

- UIC researchers will use a $950,000 grant from the U.S. Department of Agriculture to integrate obesity-prevention strategies into programs delivered to low-income families through the University of Illinois Extension Cook County, and Supplemental Nutritional Assistance Program Education. Among young children, obesity has tripled since 1980, and the prevalence is highest among black and Hispanic children.

- Farmers and entrepreneurs around the world are benefiting from a new approach to sustainable development education that reaches a much larger audience than traditional methods – and at a fraction of the cost. A team of extension educators and faculty at the University of Illinois are producing animated educational videos that can be watched at home, over and over again, on their cell phones. Nearly 60 percent of the 2.4 billion cell phone users in the world live in developing countries. Animation reduces the costs associated with making a video on a particular topic. The narration can be recorded in any language with any dialect or accent.

- Using a $25 million gift, UIC's College of Medicine at Peoria is constructing the Jump Trading Simulation and Conference Education center with state-of-the-art technology for medical students, nurses, residents and experienced clinicians to learn and practice new clinical skills in a safe environment.

- A team of Urbana researchers have developed a form of ultra-low-power digital memory that is faster and uses 100 times less energy than similar available memory. The technology could give future portable devices much longer battery life between charges. The collaboration was funded by the Office of Naval Research and the Marco Focus Center Research Program.

The University has expanded its investment in research and development capabilities and emphasizes the transfer of ideas to the marketplace. The University of Illinois has research parks located on the Urbana and Chicago campuses. Among the companies housed in the Urbana research park are Abbott Labs, Yahoo!, State Farm's research and development center, Wolfram Alpha and Qualcomm. Located in the Illinois Medical District, the Chicago Technology Park (CTP) on the UIC campus has a life-science focus and includes such firms as HumanZyme USA, Novadrug, LLC, Great Point Energy and BioChem Analysis. CTP is a collaborative effort among the University, Rush University Medical Center and Cook County Health Services.

New facilities continue to enhance the resources on the University's three campuses. Among the facilities opened in the last few years are the Business Instructional Facility in Urbana, the institution's first platinum certification through LEED (Leadership in Energy and Environmental Design); the UIC Forum, a state-of-the-art, multipurpose venue that hosts a variety of events including UIC's annual Urban Forum; and on the Springfield campus, Founders Hall, a residence for students that also houses a new bookstore and coffee shop.

Economic Development. As both an employer and a consumer, the University has a direct, annual economic impact of more than $13 billion on the state of Illinois, including the creation of more than 150,000 jobs. For every dollar the state spends on the University, the system generates more than $17 into the Illinois economy.

The University makes an additional impact through its role as a creative force that generates new ideas. This role encompasses the four central missions of the University – teaching, research, service and economic development – and engages it with the economic life of the State and nation. The University works with Illinois leaders in government and business on three primary research efforts within the University that will have a significant impact on the Illinois economy. They are:

- NCSA and the engineering and computer science fields that support information technology
- Biotechnology in the agriculture and life sciences
- Biotechnology in the health sciences

Existing strengths and major new capital investments in these areas by the state and private donors have positioned the University to leverage these strengths in the future.

Public Service. The University has a longstanding commitment to the communities it serves. Through its outreach units and programs, University faculty and staff provide expertise and resources in business and management, education, natural resources, health, engineering, and the arts. The University organizes and runs hundreds of public services activities around the State, which are cataloged in the University's public service database (www.uops.uillinois.edu/ui-service/).

Each campus has an Office of Continuing Education. Across the University, credit and non-credit courses, degree programs, online courses, conferences, professional development, summer session classes and programs for older adults are offered (www.online.uillinois.edu/). The University of Illinois Extension, a coordinating program offered through the Urbana campus, provides practical, research-based information and programs to help individuals, families, farms, businesses and communities throughout Illinois.

Urbana-Champaign Campus (Urbana)

The Urbana campus is the oldest and largest campus of the University, enrolling almost 44,000 students each year in a wide variety of undergraduate, graduate and professional programs offered by the colleges of agricultural, consumer and environmental sciences; applied health sciences; business; media; education; engineering; fine and applied arts; law; liberal arts and sciences; and veterinary medicine. Urbana also has schools of library and information sciences, social work, and labor and employment relations and an institute of aviation. The campus is internationally known for its leading-edge research programs, outstanding faculty, top-tier alumni, and its many contributions to the state of Illinois, the United States and the world.

The Urbana campus conferred more than 11,500 degrees in Fiscal Year 2010. Doctor's degrees (professional practice) are offered in three fields, doctor's degrees (research/scholarship) in 93 fields, post-master's certificates in 22 fields, master's degrees in 208 fields, bachelor's degrees in 136 fields, and one two-year certificate in aviation.

The Urbana campus is the home of more than 150 research laboratories, institutes and experiment stations, including the Institute for Genomic Biology, Beckman Institute for Advanced Science and Technology, the Center for Nanoscale Science and Technology, the National Soybean Research Laboratory, and the National Center for Supercomputing Applications. Urbana has the largest public university academic library in the country with more than 35 departmental libraries located across the campus. The library acquired its 11-millionth volume in 2009.

Urbana is consistently ranked highly by a variety of publications. The 2011 national rankings from *U.S. News & World Report* include: the College of Engineering ranked sixth in undergraduate and fifth in graduate programs; the College of Business ranked 14th in undergraduate programs nationally; the College of Education ranked 23rd (tie) in graduate programs; the Master of Fine Arts ranked 21st (tie) in graduate programs; and the Ph.D. programs in computer science and mathematics ranked fifth (tie) and 20th (tie), respectively. The Ph.D. Chemistry program is ranked sixth in graduate programs nationally. The Graduate School of Library and Information Science's programs tied for first in the nation in 2009.

The Urbana campus hosts a total of eight Federally funded U.S. Department of Education Title VI Centers in international and area studies, each focusing on a different world region or issue. Over 600 faculty from all colleges on campus are affiliated with one or more of these centers. The campus maintains over 200 active institutional linkages with international partners representing more than 40 different countries around the world. In 2008, Illinois was recognized for its international achievements with the prestigious Senator Paul Simon Award for Campus Internationalization, awarded annually by NAFSA: Association of International Educators.

Faculty members at the Urbana campus have been named to the National Academy of Sciences, the National Academy of Engineering, and the American Academy of Arts and Sciences and are fellows of the American Association for the Advancement of Science. Two faculty members have been awarded Pulitzer Prizes and 17 alumni (and one graduate of the university high school) have received this honor.

The Urbana campus was chartered in 1867 as one of the 37 original land grant universities. Today, the Urbana campus consists of 705 total buildings (316 main campus buildings), spread across 4,938 acres. Approximately 11,000 faculty, academic and civil service staff members are employed in Urbana. Near the campus are the University's 1,700-acre Willard Airport, the 1,800-acre Allerton Park and Conference Center, an antenna research site, a radio telescope, an optical telescope, and a radio direction finding and meteor radar site. The University also has about 100 acres of timber reserves located in four counties. Students can use the 70,000 computer connections across the campus and access the network in the more than 250 campus buildings that offer wireless connectivity. More than 90 percent of all classroom seats have wireless access.

Chicago Campus (UIC)

The Chicago campus of the University of Illinois traces its origins to medical colleges that opened during the 1800s. The Chicago-based colleges of pharmacy, dentistry, and physicians and surgeons officially affiliated with the University of Illinois in 1896-97 and were incorporated into the University in 1913. A temporary, two-year branch campus of the University was established after World War II on Navy Pier and students completed their studies in Urbana. Demand in Chicago remained high and, in 1965, the Chicago Circle campus opened west of the Loop area, replacing the Navy Pier site.

UIC was formed in 1982 by the consolidation of the Medical Center and the Chicago Circle campuses of the University. The campus received Carnegie Research 1 status in 1987.

The Chicago campus occupies approximately 350 acres in a mid-city location southwest of Chicago's downtown business district. Including the Rockford and Peoria campuses of UIC brings the total acreage to more than 420 acres. Today, the Chicago campus has more than 15 million gross square feet in more than 130 buildings (including the regional campuses). Almost 100,000 square feet are devoted to research. Students have benefited from the construction and refurbishment of two student recreation and sports centers with a total of more than 240,000 gross square feet at a cost of more than $45 million. The Rockford campus opened a new 58,000-square-foot addition in 2010 that provides space for new health science initiatives. Throughout the campus, 20 casual gathering spots furnished with couches and comfortable chairs have been established through Project Oasis.

UIC employs more than 11,000 faculty, professional and support staff. The Chicago campus has an enrollment of 27,850 (fall 2010), more than 600 of whom are located at regional medical schools in Peoria, Rockford and Urbana. Degrees are conferred upon more than 6,300 students annually at the Chicago campus. Degree programs are offered in 14 colleges and schools: applied health sciences; architecture and the arts; business administration; dentistry; education; engineering; the graduate college; liberal arts and sciences; medicine; nursing; pharmacy; social work; urban planning and public affairs; and public health. Doctor's degree (professional practice) are offered in 8 fields, doctor's degree (research/scholarship) in 68 fields, post-master's certificates in 11 fields, master's degrees in 117 fields, post-baccalaureate certificates in 3 fields, and bachelor's degrees in 85 fields.

UIC is the largest public university in the Chicago area and is a leader in health-related research. The UIC health sciences center is the largest institutional unit in Chicago's West Side Medical Center District. As an integral part of its research, instruction and public service program, the center operates a major teaching hospital and clinics, with more than 115,000 inpatient days and over 442,000 outpatient visits annually. The average daily census of patients rose from 298 in Fiscal Year 2001 to 317 in Fiscal Year 2010. The University of Illinois College of

Medicine is the largest medical school in the United States, with a longstanding reputation for diversity. The Hispanic Center of Excellence, which strengthens the pipeline of medical school applicants and enriches the education of Latino medical students, is celebrating its 20th anniversary in 2011. Other health science colleges include dentistry, applied health sciences, nursing and pharmacy and the school of public health.

UIC researchers are expected to be awarded nearly $430 million in funding by the end of FY11. The Chicago campus received more than $290 million in Federal support for research, primarily from the National Institutes of Health, because of its strong medical and healthcare programs. The top-ten ranked College of Pharmacy ranks fourth among U.S. colleges of pharmacy for National Institutes of Health research funding. UIC is the third-ranked research and development-intensive university in the state and 57th nationally based on expenditures.

UIC's engagement with the Chicago metropolitan area is embodied in the Great Cities Commitment, an umbrella name for the hundreds of teaching, research and service programs that connect the campus with the community. Industry partnerships, internships, business and entrepreneurial development, infrastructure improvement and neighborhood revitalization are examples of how the campus' partnership with Chicago benefits urban neighbors as well as faculty and students.

Faculty members serve as heads of national associations and societies, are the recipients of national research, teaching and achievement awards, and are members of international and national honor societies. More than a dozen faculty are listed among the most highly cited researchers in their fields.

Springfield Campus (UIS)

The University of Illinois at Springfield (UIS) is a small public university with innovative, high-quality liberal arts programs. UIS enrolls more than 5,000 students (fall 2010) in 24 bachelor's degree, 6 post-baccalaureate certificates, 23 master's degree programs, three post-master's certificates as well as one doctoral program in public administration. The campus awarded more than 1,100 degrees in 2009-2010, many to online students whose first time on campus is for their graduation ceremony.

UIS is a national leader in online education. The campus received the 2007 Excellence in Institution-Wide online teaching and learning programming award and the 2008 Gomory Award for quality online education from the Sloan Consortium, a group of institutions and organizations committed to quality online education. Two UIS staff members have been recipients of the Sloan Consortium's individual outstanding achievement award.

Academic programs range from traditional disciplines such as English, history, psychology and biology to more career-oriented concentrations such as business administration, management information systems, criminal justice, accountancy and social work. UIS offers a four-year baccalaureate program for high-achieving students called the Capital Scholars Honors Program. The Springfield campus has been a four-year university since 2006.

Norris L Brookens Library supports UIS with a collection of more than 566,000 volumes (including nearly 30,000 e-books); more than 2,000 DVD/CDs; over 1,860,000 microforms; and provides access to more than 125 databases containing journal articles and other research materials. The collection also contains nearly 200,000 government documents.

Other campus resources include the Public Affairs Center with the 2,000-seat Sangamon Auditorium performing arts center, conference facilities and the campus bookstore. The Health and Sciences Building houses the Visual Arts Gallery, science laboratories and a number of computer labs. Founders Hall, an environmentally friendly, 200-bed residence hall, opened on the campus in the fall of 2008. The 62,000 gross-square-foot structure also houses the campus bookstore and a café.

The Center for State Policy and Leadership is instrumental in carrying out UIS's unique public affairs focus by identifying and addressing issues of state and national public policy and promoting governmental effectiveness and civic engagement. The Center offers a graduate public service internship program and hosts the annual Lincoln Legacy lecture series. Among the nine units of the center are *Illinois Issues* magazine, WUIS/WIPA public radio and the Institute for Legislative Studies.

Accreditations and Memberships

The University is fully accredited in all of its departments and divisions by the North Central Association of Colleges and Schools. In addition, University programs are individually accredited by more than 30 professional associations, including American Library Association, American Psychological Association, American Bar Association, American Veterinary Medical Association, and Association to Advance Collegiate Schools of Business. The University is a member of the American Council of Education and the Association of American Universities.

Board of Trustees and University Officers

The University is governed by the Board, which consists of 10 voting members, including one voting student member. The Governor of the state of Illinois serves as an ex-officio member, and there are two non-voting student members. The Board is responsible for the general supervision and management of the educational program and the lands, buildings and other properties of the University and the control of the revenues and expenditures in support thereof.

The following persons are members or officers of the Board of Trustees:

Name	Trustees of the Board	Current Term Started	Current Term Ending
Patrick J. Quinn	Governor of the State of Illinois	*Ex-Officio*	*Ex-Officio*
Ricardo Estrada	Appointed Board Member	2011	2017
Karen Hasara	Appointed Board Member	2011	2017
Patricia Brown Holmes	Appointed Board Member	2011	2017
Christopher Kennedy	Appointed Board Member	2009	2015
Timothy Koritz	Appointed Board Member	2009	2013
Edward L. McMillan	Appointed Board Member	2009	2015
James D. Montgomery, Sr.	Appointed Board Member	2007	2013
Lawrence Oliver II	Appointed Board Member	2009	2013
Pamela Strobel	Appointed Board Member	2009	2015
Roshina K. Khan	Student Member, Chicago	2010	2011
Charles L. Olivier III	Student Member, Springfield	2010	2011
Daniel A. Soso	Student Member, Urbana (1)	2010	2011

(1) Voting member. Only one of the three student members is designated by the governor as a voting member.

Name	Officers of the Board
Christopher Kennedy	Chairman of the Board
Michele M. Thompson	Secretary of Board
Walter K. Knorr	Comptroller of Board
Lester H. McKeever, Jr.	Treasurer of Board
Thomas R. Bearrows	University Counsel

The principal individuals (executive officers) responsible for the operations of the University are:

Michael J. Hogan, Ph.D., President. Michael J. Hogan was named the 18th president of the University of Illinois in May 2010. He will serve as the Harry E. Preble Chair and professor in the Department of History in the College of Liberal Arts and Sciences on the Urbana campus. President Hogan most recently served as the president of the seven-campus University of Connecticut. His administrative career also includes serving as the executive vice president, provost and F. Wendell Miller Professor of History at the University of Iowa. Before his move to Iowa in 2004, he held numerous positions at The Ohio State University, which he joined as a faculty member in 1986. Hogan was also a faculty member at Miami University, Stony Brook University and at the University of Texas, Austin. He earned his B.A. degree at the University of Northern Iowa, where he majored in English with minors in history and classics. His graduate degrees, in history, were earned at The University of Iowa. He is the author of nine books and numerous scholarly articles and essays.

Robert A. Easter, Ph.D., Vice President/Chancellor and Provost (Interim), Urbana-Champaign. Robert A. Easter was named interim provost and vice chancellor in July 2009 and was named interim chancellor in November 2009. Dr. Easter was dean of the College of Agricultural, Consumer and Environmental Sciences from 2002-09. He was head of the animal sciences department from 1996-2001 and has been on the animal sciences faculty since 1976. Dr. Easter earned his bachelor's degree in agricultural education and master's degree in animal nutrition from Texas A&M University and a doctoral degree in animal science from Illinois. He was commissioned as a second lieutenant in the U.S. Army in 1972 and completed 20 years of U.S. Army Reserve service in 1992, having earned the rank of major.

Paula Allen-Meares, Ph.D., Vice President/Chancellor, Chicago. Paula Allen-Meares has been vice president/chancellor of the Chicago campus since January 2009. Prior to being named chancellor, Dr. Allen-Meares was dean of the School of Social Work at the University of Michigan since 1993 and was the Norma Radin Collegiate Professor of Social Work and professor of education at that university. Before joining the University of Michigan, she was a professor and dean of the School of Social Work at the University of Illinois at Urbana-Champaign, where she received her master's and doctoral degrees. She earned her bachelor's degree at the University of New York at Buffalo.

Harry J. Berman, Ph.D., Vice President/Chancellor (Interim), Springfield. Harry Berman was named interim vice president/chancellor of the Springfield campus in 2010. Dr. Berman is also professor of Human Services and holds degrees in psychology from the University of Chicago (BA, 1969) and Washington University (Ph.D., 1974). In 1977 he joined the faculty of the University of Illinois at Springfield (then Sangamon State University), after having served as an assistant professor of human development at the Fayette Campus of the Pennsylvania State University for three years. He taught courses in human development and aging. He accepted an administrative position in Fall 1994 as Associate Vice Chancellor for Academic Affairs. In January 2001 he assumed responsibility for oversight of graduate education and research administration and in January 2005 he was appointed interim provost, the campus' chief academic officer, and in August 2005 was appointed provost.

Susan J. Koch, Ph.D., Vice President/Chancellor (designate), Springfield. Susan J. Koch was named vice president/chancellor of the Springfield campus effective July 1, 2011 subject to Board of Trustee approval. Dr. Koch is currently provost and vice president for academic affairs at Northern Michigan University, where she has served since 2007. Before joining NMU, she was the associate provost and dean of the graduate college at the University of Northern Iowa. A South Dakota native, Dr. Koch earned her bachelor's degree at Dakota State University and her master's and doctorate degrees at the University of Northern Iowa, where she joined the faculty in 1985. Her field is health education.

Thomas R. Bearrows, JD, University Counsel. Thomas R. Bearrows joined the University of Illinois in 1997 and is responsible for the management of the University's legal affairs at all three campuses. Prior to joining the University, he spent 13 years in private practice with a Chicago law firm. He received his undergraduate and law degrees from the University of Illinois and a master's degree in public policy from Harvard University. In addition to his work for the University, Mr. Bearrows serves as counsel for the Alumni Association and the University of Illinois Foundation.

Joe G. N. Garcia, M.D., Vice President for Health Affairs (Interim). Joe G.N. "Skip" Garcia was named as the University's first Vice President for Health Affairs in early 2011. Dr. Garcia joined UIC as Vice Chancellor for Research and Professor of Medicine in 2010. Prior to becoming Vice Chancellor, he was the Lowell T. Coggeshall Professor and Chair of the Department of Medicine at the University of Chicago. Dr. Garcia received his BS in biology from the University of Dallas in 1976, followed by his M.D. from the University of Texas Southwestern Medical School in 1980. He completed his internship and residency training at the University of Iowa Hospitals and Clinics and fellowship training in the Division of Pulmonary Diseases at Albany Medical College. During his academic career, Dr. Garcia has worked at the University of Texas Health Center, the Indiana University School of Medicine, and Johns Hopkins University in addition to the University of Chicago.

Thomas P. Hardy, M.S., Executive Director, University Relations. Thomas Hardy joined the University of Illinois in 2002 as executive director of the Office for University Relations. Under Mr. Hardy's leadership, University Relations develops and executes strategic communications programs, provides public affairs and marketing assistance to university-wide offices, and coordinates activities and responses with the Public Affairs offices on the three campuses. A former journalist and public affairs consultant, Mr. Hardy served as press secretary to former Illinois governor Jim Edgar and worked for the Chicago Tribune for two decades, spending ten years as the Chicago-based political writer and columnist, covering local and state election campaigns and state legislative affairs. Immediately prior to joining university administration, Mr. Hardy worked in the Chicago office of Burson-Marsteller, a global public relations firm. He earned a B.A. from Ripon College and an M.S. from Northwestern University.

Walter K. Knorr, B.S., Vice President/Chief Financial Officer and Comptroller. Walter K. Knorr was appointed vice president/chief financial officer (CFO) and Comptroller in January 2007. The CFO serves as the senior University executive officer responsible for the operation of all financial functions for the University, including budget execution, financing and execution of all capital projects. Together with the vice president for academic affairs and senior staff in planning and administration, the CFO is responsible for budget development. The CFO serves as treasurer of the University of Illinois Foundation and in an ex officio capacity with the University of Illinois Alumni Association. The comptroller is an officer of the Board and approves all expenditures for which a general or specific appropriation has been made by the Board and signs contracts to which the University is a party. Prior to being appointed CFO, he served as comptroller of Cook County and as CFO and comptroller for the City of Chicago. He has also held senior positions at major financial firms and was a principal at a major audit firm. Mr. Knorr has a bachelor's degree from Wittenberg University and is a Certified Public Accountant.

Katherine Laing, JD, Executive Director of Governmental Relations. Katherine "Kappy" Laing is the executive director of governmental relations and has 27 years of experience working with local, state and Federal governments. Before joining the university in 2010, she was the Chicago Public Schools' chief government affairs liaison. Ms. Laing earned a B.A. from Northwestern University and a J.D. from the Illinois Institute of Technology Chicago-Kent College of Law. She has spent most of her career in Springfield and Washington, D.C., monitoring legislation related to local governments and businesses. She was a lobbyist for AT&T, directed intergovernmental affairs for the Chicago Transit Authority, and worked as a legislative liaison for Chicago in the administration of the late Mayor Harold Washington.

Chatta Rao, Ph.D., Vice President for Academic Affairs. Mrinalini "Meena" Chatta Rao was appointed vice president for academic affairs in May 2007. The vice president for academic affairs is responsible for defining and shaping strategic academic priorities and directions for the University of Illinois, providing advice on important academic policy issues and helping support key academic initiatives. Dr. Rao served as vice provost for faculty affairs on the Chicago campus from 2002 until her appointment as vice president. Her field of academic research is physiology and biophysics in the College of Medicine and she has a joint appointment with the Department of Medicine. Dr. Rao has been at the Chicago campus since 1984. Dr. Rao earned her bachelor's and master's degrees in botany from the University of Delhi, India, and a diploma in molecular biochemistry from the Indian Institute of Science in Bangalore. She received her master's and doctorate in cellular and molecular biology from the University of Michigan.

Lawrence B. Schook, Ph.D., Vice President for Research (Interim). Lawrence B. Schook began serving as the Interim Vice President for Research in 2011. He is the Edward William and Jane Marr Gutgsell Professor in the Department of Animal Sciences on the Urbana campus. Dr. Schook also serves as the Director of the Division of Biomedical Sciences responsible for directing strategic alliances related to health research and leading the Illinois Health Sciences Initiative that coordinates Urbana campus research and educational programs. He holds joint appointments in bioengineering, nutritional sciences, and in pathology, part of the University of Illinois College of Medicine, based at UIC, and has faculty appointments with the Institute for Genomic Biology and the Beckman Institute for Advanced Science and Technology. Dr. Schook graduated from Albion College in 1972 and received his Ph.D. in 1978 from Wayne State School of Medicine. After postdoctoral training at the Institute for Clinical Immunology in Switzerland and the University of Michigan, he has held faculty positions at the Medical College of Virginia, University of Minnesota and as a visiting Professor at the Ludwig Cancer Center of the University of Lausanne.

Michele M. Thompson, Ph.D., Secretary, Board of Trustees. Michele M. Thompson has served as the secretary of the University of Illinois Board of Trustees since 1990. As the secretary she is responsible for communications with the Board members and execution of official documents and also serves as the keeper of the official proceedings of the Board. She was the first woman to serve as a General Officer of the University. Dr. Thompson received her Ph.D. in sociology from the State University of New York at Buffalo and bachelor and master of arts degrees from the University of Missouri at Kansas City.

Financial Condition of the University

The financial statements of the University are presented in accordance with accounting principles generally accepted in the United States of America and the standards applicable to financial audits contained in "Government Auditing Standards," issued by the Comptroller General of the United States.

The following table summarizes the University's assets and liabilities at June 30, 2010, 2009, and 2008:

Statement of Net Assets (in 000's)

	Fiscal Year Ended June 30, 2010	Fiscal Year Ended June 30, 2009	Fiscal Year Ended June 30, 2008
Current Assets:			
Cash and cash equivalents	$ 438,557	$ 264,142	$ 327,503
Cash and cash equivalents, restricted	270,812	185,931	289,811
Investments	13,486	13,100	7,450
Investments, restricted	48,306	153,167	141,698
Securities Lending collateral	82,720	104,985	-
Accrued investment income	2,348	3,136	5,039
Accounts receivable, net of allowance for uncollectible	373,747	355,799	368,459
Receivable from State of Illinois General Revenue Fund	265,624	120,902	1,355
Notes receivable, net of allowance for uncollectible	7,764	6,772	7,489
Accrued interest on notes receivable	2,928	2,782	2,931
Inventories	31,581	30,141	28,795
Prepaid expenses and deferred charges	22,011	26,480	25,934
Due from related organizations	1,114	912	1,325
Total Current Assets	$ 1,560,998	$ 1,268,249	$ 1,207,789
Noncurrent Assets:			
Investments	$ 324,207	$ 284,244	$ 340,524
Investments, restricted	237,519	211,918	261,281
Notes receivable, net of allowance for uncollectible	53,021	54,834	55,305
Real estate and farm properties	-	-	13,766
Prepaid expenses and deferred charges	9,312	13,574	10,364
Due from related organizations	968	1,231	1,232
Capital assets, net of accumulated depreciation	3,329,807	3,328,555	3,240,155
Other assets	3,670	4,318	12,777
Total Noncurrent Assets	$ 3,958,504	$ 3,898,674	$ 3,935,404
Deferred outflow of resources	21,720	-	-
TOTAL ASSETS	$ 5,541,222	$ 5,166,923	$ 5,143,193

	Fiscal Year Ended June 30, 2010	Fiscal Year Ended June 30, 2009	Fiscal Year Ended June 30, 2008
Current Liabilities:			
Accounts payable and accrued liabilities	$ 247,005	$ 257,216	$ 271,804
Accrued payroll	137,035	137,287	132,453
Accrued compensated absences, current portion...	17,810	17,591	17,048
Accrued self insurance, current portion................	59,008	54,311	48,591
Deferred revenue and student deposits.................	142,291	146,122	156,521
Accrued interest payable	17,242	17,683	17,248
Securities Lending collateral	82,720	106,229	-
Bonds payable, current portion	94,875	33,090	126,807
Leaseholds payable and other obligations, current portion...	84,031	231,786	25,942
Assets held for others	31,046	32,573	35,646
Total Current Liabilities	$ 913,063	$ 1,033,888	$ 832,060
Noncurrent Liabilities:			
Bonds payable	$ 967,323	$ 1,058,172	$ 1,005,489
Leaseholds payable and other obligations	504,912	389,645	625,458
Accrued compensated absences	197,178	199,944	196,260
Accrued self insurance	147,821	127,516	128,577
Derivative instrument – swap liability	25,379	-	-
Total Noncurrent Liabilities	$ 1,842,613	$ 1,775,277	$ 1,955,784
Total Liabilities	$ 2,755,676	$ 2,809,165	$ 2,787,844
Net Assets:			
Invested in capital assets, net of related debt	$ 1,895,395	$ 1,861,131	$ 1,822,522
Restricted:			
Nonexpendable	60,965	57,362	46,743
Expendable..	442,653	373,809	396,220
Unrestricted	386,533	65,456	89,864
Total Net Assets	$ 2,785,546	$ 2,357,758	$ 2,355,349
TOTAL LIABILITIES AND NET ASSETS	$ 5,541,222	$ 5,166,923	$ 5,143,193

Statement of Revenues, Expenses and Changes in Net Assets of the University

The following table presents the Statement of Revenues, Expenses and Changes in Net Assets of the University for Fiscal Years ended June 30, 2010, 2009 and 2008:

Statement of Revenues, Expenses and Changes in Net Assets
(in 000's)

	Fiscal Year Ended June 30, 2010	Fiscal Year Ended June 30, 2009	Fiscal Year Ended June 30, 2008
OPERATING REVENUES			
Student tuition and fees, net	$ 823,488	$ 743,286	$ 662,464
Medical Fee for services - state appropriation	1,014	45,982	45,523
Federal appropriations	16,188	16,909	20,276
Federal grants and contracts	641,708	572,598	553,261
State of Illinois grants and contracts	84,065	79,499	94,651
Private gifts, grants, and contracts	147,964	137,071	126,386
Educational activities	251,770	253,203	234,549
Auxiliary enterprises, net	368,515	348,134	330,309
Hospital and other medical activities, net	576,852	481,943	463,209
Medical service plan	185,061	189,444	185,499
Independent operations	12,960	15,012	10,924
Interest and service charges on student loans	1,584	1,160	1,494
TOTAL OPERATING REVENUES	3,111,169	2,884,241	2,728,545
OPERATING EXPENSES			
Instruction	970,339	961,305	933,157
Research	652,229	630,127	591,412
Public service	395,343	383,429	367,450
Academic support	354,238	303,742	294,286
Student services	126,635	123,328	117,317
Institutional support	228,610	229,737	219,756
Operation and maintenance of plant	269,739	274,373	268,624
Scholarships and fellowships	215,270	200,038	199,259
Auxiliary enterprises	310,794	306,967	283,259
Hospital and medical activities	597,426	578,858	554,186
Independent operations	12,067	13,806	10,103
Depreciation	208,885	203,477	199,609
TOTAL OPERATING EXPENSES	4,341,575	4,209,187	4,038,418
Operating (Loss)	(1,230,406)	(1,324,946)	(1,309,873)

	Fiscal Year Ended June 30, 2010	Fiscal Year Ended June 30, 2009	Fiscal Year Ended June 30, 2008
NONOPERATING REVENUES (EXPENSES)			
State appropriations	717,300	699,038	680,503
Transfer of state appropriation to Illinois DHFS Hospital Services Fund	(45,000)		
Private gifts	144,099	141,315	129,948
Federal grants, nonoperating	103,101	39,347	33,928
On behalf payments for fringe benefits	634,745	486,022	441,480
Net investment income (net of interest expense of $2,066 in 2010)	19,338	24,836	66,682
Net increase (decrease) in the fair value of investments	54,980	(54,547)	(60,508)
Interest expense	(77,368)	(73,460)	(68,091)
Loss on sale/disposals of capital assets	(7,041)	(4,871)	(3,552)
Other nonoperating revenues (expense)	33,748	38,780	20,329
Net nonoperating revenues (expenses)	1,577,902	1,296,460	1,240,719
Income (loss) before other revenues, expenses, gains, or losses	347,496	(28,486)	(69,154)
Capital state appropriations	20,610	3,203	5,981
Capital gifts and grants	61,898	8,442	2,412
Private gifts for endowment purposes	98	1,905	254
INCREASE IN NET ASSETS	430,102	(14,936)	(60,507)
NET ASSETS, BEGINNING OF YEAR	2,357,758	2,355,349	2,415,856
Change in Accounting Principles (see note 9 to financial statements)	(2,314)	17,345	--
NET ASSETS, END OF YEAR	$ 2,785,546	$ 2,357,758	$ 2,355,349

2010 Budget and State Appropriations

The University receives a major portion of the revenues needed to sustain its educational and research activities from state appropriations, tuition revenues and the Federal government. The state appropriation reflected in the University's budget for Fiscal Year 2011 reflects a 6.1% decrease from Fiscal Year 2010 to $716.9 million. The decrease is primarily related to the elimination of Federal, State, and Education Stabilization funds from Title XIV of the American Recovery and Reinvestment Act of 2009 (ARRA). Payments on behalf reflected in the budget increased by 6.5% or $44.1 million, to $723.3 million. In September 2010, the Board approved a final operating budget for Fiscal Year 2011 that provided a 3.9% increase over the final Fiscal Year 2010 operating results. The table below shows the components of the Fiscal Year 2011 budget compared with the final amounts from the adjusted Fiscal Year 2010 budget.

Fiscal Year 2010 Budget Versus Fiscal Year 2011 Budget
(in millions)

	Budget 2010	Budget 2011	% Increase
State Tax Appropriations(1)	$ 763.8	$ 716.9	(6.1%)
Payments on Behalf(2)	679.2	723.3	6.5%
Tuition & Fees(3)	738.9	842.6	14.0%
Local Fund(4)	2,401.2	2,478.5	3.2%
Total Budget	$4,583.1	$4,761.3	3.9%

(1) Includes the transfer of the State Surveys 2010 and 2011.

(2) Payments by the state for employee benefits that are not appropriated to the University but are paid on its behalf (such as pension funding) are included.

(3) Excludes waivers for graduate assistants.

(4) Includes: Institutional Cost Recovery, Royalties, Administrative Allowance, Sponsored Projects, Federal Appropriations, Private Gifts & Endowment Income, MSP, Auxiliary Enterprise Operations, Hospital, AFMFA and Department Activities.

The University annually receives appropriations from the General Assembly of the State, which are to be applied to the educational and general expenditures of the University. In addition, payments are made by the State on behalf of the University for employee benefits and retirement contributions. The State funding received by the University for the past five fiscal years is set forth below:

State Funding to the University
Fiscal Year Ended June 30
(in millions)

	2006	**2007**	**2008**	**2009**	**2010**
Current Operating Funds	$ 700.1	$ 713.0	$ 726.0	$ 745.0	$ 718.3
Payments on Behalf of University	327.9	388.6	441.5	539.3	634.7
Total	$1,028.0	$1,101.6	$1,167.5	$1,284.3	$1,353.0

Source: Compiled by the Office of the Comptroller of the University from audited Financial Reports of the University for Fiscal Years 2006-2010.

The Governmental Accounting Standards Board ("GASB") Statement 24 (Accounting and Financial Reporting for Certain Grants and Other Financial Assistance) requires State universities to recognize in their financial statements and notes the amount the State contributes to the State Universities Retirement System of Illinois ("SURS") on behalf of the University employees. The amount recognized each year has been relatively consistent.

The State of Illinois had not had a significant capital program since FY 2003. In that year the University was appropriated $126 million and all but one of those projects were released and constructed. Since that time state support has been sporadic. A small amount of repair and renovation funds along with planning funds for three projects ware appropriated and released as part of the FY 2004 and FY 2006 budgets. Lincoln Hall along with the Electrical and Computer Engineering project each received $3 million dollars, while $2.9 million in planning funds were appropriated for the Integrated Bioprocessing Research Lab. In FY 2010 the University was encouraged to receive appropriations in the amount of $255 million dollars for ten projects. To date a few have been released but the larger balance of the list remains in a holding pattern. Sixty million dollars dedicated for the Petascale facility to house the world's most powerful computers was released and the facility has been constructed and is currently in use. Construction funds in the amount of $57 million for the aforementioned Lincoln Hall project was also released and that project is under construction. $14.8 million in construction funds for the College of Medicine at Rockford were released and that project is nearly complete. A partial release of $32 million in repair and renovation funds was also received with roughly one third released in mid-2010 for each campus's use. Additionally a partial release of $2.5 million dollars was released to begin planning the Dentistry Building Modernization at the Chicago campus. The University remains hopeful that the remainder of projects from recent appropriations will be released along with a return to a steady and stable capital budget in the near term.

Other Outstanding Indebtedness and Capital Leases

The Board and the University have other debt outstanding as of June 30, 2010, including:

(i) University of Illinois Health Services Facilities System Revenue Bonds, Series 1997B (the "Series 1997B Health Facilities Bonds") and the Variable Rate Demand Health Services Facilities System Revenue Refunding Bonds, Series 2008 (the "Series 2008 Health Facilities Bonds," collectively with the Series 1997B Health Facilities Bonds, the "Health Facilities Bonds"). The Series 1997B Health Facilities Bonds were issued to finance a portion of the costs of the construction and equipping of an outpatient care center on the Chicago campus and a medical office building in Rockford, Illinois. The Series 2008 Health Facilities Bonds were issued June 26, 2008, together with certain other available monies, to refund the Series 2007 Health Facilities Bonds. (The Series 2007 Health Facilities Bonds were defeased on July 28, 2008.) The Health Facilities Bonds are secured by the net revenues of the Health Services Facilities System, revenues received from the Board's medical services plan and a lien on Student Tuition and Fees generated at the College of Medicine subordinate to the AFS Bonds (defined below in paragraph (iv)) but prior to the South Campus Bonds. As of June 30, 2010, there were $18,600,000 Series 1997B and $41,215,000 Series 2008 Health Facilities Bonds outstanding;

(ii) University of Illinois Auxiliary Facilities System Revenue Bonds, Series 1991, Series 1999A, Series 1999B, Series 2001A, Series 2001B, Series 2001C, Series 2003A, Series 2005A, Series 2006, Series 2008, and Series 2009A (together, the "AFS Bonds"). The AFS Bonds were issued to fund improvements to the University's Auxiliary Facilities System. The AFS Bonds are secured by Net Revenues of the Auxiliary Facilities System and a lien on Student Tuition and Fees prior to the Health Facilities Bonds and the South Campus Bonds. As of June 30, 2010, there were $919,355,709 AFS Bonds outstanding (including capital appreciation bonds at their compound accreted value at June 30, 2010); and

(iii) University of Illinois UIC South Campus Development Project Taxable Revenue Bonds, Series 2000, and UIC South Campus Development Project Revenue Bonds, Series 2003, were issued to finance the cost of acquiring, equipping and improving certain facilities and improvements at the University's South Campus Development Area (the "Area") in Chicago, and the Variable Rate Demand UIC South Campus Development Project Revenue Refunding Bonds, Series 2008 (such Series 2000, Series 2003 and Series 2008 Bonds collectively, the "South Campus Bonds"), were issued to advance refund outstanding UIC South Campus Development Project Revenue Bonds, Series 2006A, which were issued for such purposes. The South Campus Bonds are secured by (a) certain incremental taxes to be received from the City of Chicago with respect to the Area, (b) Student Tuition and Fees, subordinate to the Health Facility Bonds and the AFS Bonds described above, and (c) funds on deposit in the UIC South Campus Development Bond and Interest Sinking Fund Account (into which the Board may, but is not required, to deposit funds). The Series 2000 Bonds are additionally secured by a portion of the funds derived from certain sales of real property in the Area. As of June 30, 2010, there were $69,985,000 South Campus Bonds outstanding.

As of June 30, 2010, the University had a total principal amount of $1,049,155,709 of Bonds outstanding (including capital appreciation Bonds at their compound accreted value as of June 30, 2010, referred to as "CABs"), which are summarized as follows:

Outstanding Bond Principal

Series	Rates on Outstanding Debt	Maturity Dates	Outstanding at June 30, 2010 (in 000's)
Auxiliary Facilities System			
1991 (CABs)	7.200%-7.350%	2011-2021	121,355
1996	5.200%	2010	225
1999A (CABs)	6.050%-6.330%	2015-2030	18,871
1999B	7.560%	2011-2015	3,695
2001A	5.000%-5.500%	2011-2030	98,330
2001B	4.500%-5.500%	2011-2032	37,520
2001C	6.300%-7.000%	2011-2021	11,655
2003A	3.250%-5.500%	2011-2034	59,310
2005A	4.625%-5.500%	2011-2031	151,245
2006	4.000%-5.000%	2011-2036	313,595
2008	Variable	2011-2038	20,120
2009	2.000%-5.750%	2011-2038	83,435
Health Services Facilities System			
1997B	Variable	2010-2026	18,600
2008	Variable (1)	2011-2026	41,215
UIC South Campus Development Project			
2000	7.910%-7.960%	2011-2013	7,905
2003	4.000%-5.250%	2011-2023	7,835
2008	Variable (2)	2011-2022	54,245
Total Principal Payable			**$1,049,156**

(1) Synthetically fixed through the use of swaps with a fixed rate of 3.534%.

(2) Synthetically fixed through the use of swaps with an average fixed rate of 4.089%.

On July 21, 2010, the University issued Auxiliary Facilities System Revenue Bonds, Series 2010A (the "Series 2010A Bonds"), in the amount of $56,675,000. The proceeds from the Series 2010A Bonds are being used to (i) pay a part of the costs of various improvements and additions to the System, (ii) pay capitalized interest on the Series 2010A Bonds and (iii) pay costs of issuing the Series 2010A Bonds. The Series 2010A Bonds bear interest at rates ranging from 4.00% to 5.25% per annum and mature on April 1 of the years 2012 through 2030. Debt service on the Series 2010A Bonds is included in the calculations shown in the body of this Official Statement under the headings "PRO FORMA MAXIMUM ANNUAL NET DEBT SERVICE COVERAGE" and "ANNUAL DEBT SERVICE REQUIREMENTS ON THE BONDS."

The University leases facilities, equipment and services under various lease-purchase agreements or has purchased facilities or services through installment purchase contracts. Such leases and installment purchases are subject to cancellation in any year during which the Illinois General Assembly does not make an appropriation to the University for such purpose and there are no other budgeted legally available funds for payment thereof. The following table shows certificates of participation and other capital leases that were outstanding as of June 30, 2010:

Outstanding Certificates of Participation and Other Capital Leases

Certificates of Participation	Outstanding Rates	Maturity Dates	Outstanding at June 30, 2010 (in 000's)
Series 2003 South Farms Project	3.30%-5.25%	2010-2022	19,155
Series 2003 UI-Integrate Project	4.50%-5.00%	2012-2014	31,700
Series 2003 Utility Infrastructure	4.00%-5.00%	2010-2016	42,815
Series 2004 Utility Infrastructure	Variable (1)	2010-2021	138,690
Series 2005 UIC COM Research Bldg	4.39%-5.25%	2011-2025	17,010
Series 2006A Academic Facilities	4.625%-5.00%	2011-2026	70,345
Series 2007A	4.20%-5.25%	2010-2027	72,460
Series 2007B	5.00%	2015-2020	45,645
Series 2009A	3.00%-5.25%	2011-2027	38,230
Series 2009B	Variable	2011-2027	60,000
Total Certificates of Participation			$ 536,050
Other Capital Leases			$ 43,036
Total Principal - Certificates of Participation and Other Capital Leases			$ 579,086

(1) Synthetically fixed through the use of swaps with a fixed rate of 3.765%.

The University paid $30,000,000 of principal on August 4, 2010 and $30,000,000 of principal on September 1, 2010 on its Certificates of Participation, Series 2009B, which settled the outstanding liability of this issue.

On December 16, 2010, the University closed on an Energy Services Agreement (ESA) for the installation of Energy Conservation Measures (ECMs) to the Veterinary Medicine facilities at the Urbana campus. The ESA included an Installment Payment Contract to finance the ECMs and the cost of issuance in the amount of $18.4 million. The financing is for 15 years at an interest rate of 3.24%.

Future Capital Plans

The Board has an ongoing capital improvement program consisting of new construction and renovation of existing facilities. Capital improvements are expected to be funded from a variety of sources including gifts, state capital funds, revenue and lease financing and University funds.

The Board may also from time to time refund or refinance its outstanding bonds, lease purchase obligations or installment purchase obligations to restructure its indebtedness or to take advantage of more favorable interest rate levels.

Faculty

The University has over 5,600 full-time equivalent faculty. Approximately half of all faculty are tenured, including those that are neither tenure nor tenure-track. Of those in the tenure track, about three-fourths are fully tenured. Scores of faculty members have been elected to distinguished academic societies such as the American

Academy of Arts and Sciences, the American Philosophical Society, the National Academy of Sciences and the National Academy of Engineering.

Student Enrollment

On-campus enrollments for the past five academic years, based on fall semester registrations, are shown on the following table.

Fall Term	On-Campus Headcount											
	Undergraduate				Graduate/Professional				Total			
	UIUC	UIC	UIS	Total	UIUC	UIC	UIS	Total	UIUC	UIC	UIS	Total
2010	31,250	16,790	2,313	50,353	10,695	10,519	1,084	22,298	41,945	27,309	3,397	72,651
2009	31,209	15,964	2,184	49,357	10,708	10,281	1,113	22,102	41,917	26,245	3,297	71,459
2008	31,173	15,648	2,044	48,865	10,206	9,595	1,012	20,813	41,379	25,243	3,056	69,678
2007	30,695	15,672	2,038	48,405	10,325	9,453	1,148	20,926	41,020	25,125	3,186	69,331
2006	30,935	14,999	1,987	47,921	10,312	9,201	1,375	20,888	41,247	24,200	3,362	68,809

Fall Term	Full Time Equivalent*											
	Undergraduate				Graduate/Professional				Total			
	UIUC	UIC	UIS	Total	UIUC	UIC	UIS	Total	UIUC	UIC	UIS	Total
2010	32,239	15,657	1,998	49,894	12,018	10,424	694	23,136	44,257	26,081	2,692	73,030
2009	32,118	15,069	1,877	49,064	12,029	10,100	693	22,822	44,147	25,169	2,570	71,886
2008	32,024	14,906	1,730	48,660	11,644	9,701	643	21,988	43,668	24,607	2,373	70,648
2007	31,310	14,881	1,657	47,848	11,504	9,687	730	21,920	42,814	24,568	2,387	69,769
2006	31,404	14,171	1,610	47,185	11,752	9,596	811	22,159	43,156	23,767	2,421	69,344

* Based on the Illinois Board of Higher Education definition of full-time equivalency. Undergraduate student full-time equivalent is computed as the total number of fall semester credit hours divided by 15. Graduate and professional student full-time equivalent is computed as the total number of fall term semester hours divided by 12. Credit hours are included for students enrolled in coursework with zero credit at UIC and UIUC.

Note: An additional 4,216 students were enrolled off-campus, on-line and in home study programs in Fall 2010 as follows: Chicago, 522 (preliminary); Springfield, 1,777; Urbana-Champaign, 1,917 (preliminary).

Because of space limitations, the Urbana-Champaign campus annually denies admission to a number of fully qualified applicants. Demand for programs at the Urbana-Champaign campus, especially those in engineering, the sciences and business, continues to be extremely high, so that even if the overall pool of high school graduates declines, the campus is likely to be able to retain its current level of enrollment without any significant loss of the extremely high quality of the student body. In addition, new efforts are planned to identify highly qualified applicants from outside the State to enhance the overall diversity of the undergraduate student body.

The Chicago campus consistently has attracted students from a more diverse age group than the traditional 18-21-year-old undergraduates. These older students are typically employed full or part-time, and represent a continuing source of new enrollment prospects. Enrollments in the programs for health professionals are limited by the amount of facilities available to serve such students. The demand for admission to the programs remains strong.

The on-campus student body of UIS is currently composed of 66% undergraduate students and the rest graduate students, a large proportion of whom are employed adults who attend part-time and appreciate the abundant class offerings in the evening. Most UIS students come from the central Illinois area, but a number of degree programs attract students from other regions of Illinois, other states and other nations. UIS emphasizes excellence in teaching and active learning. Faculty are teacher-scholars who maintain strong connections to state government, business, and not-for-profit organizations, providing students with extraordinary internship opportunities. UIS is also a national leader in online education, offering select high-quality online degrees, particularly in the liberal arts.

Student Admissions

The tables below set forth the total number of freshman applications received and admitted, and the number of freshmen enrolled for the academic years indicated for UIUC, UIC and UIS.

UIUC

Fall Term[(1)]	Applications Received[(1)]	Applicants Accepted[(2)]	Percent Accepted	Accepted Enrollment	Percent of Accepted Enrolled
2010	27,310	18,324	67.1	6,929	37.8
2009	26,057	17,053	65.4	6,984	41.0
2008	23,240	16,043	69.0	7,287	45.4
2007	21,645	15,361	71.0	6,940	45.2
2006	22,364	14,438	64.6	7,172	49.7

UIC

Fall Term[(1)]	Applications Received[(1)]	Applicants Accepted[(2)]	Percent Accepted	Accepted Enrollment	Percent of Accepted Enrolled
2010	14,889	9,411	63.2	3,204	34.1
2009	14,661	9,244	63.1	3,147	34.0
2008	14,269	8,567	60.0	2,964	34.6
2007	13,595	8,686	63.9	3,291	37.9
2006	13,000	7,559	58.2	2,852	37.7

UIS

Fall Term[(1)]	Applications Received[(1)]	Applicants Accepted[(2)]	Percent Accepted	Accepted Enrollment	Percent of Accepted Enrolled
2010	1,311	779	59.4	294	37.7
2009	1,349	777	57.6	288	37.1
2008	1,297	783	60.4	309	39.5
2007	1,114	685	61.5	261	38.1
2006[(2)]	1,075	662	61.6	243	36.7

(1) Number of applicants, not applications

(2) Fall 2006 marked the first term Springfield admitted first-year students into its new general education curriculum under the Capital Scholars expansion.

Tuition and Fees

The University operates its programs on a two-semester and summer session basis. Fees, tuition and other educational costs of attending the University vary by campus, program and resident status. General undergraduate tuition rates for the 2010-2011 academic year range from $14,730 to $25,028 for non-residents and $5,580 to $10,386 for State residents depending primarily on the campus attended and the year of admittance. General graduate tuition rates range from $6,774 to $10,204 for State residents and $15,078 to $23,470 for non-residents depending on the campus attended. Professional schools of law, medicine, veterinary medicine, dentistry, pharmacy and physical therapy have separate tuition rate schedules, depending on the program of study.

Pursuant to the University of Illinois Act, subject to certain conditions, for an undergraduate student who is an Illinois resident and who first enrolls at the University after the 2003-2004 academic year, the tuition charged for

4 continuous academic years following initial enrollment shall not exceed the amount that the student was charged at the time the student enrolled in the University.

In March 2011, the Board approved increases for fall 2011 in the guaranteed tuition level for entering resident full-time general undergraduate students of $359 per semester at the Urbana campus, $315 per semester at the Chicago Campus and $18.75 per credit hour at the Springfield campus. The Board also approved comparable increases in the non-guaranteed tuition level for resident full-time general undergraduate students at each campus. The Board also approved increases in the tuition level for resident general graduate students of $352 per semester at the Urbana campus, $335 per semester at the Chicago Campus and $8.50 per credit hour at the Springfield campus. In addition there are differential tuition increases for students who are enrolled in several special undergraduate and graduate degree programs.

Financial Aid to Students

Students at the University of Illinois receive financial assistance in a variety of ways:

State and Federal Scholarships, Grants, Fellowships and Traineeships. These come primarily through the Illinois Student Assistance Commission and Federal Pell Grant program. However, all are supplemented by a significant amount of private funds administered by the University.

Loans. Most loans are subsidized with respect to the timing and/or amount of the effective interest rate by the Federal government, although many are administered through the Illinois Guaranteed Loan Program.

Tuition and Fee Waivers. Some are need-based, but the dollar value of most are related to the employment of graduate teaching and research assistants, who not only receive a stipend for their employment but also receive a waiver of tuition and fees.

University-provided Employment. The University employs both graduate assistants for whom the stipend provides a major source of income, and undergraduates, who depend on the job as a significant component of their total college budget.

The above sources of financial aid totaled more than $1.253 billion in Fiscal Year 2010, an average of more than $14,900 per student enrolled. The average does not reflect the fact that much of the aid was directed at needy undergraduates and graduate assistants.

The financial aid to University of Illinois students in Fiscal Year 2010 is shown below:

	Number of Awards	Amount (000's omitted)
Scholarships, Grants, Fellowships and Traineeships		
Federal	22,919	$ 84,303.6
State	18,283	67,321.8
Private and Outside Agencies	6,089	26,508.7
University	32,786	111,876.0
Loans		
Federal, State or Other Administered	37,804	491,258.7
University Administered	1,386	2,497.3
Tuition and Fee Waivers[1]	22,374	277,268.7
Employment		
Undergraduates	15,713	36,195.8
Graduates	15,804	155,787.3
Total	173,158	$1,253,017.9

(1) Includes staff waivers.

Research Funding

In the Fiscal Year ended June 30, 2010, the University earned approximately $882.4 million in research funding from Federal, State and private sources. The University is consistently among the top universities in the nation in attracting Federal contract dollars.

The table that follows itemizes research funding by source for the past five Fiscal Years.

Grants and Contracts by Source
Fiscal Year Ended June 30
(in 000's)

	2010	2009	2008	2007	2006
Federal Sources					
Department of Health and Human Services	$266,412	$232,256	$236,847	$246,789	$248,265
National Science Foundation	131,667	127,361	114,098	115,550	118,373
Department of Energy	46,418	32,424	28,423	31,301	36,237
Department of Defense	59,145	59,449	51,932	49,214	44,466
Department Agriculture	15,444	18,193	18,570	15,319	14,839
Department of Education	97,201	73,764	67,303	61,359	57,484
Other Federal Agencies	34,108	40,138	34,419	29,190	35,641
Total Federal Sources(1)	650,395	583,584	551,592	548,722	555,305
State of Illinois	84,054	79,499	94,651	82,382	59,944
Private and Non-Profit Sources(2)	147,929	137,071	126,386	115,210	108,159
Total Non-Federal Sources	231,983	$216,570	$221,037	197,592	168,103
Total All Sources(3)	$882,378	$800,154	$772,629	$746,314	$723,408

(1) Federal Sources are primarily research funds.
(2) Including private gifts.
(3) Total All Sources does not include pass through social service grants.
Source: Compiled by the University of Illinois Office of Planning and Budgeting.

Voluntary Support

The University of Illinois Foundation (the "Foundation") is an independent nonprofit corporation that raises and receives private gifts, administers funds and manages assets to enhance the quality of the University and its programs. Gifts to the University's three campuses and the Foundation totaled $211.8 million for Fiscal Year 2010. On June 1, 2007, the University announced a new fundraising campaign, Brilliant Futures, with a goal of $2.25 billion. As of March 31, 2011, the campaign has raised $2.136 billion or 95% of the goal.

University Investments

The University's investments provide funds to support University academic programs and student related activities. Endowment and Similar Funds consist of both restricted and unrestricted funds, which are accounted for and invested as endowment. Income from endowments is distributed to unrestricted and restricted fund groups according to the designation of the donor. Income from other invested funds is distributed at the University's discretion. The Foundation held approximately $932 million in cash and investments as of June 30, 2010, which is included in Endowment and Similar Funds in the table below.

The market value of the University's investments at the end of each of the past five Fiscal Years is summarized as follows:

University and Foundation Cash and Investments
Fiscal Year Ended June 30
(in 000's)

	2010	2009	2008	2007	2006
Current Funds	$ 712,537	$ 536,371	$ 624,463	$ 517,442	$ 521,076
Fiduciary Funds					
Endowment & Similar Funds	1,132,183	945,205	1,242,158	1,437,216	1,092,874
Annuity, Life Income and Other Funds	185,637	148,819	159,765	160,321	187,173
Plant Funds	376,408	355,125	536,557	409,578	365,394
Total Cash and Investments	$2,406,765	$1,985,520	$2,562,943	$2,524,557	$2,166,517

Source: Compiled by the Office of the Comptroller of the University.

Physical Plant

The following table sets forth, for each of the five previous Fiscal Years, the total Investment in Plant of the University as reported or compiled for such years.

Fiscal Year Ended June 30	Investment in Plant (Original Cost in 000's)
2010	$6,064,757
2009	$5,901,064
2008	$5,653,477
2007	$5,365,594
2006	$5,077,757

Employee Relations

Employees of the University are generally covered, pursuant to statute, by the State Universities Civil Service System, a separate entity of the State of Illinois under the control of the University Civil Service Merit Board. The statute exempts faculty, principal administrative employees, and student workers from its coverage. Effective January 1, 1984, all employees of the University (including faculty) gained the right to bargain collectively with the University by virtue of the passage of the Illinois Educational Labor Relations Act. This act provides for the right to bargain on conditions of employment, the right to strike and the right to negotiate for a service fee for the elected employee representative group. Of the University's approximately 25,800 full-time faculty, administrative, and support staff employees for Fiscal Year 2010, approximately 30% (none of whom are faculty) are represented by 43 separate collective bargaining units.

The University believes its employee relations are satisfactory.

Retirement Benefits

Retirement benefits are provided for substantially all full-time employees under a separately created retirement plan administered by the State Universities Retirement System of Illinois (SURS). The liability of SURS relating to University participants is not a liability of the Board.

APPENDIX B

ANNUAL FINANCIAL REPORT FOR THE UNIVERSITY OF ILLINOIS AUXILIARY FACILITIES SYSTEM FOR THE YEAR ENDED JUNE 30, 2010

APPENDIX C

FINANCIAL INFORMATION FOR THE UNIVERSITY FOR THE YEAR ENDED JUNE 30, 2010, INCLUDING MANAGEMENT'S DISCUSSION AND ANALYSIS AND AUDITED FINANCIAL STATEMENTS

APPENDIX D

DEFINITIONS OF CERTAIN TERMS AND SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION

DEFINITIONS OF CERTAIN TERMS

The following are definitions of certain terms used in this Official Statement

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

"Annual Net Debt Service" means an amount equal to the principal of and interest on all Bonds coming due in such Fiscal Year; provided, however that:

i. in the case of any Bonds for which a sinking fund has been established, the principal due thereon shall be deemed to mature in each year in which a payment is required to be made into such sinking fund in the amount of such payment;

ii. payments on Bonds which have been refunded or which are to be made from funds escrowed or deposited with a third party shall be excluded;

iii. in the event Commercial Paper shall have been issued, at the option of the Comptroller as specified on the date of each issue of Commercial Paper, any computation of Annual Net Debt Service shall exclude such Commercial Paper and shall instead be calculated as if the Commercial Paper were Projected Long Term Debt;

iv. in the event any Bonds (other than Commercial Paper) are being issued which bear, or are to bear, interest at a variable rate, Annual Net Debt Service on such variable rate Bonds for any such Fiscal Year shall be computed by assuming that the rate of interest applicable to such Fiscal Year or Fiscal Years is the highest of (A) the actual rate at the date of calculation, or if the Bonds are not yet Outstanding, the initial rate, (B) if the Bonds have been Outstanding for at least 12 months, the average rate over the 12 months immediately preceding the date of calculation, and (C)(1) If interest on the Bonds is issued as excludable from gross income under the applicable provisions of the Code, the rate of interest shown in the most recently published Revenue Bond Index or (2) if interest on the Bonds is not intended to be so excludable, the interest rate on Government Obligations with comparable maturities, but in each case not in excess of the rate authorized by law; and

v. in the event the Board enters into a Hedging Transaction in connection with the issuance of any Bonds, the computation of the Annual Net Debt Service for such Bonds may, at the option of the Comptroller, include payments made and received by the Board or to be made and received by the Board under the related Hedging Transaction, provided that at the time such option is initially exercised the Comptroller delivers a certificate to the effect that (1) the institution other than Board that is party to such Hedging Transaction (the "Counterparty") is obligated under such Hedging Transaction to make payments thereunder for the period for which the computation of the Annual Net Debt Service on such Bonds is being determined, and (2) as of the date the Board and the Counterparty entered into such Hedging Transaction, the long-term debt obligations of the Counterparty or of any guarantor of the Counterparty's obligations under such Hedging Transaction were rated "A" or better by Moody's or S&P.

"Authorized Denomination" means $5,000 or any integral multiple thereof.

"Auxiliary Facilities System" or "System" means the Existing Facilities and such additional facility or facilities as the same, or any part or portion of such facilities, are hereafter from time to time acquired and included in the System by the Board pursuant to the Bond Resolution, and excepting those parts of the System which from time to time may be disposed of or abandoned as provided in the Bond Resolution.

"Beneficial Owner" means any Person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2011 Bond (including any Person holding a Series 2011 Bond through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Series 2011 Bond for Federal income tax purposes.

"Board" means The Board of Trustees of the University of Illinois and it 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" means the University of Illinois Auxiliary Facilities System Revenue Bonds, including the Series 2011 Bonds, issued under the provisions of the Bond Resolution.

"Bond Counsel" means Pugh, Jones, Johnson & Quandt, P. C. 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 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 Fund" means the Bond and Interest Sinking Fund Account created by the Bond Resolution.

"Bondholder" or "Holder" or "Owner" means, as of any time, the registered owner of any Series 2011 Bond as shown in the register kept by the Bond Registrar.

"Bondholder" or "Owner" or "Holder" means, as of any time, the registered owner of any Series 2011 Bond as shown in the register kept by the Bond Registrar.

"Bond Registrar" means The Bank of New York Mellon Trust Company, N.A., Chicago, Illinois, 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 (including but not limited to the Sixteenth Supplemental

Resolution), and as it may be supplemented and amended in the future in accordance with its terms.

"Closing Date" means the date of delivery of the Series 2011 Bonds to the Underwriters against payment therefor.

"Code" means the Internal Revenue Code of 1986, as from time to time amended, and any regulations promulgated thereunder which are applicable to the Series 2011 Bonds, including without limitation any Treasury Regulations or temporary or proposed regulations, as the same shall from time to time be amended.

"Commercial Paper" means Bonds issued for any purpose in connection with a program of commercial paper, as such term is generally understood, maturing not later than 270 days from the date of issuance thereof.

"Debt Service Reserve Account" means the Debt Service Reserve Account established pursuant to the requirements of the Bond Resolution. The Series 2011 Bonds will not be secured by the Debt Service Reserve Account.

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

"Existing Facilities" means the existing housing, parking, union, athletic, recreational, student-oriented health and other revenue producing buildings and facilities (including equipment) of the University described in the Bond Resolution, together with all improvements, repairs, extensions or replacements as may be constructed or acquired, that have not been abandoned for economic nonfeasibility.

"Favorable Opinion of Bond Counsel" means, with respect to any action relating to the Bonds, the occurrence of which requires such an opinion to be delivered after the Closing Date, a written legal opinion of Bond Counsel addressed to the Board to the effect that such action is permitted and will not impair the exclusion of interest on the Series 2011 Bonds from gross income for purposes of Federal income taxation (subject to customary exceptions).

"Fiscal Year" means the period commencing July 1 and ending June 30 of each succeeding calendar year.

"Government Obligations" means securities which are direct obligations of the United States of America (including trust receipts evidencing an interest therein) and securities for which the United States of America has fully guaranteed the payment of principal and interest.

"Hedging Transaction" means an agreement, expressly identified in a certificate of the Comptroller as being entered into in order to hedge the interest payable on all or a portion of any Bonds, which agreement may include, without limitation, an interest rate swap, a forward or futures contract or an option (e.g., a call, put, cap, floor or collar) and which agreement does not constitute an obligation to repay money borrowed, credit extended or the equivalent thereof.

"Maximum Annual Net Debt Service" means the maximum Annual Net Debt Service payable in any future Fiscal Year. For purposes of determining Maximum Annual Net Debt Service for Bonds secured by the Debt Service Reserve Account, the income to be earned on the Debt Service Reserve Account shall be estimated at no more than 9.0% per annum.

"Net Revenues" means that portion of the Operating Revenues remaining after providing sufficient funds for the reasonable and necessary cost of currently maintaining, repairing, insuring and operating the System.

"Operating Revenues" means all rentals, student service fees, charges, income and other revenues received from the continued use and operation of the System, but does not include Student Tuition and Fees or transfers from the Debt Service Reserve Account, Repair and Replacement Reserve Account, Equipment Reserve Account, or Non-Instructional Facilities (Development) Reserve Account.

"Parity Bonds" means any additional Bonds authorized to be issued under the Bond Resolution and ranking *pari passu* with the outstanding Bonds.

"Prior Parity Bonds" means the Series 1991 Bonds, the Series 1999A Bonds, the Series 1999B Bonds, the Series 2001 Bonds, the Series 2003A Bonds, the Series 2005A Bonds, the Series 2006 Bonds, the Series 2008 Bonds, the Series 2009A Bonds and the Series 2010A Bonds.

"Projected Long-Term Debt" means, as of the date of any determination thereof, Bonds maturing in substantially equal annual payments of principal and interest over a period of 30 years from the date of original issuance thereof and an average annual rate of interest equal to the then current rate of interest shown in the most recently published Revenue Bond Index, if interest on the Projected Long-Term Debt is issued as excludable from gross income under the applicable provisions of the Code, of, if the interest on any Projected Long-Term Debt is not intended to be so excludable, the interest rate on direct U.S. Treasury Obligations with a 30-year maturity.

"Refunding Plan" means the refunding of the Board's outstanding obligations described under the caption "PLAN OF FINANCE – Refunding Plan" in this Official Statement.

"Reserve Account Credit Instrument" means, for Bonds secured by the Debt Service Reserve Account, an insurance policy, surety bond or irrevocable letter of credit which may be delivered to the Bond Registrar in lieu of or in partial substitution for cash or securities required to be on deposit in the Debt Service Reserve Account. In the case of an insurance policy or surety bond, the company providing the same shall be an insurer which, at the time of issuance of the policy, has been assigned the highest rating accorded insurers by Moody's and S&P, and the policy or bond shall be subject to the irrevocable right of the Bond Registrar to draw thereon in a timely fashion upon satisfaction of any conditions set forth in the Bond Resolution. In the case of a letter of credit, the letter of credit shall be irrevocable and shall be payable to the Bond Registrar and shall be issued by a banking institution having a credit rating on its long-term unsecured debt within one of the two highest rating categories from Moody's and S&P.

"Revenue Bond Index" means the weekly index of interest rates on revenue bonds known as the "25-Bond Revenue Index" published by *The Bond Buyer* or, if such index is no longer being published, any other index of interest rates borne by revenue bonds, the interest of which is exempt from Federal income taxation, having a maturity of 30 years.

"Securities Act" means the Securities Act of 1933, as amended, and any successor thereto.

"Series 1991 Bonds" means that series of presently outstanding Bonds authorized by the Board in the Bond Resolution.

"Series 1999A Bonds" and "Series 1999B Bonds" (collectively, the "Series 1999 Bonds") means those series of presently outstanding Bonds authorized by the Board in the Bond Resolution.

"Series 2001A Bonds," "Series 2001B Bonds" and "Series 2001C Bonds" (collectively, the "Series 2001 Bonds") means those series of presently outstanding Bonds authorized by the Board in the Bond Resolution.

"Series 2003A Bonds" means that series of presently outstanding Bonds authorized by the Board in the Bond Resolution.

"Series 2005A Bonds" means that series of presently outstanding Bonds authorized by the Board in the Bond Resolution.

"Series 2006 Bonds" means that series of presently outstanding Bonds authorized by the Bond Resolution.

"Series 2008 Bonds" means that series of presently outstanding Bonds authorized by the Bond Resolution.

"Series 2009A Bonds" means that series of presently outstanding Bonds authorized by the Board in the Bond Resolution.

"Series 2010A Bonds" means that series of presently outstanding Bonds authorized by the Board in the Bond Resolution.

"Series 2011 Projects" means the improvements and additions to the System described under the caption "PLAN OF FINANCE - Series 2011 Projects" in this Official Statement.

"Series 2011 Bonds" means the Board's University of Illinois Auxiliary Facilities System Revenue Bonds, Series 2011A and the Board's University of Illinois Auxiliary Facilities System Revenue Bonds, Series 2011B (Taxable), issued under the Bond Resolution in the aggregate principal amount of $__________ and $__________, respectively.

"Student Tuition and Fees" means the moneys collected from students matriculated, registered or otherwise enrolled at or attending the University for tuition, application, extension, registration, matriculation, admission, student activities and student services, excluding those fees assessed for the use and operation of the System.

"Trust Indenture Act" means the Trust Indenture Act of 1939, as amended, and any successor thereto.

"Underwriters" means Barclays Capital and Cabrera Capital Markets.

"University" means the University of Illinois.

SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION

The Series 2011 Bonds will be issued under the Bond Resolution adopted by the Board on September 20, 1984, as supplemented and amended. Reference is made to the Bond Resolution for complete details of the terms of the Series 2011 Bonds and the security for the Series 2011 Bonds. Certain provisions of the Bond Resolution are summarized under the heading "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS." The following is a summary of certain additional provisions of the Bond Resolution and should not be considered as a full statement of the Bond Resolution.

BOND PROCEEDS

The proceeds of the Series 2011 Bonds will be used to (i) pay a part of the costs of various improvements and additions to the System, (ii) pay capitalized interest on the 2010 Bonds and (iii) pay costs of issuing the Series 2011 Bonds.

The moneys in the Project Fund shall be applied toward (i) the costs of the Series 2011 Projects, (ii) the costs of issuance of the Series 2011 Bonds, or (iii) as provided below, but in such a manner as to assure completion of the Series 2011 Projects, free and clear of mechanic's liens and substantially in accordance with the plans and specifications therefor. The description of the Series 2011 Projects set forth in Exhibit A to the Bond Resolution (the "Project Description") may be supplemented or amended at *any* time by the Board, without the consent of any Bondholder, as long as the facilities to be added to Exhibit A are authorized by the Act and upon receipt of a Favorable Opinion of Bond Counsel with respect to such supplement or amendment. Prior to the application of money in the Project Fund for the cost of facilities to be included in the amended Project Description and if the facilities to be so included are not already a part of the System, the Board shall adopt a resolution which describes such new facilities in sufficient detail to allow such facilities to be included in the System and which includes such facilities in the System. The Board shall also adopt a resolution which amends the Project Description; provided that, if the Board has previously delegated authority to make expenditures consistent with such changes to the Project Description, such delegation shall control.

Pending disbursement for the purpose aforesaid, the Comptroller may from time to time invest all or any part of the moneys in the Project Fund in any investment permitted by the laws of the State of Illinois for the investment of public funds having a maturity date, or becoming due at the option of the holder, not more than three years subsequent to the date of investment having due regard to the estimates of the supervising architects in charge of the Series 2011 Projects as to the times such moneys will be needed. Interest accruing as a result of any such investments when received shall be credited to the Project Fund or, at the option of the Comptroller, may be deposited in the Series 2011 Bond and Interest Subaccount of the Bond and Interest Sinking Fund Account and used only to pay debt service on the Series 2011 Bonds.

Prior to completion of the Series 2011 Projects, the Comptroller of the Board, upon determining that the amount on deposit in the Project Fund, together with anticipated interest earnings thereon, is sufficient to complete the Series 2011 Projects, free and clear of mechanics' liens and substantially in accordance with the plans and specifications therefor, may withdraw such amount as may be determined in his or her discretion to be unnecessary for the completion of the Series 2011 Projects from the Project Fund and deposit the same in the Series 2011 Bond and Interest Subaccount of the Bond and Interest Sinking Fund Account, to be used only to pay debt service on the Series 2011 Bonds, or for use as otherwise permitted by a Favorable Opinion of Bond Counsel with respect to such deposit, subject to the further provisions of the Tax Agreements hereinafter described.

After completion of all or that portion of the Series 2011 Projects to be paid from proceeds of the Series 2011 Bonds, the Comptroller of the Board shall execute a certificate to the effect that (all or such portion of) the Series 2011 Projects has been fully completed according to the Project Description and the plans and specifications and the same shall be filed in the office of the Secretary of the Board. If funds remain in the Project Fund at the time of the filing of such certificate with the Secretary, said funds shall be withdrawn by the Comptroller and deposited in the Series 2011 Bond and Interest Subaccount of the Bond and Interest Sinking Fund Account, to be used only to pay debt service on the Series 2011 Bonds, or for use as otherwise permitted by a Favorable Opinion of Bond Counsel, subject to the further provisions of the Tax Agreements hereinafter described.

FLOW OF FUNDS

The Operating Revenues of the System shall be deposited as collected by the Comptroller of the Board in a general banking account of the University to the credit of a special fund created and designated as the Auxiliary Facilities System Revenue Fund (the "Revenue Fund") which fund will be maintained by the Bond Registrar. The Comptroller shall also deposit in the Revenue Fund such Student Tuition and Fees as shall be necessary together with Operating Revenues to meet (i) operating and maintenance expenses of the System and (ii) together with transfers, if any, of investment income from the Debt Service Reserve Account to the Bond and Interest Sinking Fund Account (which investment income shall be applied to debt service only on those Bonds secured by the Debt Service Reserve Account), annual debt service on the Bonds and required deposits to the Debt Service Reserve Account and Repair and Replacement Reserve Account, all as required by the Bond Resolution.

The Bond and Interest Sinking Fund Account shall be held in trust by the Bond Registrar for the benefit of the Owners of the Bonds. All moneys credited to such Account shall be irrevocably pledged to and used solely for payment of interest on the Bonds and for payment, redemption, and retirement of principal of the Bonds; *provided* that moneys credited to the Debt Service Reserve Account are not pledged to, and will not be used to pay debt service on, the Series 1999 Bonds, the Series 2001 Bonds, the Series 2003A Bonds, the Series 2005A Bonds, the Series 2006 Bonds, the Series 2008 Bonds, the Series 2009A Bonds, the Series 2010A Bonds or the Series 2011 Bonds.

All moneys in the funds and accounts established pursuant to the Bond Resolution shall be used and held for use only in the manner and in the order designated below.

Operation and Maintenance. Current expenses of the System shall be payable from the Revenue Fund as the same become due and payable and shall include all necessary operating expenses, current maintenance charges, expenses of reasonable upkeep and repairs, fees due the Bond Registrar on the Bonds, a properly allocated share of charges for insurance and all other expenses incident to the operation of the System. At the end of each Fiscal Year, the Board may retain in the Revenue Fund moneys sufficient for operation and maintenance expenses for the next 30 days as an operating reserve.

Bond and Interest Sinking Fund Account. The Comptroller, after providing for the payment of current operating and maintenance expenses, shall transfer from the Revenue Fund, and deposit to the credit of the Bond and Interest Sinking Fund Account such amounts, together with any investment income transferred from the Debt Service Reserve Account and deposited to the Bond and Interest Sinking Fund Account for the purpose of paying maturing principal and interest (which investment income shall be applied to debt service only on those Bonds secured by the Debt Service Reserve Account and not to any other Bonds), as will be sufficient to pay the principal and interest on the Bonds as they become due.

For Parity Bonds, the supplemental resolution creating the issue shall amend the provisions of the Bond Resolution summarized in the preceding paragraph, as necessary, to provide for the deposit of moneys in the Bond and Interest Sinking Fund in sufficient amounts to pay or redeem such Parity Bonds in accordance with the terms thereof.

Debt Service Reserve Account. The Prior Parity Bonds, except for the Series 1999 Bonds, the Series 2001 Bonds, the Series 2003A Bonds, the Series 2005A Bonds, the Series 2006 Bonds, the Series 2008 Bonds, the Series 2009A Bonds, the Series 2010A Bonds and the Series 2011 Bonds are secured by income received from, and funds deposited in, the Debt Service Reserve Account. None of the Series 1999 Bonds, the Series 2001 Bonds, the Series 2003A Bonds, the Series 2005A Bonds, the Series 2006 Bonds, the Series 2008 Bonds, the Series 2009A Bonds, the Series 2010A Bonds or the Series 2011 Bonds have any claim upon the Debt Service Reserve Account.

With respect to the issuance of future Parity Bonds, the Board may create subaccounts in the Debt Service Reserve Account securing a particular series of Parity Bonds, or the Board may provide that a particular series of Parity Bonds to be issued (i) shall not be secured by the Debt Service Reserve Account, (ii) shall be secured by a separate subaccount in the Debt Service Reserve Account in an amount equal to or less than the Maximum Annual Net Debt Service on such Parity Bonds, or (iii) shall be secured by a Reserve Account Credit Instrument.

Any subaccount securing any future issue of Parity Bonds shall be maintained in an amount equal to the requirement provided in the supplemental Resolution authorizing the issuance of such Parity Bonds (the "Reserve Requirement") for the Parity Bonds secured by such subaccount. Funds on deposit in such subaccount shall be transferred by the Bond Registrar to the Bond and Interest Sinking Fund Account and used to pay debt service on the Parity Bonds secured by such subaccount in the event funds on deposit in the Bond and Interest Sinking Fund Account are insufficient therefor. If at any time the amount on deposit in the subaccount exceeds the Reserve Requirement for the Parity Bonds secured thereby, the excess may be withdrawn and used to pay debt service on such Parity Bonds or to purchase or redeem such Parity Bonds.

The Debt Service Reserve Account shall be held in trust by the Bond Registrar. All moneys credited to the Debt Service Reserve Account shall be irrevocably pledged to and solely used as described in the Bond Resolution.

If at the end of any Fiscal Year the amount on deposit in a subaccount of the Debt Service Reserve Account (valued on the basis of market) is less than the Reserve Requirement for the Bonds secured thereby, the Comptroller shall transfer funds from the Revenue Fund and deposit into the subaccount not later than the end of the next succeeding Fiscal Year an amount not less than that necessary to restore the subaccount to the Reserve Requirement for the Bonds secured thereby.

The Board may provide for the deposit of a Reserve Account Credit Instrument in lieu of cash to satisfy the Reserve Requirement in the Debt Service Reserve Account for any future Parity Bonds; provided that in such event the Board shall create a separate subaccount in the Debt Service Reserve Account to secure such Parity Bonds, and such Parity Bonds shall have no claim on any other cash or assets in the Debt Service Reserve Account.

Repair and Replacement Reserve Account. The Comptroller shall transfer from the funds remaining in the Revenue Fund and deposit in the Repair and Replacement Reserve Account on or before the close of each Fiscal Year, an amount not less than ten percent (10%) of Maximum Annual Net Debt Service for a repair and replacement reserve. The maximum amount which may be accumulated in such Account shall not exceed five percent (5%) of the replacement cost of the facilities constituting the System, as determined by the then current Engineering News Record Building Cost Index (or comparable index). All money and investments so held in said Account shall be used and held for use to pay the cost of unusual or extraordinary maintenance or repairs, renewals and replacements, and renovating or replacement of fixed equipment not paid as part of the ordinary maintenance and operation of the System. Moneys on deposit in the Repair and Replacement Reserve Account are not pledged as security for the payment of the Bonds.

Non-Instructional Facilities (Development) Reserve Account. The Comptroller shall transfer from funds remaining in the Revenue Fund and deposit into the Non-Instructional Facilities (Development) Reserve Account such funds as have been approved by the Board for expenditure or planned for expenditure for new space or construction in, or an addition to, a facility constituting a part of the System consistent with the purpose and mission of that facility. Moneys on deposit in the Non-Instructional Facilities (Development) Reserve Account are not pledged as security for the payment of the Bonds.

Equipment Reserve Account. Prior to the close of each Fiscal Year, the Comptroller shall transfer from the funds remaining in the Revenue Fund and deposit to the Equipment Reserve Account such funds as have been approved by the Board for expenditure in connection with the acquisition of movable equipment to be installed in the facilities constituting the System. The maximum amount which may be accumulated in such Account shall not exceed 20% of the book value of the movable equipment of the System. Moneys on deposit in the Equipment Reserve Account are not pledged as security for the payment of the Bonds.

Surplus Revenues. At the close of each Fiscal Year and after all transfers and maximum deposits shall have been made, and after any deficiencies in any such transfers and deposits which may exist from any previous Fiscal Year shall have been remedied, the balance of any excess funds in the Revenue Fund then remaining may be used by the Board: (i) to redeem, on the next interest payment date, the Bonds of any series then outstanding which are subject to redemption prior to maturity; (ii) to purchase Bonds of any series then outstanding for cancellation by the Bond Registrar; (iii) to advance refund any series of Bonds then outstanding or (iv) for any other System purpose permitted by law and applicable regulations.

Investment of Revenue Fund Accounts. Any moneys in the Debt Service Reserve Account may be invested or reinvested in Government Obligations having a maturity not exceeding ten years from the date of each such investment. Moneys held in the Bond and Interest Sinking Fund Account may be invested in Government Obligations. All such securities so purchased shall mature or be redeemable on a date or dates prior to the time when such moneys so invested will be required for expenditure.

All other moneys held in the other accounts in the Revenue Fund may be invested or reinvested in any investments permitted by the Bond Resolution and the laws of the State of Illinois for the investment of public funds. All such securities so purchased shall mature or be redeemable on a date or dates prior to the time when such moneys so invested will be required for expenditure.

Interest on each subaccount of the Debt Service Reserve Account will be deposited in the Bond and Interest Sinking Fund Account and used to pay the principal of and interest on the Bonds secured by the respective subaccount.

GENERAL COVENANTS

Under the provisions of the Bond Resolution, the Board covenants and agrees with the holders of the Bonds, as long as any of said Bonds remain outstanding, as follows:

Student Tuition and Fees. The Board will deposit annually to the Revenue Fund an amount of Student Tuition and Fees sufficient, together with Operating Revenues, to meet (i) operating and maintenance expenses of the System and (ii) together with transfers, if any, of investment income from the Debt Service Reserve Account to the Bond and Interest Sinking Fund Account (which investment income shall be applied to debt service only on those Bonds secured by the Debt Service Reserve Account), annual debt service and required deposits to the Debt Service Reserve Account and Repair and Replacement Reserve Account, as provided in the Bond Resolution.

Insurance. The Board will keep the System continuously insured against loss or damage by fire and lightning, the perils covered by fire and extended coverage insurance, vandalism or malicious mischief, and boiler explosion on boilers in a facility within the System in an amount not less than $100,000, but with a deductible amount per occurrence not exceeding $25,000, by a responsible insurance company or companies authorized and qualified under the laws of the State to assume such risks. Coverage by such insurance, other than the boiler insurance hereinabove referred to, shall be in amounts sufficient to provide for, at a minimum, the lesser of (i) full recovery whenever the loss from causes covered by such insurance does not exceed 80% of the full insurable value of the part of the System so damaged or (ii) the redemption price, plus accrued interest to the next available call date, of all outstanding Bonds after deducting therefrom any cash or investments held in the Debt Service Reserve Account (if the Debt Service Reserve Account secures such Bonds) but any such policy may have a deductible amount per occurrence not exceeding one-tenth of one percent of the full insurable value of the System. The Board may, upon (i) resolution adopted in good faith, (ii) the recommendation of an independent insurance consultant and (iii) the approval of an appropriate agency, if any, of the State, adopt reasonable equivalent alternative risk management programs. The Board shall (i) use the proceeds from any insurance to reconstruct, repair or rehabilitate the part of the System damaged or destroyed or (ii) pay such proceeds into the Bond and Interest Sinking Fund Account, which funds may be used to redeem outstanding Bonds but shall not offset or be counted as funds which are otherwise required to be deposited in such account.

Business Interruption Insurance. The Board will maintain in effect business interruption insurance on the System in an amount sufficient for the Board to deposit in the Bond and Interest Sinking Fund Account, out of the proceeds of such insurance, an amount equal to the sum that would normally be available for deposit in such account from the revenues of the damaged part of the System during the time the damaged part of the System is non-revenue producing as a result of loss of use caused by fire and lightning, the perils covered by fire and extended coverage insurance, vandalism or malicious mischief, and boiler explosion on boilers in a facility within the System.

Title-Disposition-Encumbrance. The Board has indefeasible title in fee simple to the sites of the System, except for certain leased parking spaces, subject to Permitted Encumbrances, and the Board will not sell, mortgage, pledge or otherwise dispose of or encumber the System, or its sites, or any part of the System, except for equipment, including any facility necessary to the operation and use of the System (unless the service provided by such facility will be provided by the same or an alternative source at reasonably equivalent costs), provided that any property, when determined by the Board not to be income producing because of being destroyed, worn out, obsolete, or otherwise physically or structurally unfit for the use and occupancy of such property for which the same was initially acquired, may be abandoned for economic nonfeasibility; or, when otherwise determined by the Board not to be suitable for the use and occupancy for which the same was initially acquired, may be converted for academic or administrative purposes.

"Permitted Encumbrances" means with respect to the sites of the System (i) liens for taxes and special assessments which are not then delinquent, or if then delinquent, are being contested in good faith; (ii) utility, access and other easements and rights-of-way, restrictions and exceptions that will not interfere in any substantial way with or impair the operation of the System; (iii) any mechanic's, laborer's, materialman's, supplier's or vendor's lien or right in respect thereof if payment is not due under the contract in question or if such lien or payment is being contested in good faith; (iv) such minor defects, irregularities, encumbrances, easements, rights-of-way and clouds on title as normally exist with respect to properties similar in character to the property included in the System and do not materially impair the property affected thereby for the purpose for which it was acquired or is held; (v) zoning laws and similar restrictions and liens arising in connection with workmen's compensation, unemployment insurance, taxes, assessments, statutory obligations or liens, social security legislation, undetermined liens and charges incidental to construction, or other similar charges arising in the ordinary course of operations and not overdue, or if overdue, being contested in good faith; (vi) such other liens and charges at the time required by law as a condition precedent to the transaction of the activities of the Board or the exercise of any privileges or licenses necessary to the Board or the University; and (vii) existing leasehold and similar interests in connection with athletic and recreation facilities constituting a part of the System.

Operation of Facilities. The Board will at all times continuously operate and manage the System in an efficient and economical manner and on a revenue-producing basis; and it will at all times, from income made available for such purpose, maintain, preserve and keep the System in good repair, working order and condition so that it will at all times be available for reasonable use and occupancy.

Records and Audit. The Board will keep proper books of records and accounts (separate from all other records and accounts of the Board) in which complete and correct entries shall be made of all transactions relating to all income and revenues from and all expenditures for maintaining, operating and repairing the System. There shall be furnished to any owner of the Bonds, upon written request to the Board not more than 120 days after the close of each Fiscal Year, copies of the audit reports prepared by an independent public accountant or by the Auditor General of the State of Illinois, reflecting in reasonable detail the financial condition of the Board with the operation of the System in accordance with the covenants of the Bond Resolution. Such audit reports shall particularly include a schedule of all insurance then in force, the enrollment at the University, the occupancy of and the rates charged for the use of the System and the status of each account described in the Bond Resolution.

Pledge of Performance. The Board pledges punctually to perform all its duties and obligations with reference to the System as required by the Bond Resolution and the statutes under which the Bonds are issued; including the operation and maintenance of the System, the making and collecting of sufficient rates, fees, rentals and charges for the use and occupancy of the System and the making and collecting of reasonable and sufficient Student Tuition and Fees, the maintenance of the accounts as provided in the Bond Resolution, the segregation of all revenues and income and transfer to said accounts and the proper application of all moneys in said accounts and investments of such revenues and income.

Defeasance. The Bond Resolution provides that the Board may pay or provide for the payment of the entire indebtedness of all outstanding Bonds, or Bonds of a particular series or of any portion of a series of outstanding Bonds, by depositing with the Bond Registrar, in trust, moneys and/or Government Obligations in an amount as the Bond Registrar shall determine will, together with the income or increment to accrue on such Government Obligations, without consideration of any reinvestment thereof, be fully sufficient to pay or redeem (when redeemable) and discharge the indebtedness on such Bonds. In such case, if the Board shall also pay or cause to be paid all other sums payable by the Board under the Bond Resolution with respect to such Bonds and, if such Bonds are to be redeemed prior to the maturity thereof or if provision for the payment of only a portion of the Bonds of a particular series is being made, notice of such redemption or of such provision, as the case may be, shall have been given or provided for, the liability of the Board in respect of such Bonds shall continue, but the owners of such Bonds shall thereafter be entitled to payment only out of the moneys or Government Obligations so deposited with the Bond Registrar.

Modification of the Bond Resolution. The Board may, from time to time and at anytime, without the consent of or notice to the owners of the Bonds, amend the Bond Resolution as follows:

a. to cure any formal defect, omission, inconsistency or ambiguity in the Bond Resolution;

b. to add to the covenants and agreements of, and limitations and restrictions upon, the Board under the Bond Resolution other covenants, agreements, limitations and restrictions to be observed by the Board which are not contrary to or inconsistent with the Bond Resolution as previously in effect;

c. to confirm, as further assurance, any pledge under, and the subjection to any claim, lien or pledge created or to be created by, the Bond Resolution, or of any moneys, securities or funds held under the Bond Resolution; or

d. to provide for the issuance of any Parity Bonds.

The owners of a majority in aggregate original principal amount of the Bonds at any time outstanding (not including any Bonds which may then be held or owned by or for the account of the Board or the University), shall have the right from time to time to consent to and approve the adoption by the Board of a resolution or resolutions modifying or amending any of the terms or provisions contained in the Bond Resolution, provided however, that the Bond Resolution may not be so modified or amended in such manner as to:

a. Make any change in the maturity of any of the Bonds.

b. Make any change in the rate of interest borne by any of the Bonds.

c. Reduce the amount of the principal of, or redemption premium payable on, any of the Bonds.

d. Modify the terms of payment of the principal of, or the interest or redemption premiums on, the Bonds or any of them, or impose any conditions with respect to such payment.

e. Create any lien on or pledge of the income and revenues securing the Bonds ranking prior to the lien thereon and pledge thereof created by the Bond Resolution.

f. Create any preference or priority of any Bond or Bonds of the same or different series, over any other Bond or Bonds of the same or different series, authorized under the Bond Resolution.

g. Reduce the percentage of Bonds, the owners of which are required by the terms of the Bond Resolution for the approval of any amendatory resolution.

h. Affect the rights of the owners of less than all of the Bonds then outstanding.

Any provision of the Bond Resolution expressly recognizing or granting rights in or to any bond insurer may not be amended in any manner that affects the rights of such Bond Insurer without its prior written consent.

The consent of each bond insurer is generally required, in addition to the consent of the Bondholders, when required, for the following purposes: (i) execution and delivery of the amendment, supplement or change to or modification of the Bond Resolution, (ii) removal of the Bond Registrar or selection and appointment of *any* successor bond registrar, and (iii) initiation or approval of any action not described in (i) or (ii) above which requires Bondholder consent.

Remedies. Any Owner of any Bond may by civil action compel the Board to perform all duties imposed upon it under the provisions of the Bond Resolution and under the provisions of the Act, including the making and collecting of sufficient rates, fees, rentals and charges for the use and occupancy of the System and Student Tuition and Fees and the performance of any and all covenants made by the Board in the Bond Resolution.

Upon the occurrence and continuance of an event of default under the Bond Resolution, the bond insurer is entitled to control and direct the enforcement of all rights and remedies granted to the owners of the Bonds insured by such bond insurer under the Bond Resolution.

APPENDIX E

PROPOSED FORM OF OPINION OF BOND COUNSEL

PROPOSED FORMS OF OPINIONS OF BOND COUNSEL

[Date of Issuance**]**

The Board of Trustees of the
University of Illinois
Urbana, Illinois

We hereby certify that we have examined a certified copy of the record of proceedings of The Board of Trustees of the University of Illinois (the "Board"), passed preliminary to the issue by the Board of its $___________ aggregate principal amount University of Illinois Auxiliary Facilities System Revenue Bonds, Series 2011A (the "Bonds"). The Bonds are authorized and issued pursuant to the provisions of the University of Illinois Revenue Bond Financing Act for Auxiliary Facilities, as amended (the "Act"), and by virtue of an authorizing resolution of the Board adopted on September 20, 1984, as supplemented on June 20, 1985, May 8, 1986, May 9, 1991, June 11, 1993, January 18, 1996, October 15, 1999, June 1, 2000, March 8, 2001, May 23, 2001, May 15, 2003, March 10, 2005, July 14, 2005, September 7, 2006, May 22, 2008, January 15, 2009, May 20, 2010 and June 9, 2011 and a Notification of Sale dated ___________, 2011 (together, the "Bond Resolution") authorizing the issuance of the Bonds. The Bonds are being issued, together with the University of Illinois Auxiliary Facilities System Revenue Bonds, Series 2011B (Taxable) (the "Series 2011B Bonds") being issued simultaneously therewith, to pay all or a portion of the costs of certain capital projects of the Board, to refund the outstanding ____________ ______________________, of the Board and to pay costs of issuance of the Bonds.

The Bonds are initially dated the date hereof, bear interest at the rates per annum and mature on April 1 of each of the years and in the principal amounts as follows:

Maturity	Principal Amount	Interest Rate	Maturity	Principal Amount	Interest Rate

The Bonds are subject to optional and mandatory redemption prior to maturity at the times, in the manner and upon the terms and conditions set forth in the Bond Resolution.

We are of the opinion that such proceedings show lawful authority for the issuance of the Bonds under the laws of the State of Illinois now in force. We further certify that we have examined the form of bond prescribed for said issue and find the same in due form of law, and in our opinion the Bonds, to the amount named, are valid and legally binding limited obligations of the Board payable from and, together with the Series 1991 Bonds, the Series 1999A Bonds, the Series 1999B Bonds, the Series 2001A Bonds, the Series 2001B Bonds, the Series 2001C Bonds, the Series 2003A Bonds, the Series 2005A Bonds, the Series 2006 Bonds, the Series 2008 Bonds, the Series 2009 Bonds, the Series 2010A Bonds (all as defined in the Bond Resolution) and such bonds as may be issued on a parity therewith in the future pursuant to the Bond Resolution, secured by a pledge of and lien on (i) the Net Revenues of the System, (ii) Student Tuition and Fees (subject to prior payment of operating and maintenance expenses of the System, but only to the extent necessary) and (iii) the Bond and Interest Sinking Fund Account (all as defined in the Bond Resolution).

It is our opinion that, assuming continuing compliance with certain covenants made by the Board to satisfy pertinent requirements of the Internal Revenue Code of 1986, as amended (the "Code"), the Bonds are not "private activity bonds" within the meaning of Section 141 of the Code and interest on the Bonds will not be includible in the gross income of the owners thereof for federal income tax purposes and will not be treated as an item of tax preference in computing the alternative minimum tax imposed on individuals and corporations. Interest will be taken into account, however, in computing an adjustment used in determining the alternative minimum tax for certain corporations and the "branch profits tax" imposed on certain foreign corporations. Failure by the Board to comply with such covenants could cause the interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. Ownership of the Bonds may also result in collateral federal income tax consequences to certain taxpayers, and we express no opinion regarding any such collateral tax consequences arising with respect to the Bonds. In rendering this opinion, we have relied upon a certificate of the Board with respect to certain material facts solely within the Board's knowledge relating to the property financed or refinanced with the proceeds of the Bonds and the application of the proceeds of the Bonds.

The rights of the owners of the Bonds and the enforceability of the Bonds and the Bond Resolution may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors rights generally and by equitable principles, whether considered at law or in equity.

Respectfully submitted,

[Date of Issuance**]**

The Board of Trustees of the
University of Illinois
Urbana, Illinois

We hereby certify that we have examined a certified copy of the record of proceedings of The Board of Trustees of the University of Illinois (the "Board"), passed preliminary to the issue by the Board of its $___________ aggregate principal amount University of Illinois Auxiliary Facilities System Revenue Bonds, Series 2011B (Taxable) (the "Bonds"). The Bonds are authorized and issued pursuant to the provisions of the University of Illinois Revenue Bond Financing Act for Auxiliary Facilities, as amended (the "Act"), and by virtue of an authorizing resolution of the Board adopted on September 20, 1984, as supplemented on June 20, 1985, May 8, 1986, May 9, 1991, June 11, 1993, January 18, 1996, October 15, 1999, June 1, 2000, March 8, 2001, May 23, 2001, May 15, 2003, March 10, 2005, July 14, 2005, September 7, 2006, May 22, 2008, January 15, 2009, May 20, 2010 and June 9, 2011 and a Notification of Sale dated ___________, 2011 (together, the "Bond Resolution") authorizing the issuance of the Bonds. The Bonds are being issued, together with the University of Illinois Auxiliary Facilities System Revenue Bonds, Series 2011A (the "Series 2011A Bonds") being issued simultaneously therewith, to pay all or a portion of the costs of certain capital projects of the Board, to refund the outstanding ____________ _____________________, of the Board and to pay costs of issuance of the Bonds.

The Bonds are initially dated the date hereof, bear interest at the rates per annum and mature on April 1 of each of the years and in the principal amounts as follows:

Maturity	Principal Amount	Interest Rate	Maturity	Principal Amount	Interest Rate

The Bonds are subject to optional and mandatory redemption prior to maturity at the times, in the manner and upon the terms and conditions set forth in the Bond Resolution.

We are of the opinion that such proceedings show lawful authority for the issuance of the Bonds under the laws of the State of Illinois now in force. We further certify that we have examined the form of bond prescribed for said issue and find the same in due form of law, and in our opinion the Bonds, to the amount named, are valid and legally binding limited obligations of the Board payable from and, together with the Series 1991 Bonds, the Series 1999A Bonds, the

Series 1999B Bonds, the Series 2001A Bonds, the Series 2001B Bonds, the Series 2001C Bonds, the Series 2003A Bonds, the Series 2005A Bonds, the Series 2006 Bonds, the Series 2008 Bonds, the Series 2009 Bonds, the Series 2010A Bonds (all as defined in the Bond Resolution) and such bonds as may be issued on a parity therewith in the future pursuant to the Bond Resolution, secured by a pledge of and lien on (i) the Net Revenues of the System, (ii) Student Tuition and Fees (subject to prior payment of operating and maintenance expenses of the System, but only to the extent necessary) and (iii) the Bond and Interest Sinking Fund Account (all as defined in the Bond Resolution).

The rights of the owners of the Bonds and the enforceability of the Bonds and the Bond Resolution may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors rights generally and by equitable principles, whether considered at law or in equity.

Respectfully submitted,

APPENDIX F

FORM OF CONTINUING DISCLOSURE AGREEMENT

FORM OF 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 2011 (the "Series 2011 Bonds"). The Series 2011 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 2011 Bonds and in order to assist the Participating Underwriters (as defined below) in complying with SEC Rule 15c2-12(b)(5). The Board is an "obligated person" within the meaning of the Rule. As required by the Rule, this Agreement is enforceable by registered and beneficial owners of the Series 2011 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 2011 Bonds required to comply with the Rule in connection with the offering of the Series 2011 Bonds.

   "Repositories" means EMMA and the SID, if any.

   "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").

   "SID" means any public or private repository or entity as may be designated by the State as a state repository for the purpose of the Rule. As of the date of this Agreement, there is no SID.

   "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, 2011, the Board shall provide to each of (i) each

registered or beneficial owner of the Series 2011 Bonds who requests such information, (ii) the MSRB through EMMA and (iii) the SID, if any, a report (the "Board Annual Report"), which shall contain:

(a) 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 Assets of the Auxiliary Facilities System," and

"THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ILLINOIS

– Student Enrollment,"

– Student Admissions,"

– Tuition and Fees,"

– Financial Aid to Students,"

– Financial Condition of the University,"

– 2010 Budget and State Appropriations,"

– Voluntary Support,"

– University Investments," and

– Physical Plant."

(b) Audited financial statements of the Board and the System for the most recently ended fiscal year, prepared in conformity with generally accepted accounting principles and audited in accordance with generally accepted auditing standards. 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 (i) the MSRB through EMMA and (ii) the SID, if any, 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 (i) the MSRB through EMMA and (ii) the SID, if any.

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 (i) the MSRB through EMMA and (ii) the SID, if any.

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 (i) the MSRB through EMMA and (ii) the SID, if any, notice of a failure to satisfy the requirements of this Section.

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 each of the Repositories. If the document incorporated by reference is a final official statement, it must be available from the MSRB. 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 (i) the MSRB through EMMA and (ii) the SID, if any, notice of the occurrence of any of the following events (a "Significant Event") with respect to the Series 2011 Bonds:

(a) principal and interest payment delinquencies;

(b) non-payment related defaults, if material;

(c) unscheduled draws on debt service reserves reflecting financial difficulties;

(d) unscheduled draws on credit enhancements reflecting financial difficulties;

(e) substitution of credit or liquidity providers, or their failure to perform;

(f) 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;

(g) modifications to rights of holders of the Series 2011 Bonds, if material;

(h) bond calls, if material, and tender offers (other than scheduled mandatory redemptions);

(i) defeasances;

(j) release, substitution or sale of property securing repayment of the Series 2011 Bonds, if material;

(k) rating changes;

(l) bankruptcy, insolvency, receivership or similar event of the obligated person[*];

(m) the consummation of a merger, consolidation, or acquisition involving the obligated person or the sale of all or substantially all of the assets of the obligated person, 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

(n) appointment of a successor or additional trustee or the change of name of a trustee, if material.

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 upon the defeasance, prior redemption or payment in full of all of the Series 2011 Bonds or if the Board no longer remains an obligated person with respect to the Series 2011 Bonds within the meaning of the Rule.

8. **Amendment; Waiver.** Notwithstanding any other provisions of this Agreement, the Board may amend this Agreement, and any provision of this Agreement, and any provision of this Agreement may be waived, if such amendment or waiver 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

[*] 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 obligated person.

therein to violate the Rule taking into account any subsequent change in or official interpretation of the Rule.

9. **Centralized Post Office**. Any filing required to be made with the MSRB through EMMA or a SID, if any, under this Agreement may be made solely with an internet based electronic filing system (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.

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 2011 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 2011 Bonds, and shall create no rights in any other person or entity.

13. **Contact Person.** The Board shall designate a contact person for whom annual financial information disclosure and Significant Events disclosure can be obtained. The initial contact person is:

Comptroller
University of Illinois
506 South Wright Street
349 Henry Administration Building, MC-352
Urbana, Illinois 61801
Facsimile: (217) 244-8108
Telephone: (217) 333-1566

14. **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

Dated: July __, 2011

EXHIBIT I
CUSIP NUMBERS

Series 2011 Bonds	
Maturity	CUSIP Number