

REMARKETING AGREEMENT

THIS REMARKETING AGREEMENT, dated as of June 1, 2009 (the "Remarketing Agreement"), is made between The Board of Trustees of the University of Illinois, a body corporate and politic of the State of Illinois (the "Board"), and J.P. Morgan Securities Inc. (the "Remarketing Agent").

WITNESSETH:

WHEREAS, pursuant to a Resolution of the Board adopted on May 21, 2009 (the "Resolution"), the Board has issued its Variable Rate Demand Certificates of Participation (Refunding), Series 2009B (the "Certificates") in the aggregate principal amount of \$75,000,000; and

WHEREAS, the purchase price of the Certificates is secured by a standby certificate purchase agreement (the "Liquidity Facility") issued by JPMorgan Chase Bank, National Association (the "Liquidity Facility Provider") in favor of the Trustee; and

WHEREAS, the Resolution provides that, unless the Board elects to convert the Certificates to bear interest at a Daily Interest Rate, a Commercial Paper Interest Rate or the Fixed Interest Rate, the Certificates shall bear interest at a Weekly Rate; and

WHEREAS, the Resolution provides that the Certificates and the Beneficial Interests shall be subject to optional and mandatory redemption and mandatory purchase by the Trustee on the purchase dates (the "Tender Dates") established in accordance with the Resolution; and

WHEREAS, the Remarketing Agent has been appointed by the Board as remarketing agent pursuant to the Resolution to use its best efforts to remarket the Certificates and the Beneficial Interests tendered for purchase and to determine the interest rate necessary to remarket the Certificates at par; and

WHEREAS, the Remarketing Agent is willing to use its best efforts to remarket the Certificates and the Beneficial Interests so tendered upon the terms and subject to the conditions contained herein and in the Resolution and to determine the interest rate necessary to remarket the Certificates at par as provided in the Resolution;

NOW, THEREFORE, in consideration of the promises and the mutual covenants hereinafter contained the parties hereto hereby agree as follows:

1. Definitions. All capitalized terms hereinbefore or hereinafter used and not defined herein shall have the meanings given to them in the Resolution unless the context clearly indicates otherwise, except for the following terms, which shall have the meanings set forth below:

"1933 Act" shall mean the Securities Act of 1933, as amended.

"1934 Act" shall mean the Securities Exchange Act of 1934, as amended.

"1939 Act" shall mean the Trust Indenture Act of 1939, as amended.

"Beneficial Interest" shall mean the interest of a Beneficial Owner in any of the Certificates registered in the name of a nominee of The Depository Trust Company.

"Beneficial Owner" shall have the meaning assigned to such term in the Indenture.

"Certificate Purchase Agreement" shall mean the Certificate Purchase Agreement dated June __, 2009 between the Board and J.P. Morgan Securities Inc. as underwriter, relating to the Certificates.

"Official Statement" shall mean the Official Statement used in connection with the remarketing of the Certificates, as the same may be amended or supplemented.

"SEC" means the U.S. Securities and Exchange Commission.

2. Representations and Covenants of the Board. The Board hereby represents to the Remarketing Agent as follows:

(a) Each of the Board's representations and warranties contained in the Certificate Purchase Agreement and the Initial Credit Agreement are true and correct on and as of the date hereof and are hereby made to the Remarketing Agent on and as of the date hereof as if set forth herein at length.

(b) The Board authorizes and approves the Official Statement and consents to the use by the Remarketing Agent of the Official Statement in connection with the remarketing of the Certificates and the information therein does not contain any untrue, incorrect or misleading statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

(c) There is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, public board or body pending to which the Board is a party or as to which any property of the Board is subject or, to the knowledge of the Board, threatened against the Board, the outcome of which could have a material adverse effect on the consummation of the transactions contemplated by this Remarketing Agreement or could have a material adverse effect on the validity or enforceability of the Certificates, the Resolution or this Remarketing Agreement or which could materially adversely affect the Board or the Project which is not described in the Official Statement.

(d) This Remarketing Agreement is the legal, valid and binding obligation of the Board, enforceable in accordance with its terms except to the extent enforcement hereof may be limited by bankruptcy, insolvency, reorganization or any other laws or equitable principles affecting creditors' rights generally, and subject to any principles of public policy limiting the enforceability of the indemnification provisions contained herein.

(e) The Board has duly authorized the execution and delivery of this Remarketing Agreement, and no consent or approval by any governmental body and no filing with any agency of the federal government is required for the execution and delivery of this Remarketing Agreement by the Board or the full effectiveness hereof with respect to the Board. The execution and delivery of this Remarketing Agreement and the performance of the Board's obligations hereunder, will not conflict with or result in a breach of any of the terms or provisions of, or constitute a default under the terms of, or result in the creation or imposition of any lien, charge or encumbrance upon any of the property or assets of the Board pursuant to the terms of, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Board is bound or to which any of the property or assets of the Board is subject, which would affect the validity of this Remarketing Agreement or the legal authority of the Board to comply with the terms hereof; nor will such action result in a violation of any provisions of the organizational documents of the Board, or in a violation of any statute or any rule or regulation of any court or governmental agency or other body in the United States having jurisdiction (except for the application of the various state securities or Blue Sky laws, as to which no representation is made) over the Board which would affect the validity of any of this Remarketing Agreement or the legal authority of the Board to comply with the terms hereof.

(f) The Board shall cooperate with the Remarketing Agent in any endeavor to qualify the Certificates for offering and sale under the securities or "Blue Sky" laws of such jurisdictions of the United States as the Remarketing Agent may request; and the Board will furnish such information, execute such instruments and take such other action in cooperation with the Remarketing Agent as the Remarketing Agent may reasonably request in connection therewith and the Board will promptly pay, or reimburse if paid by the Remarketing Agent, all reasonable fees and disbursements of counsel for the Remarketing Agent and all other expenses and filing fees in connection therewith; provided, however, that the Board shall not be required to register as a dealer or a broker in any such state or jurisdiction or make any additional representations or warranties in connection with the sale of securities, or to subject itself to service of process in any state or jurisdiction in which it is not already so subject.

(g) The Board shall give the Remarketing Agent written notice of (i) each rating, change in the status of any rating of the Certificates or proposed change in the status of any rating of the Certificates by any national rating agency, (ii) each mandatory tender or optional or mandatory call for redemption of one or more of the Certificates, (iii) any amendment, modification or supplement to the Resolution or the Initial Credit Agreement, and (iv) any substitution or expiration of the Initial Credit Agreement or delivery of a Substitute Credit Agreement.

(h) The Board shall promptly notify the Remarketing Agent by electronic means of any material adverse changes in the condition of the Board, financial or otherwise, or any fact or circumstance which may constitute, or with the passage of time will constitute, an event of default under the Resolution or the Initial Credit Agreement.

(i) The Board shall provide the Remarketing Agent with any additional information that it may reasonably request.

3. Representations of the Remarketing Agent. The Remarketing Agent hereby represents and covenants to the Board that the Remarketing Agent has been duly organized and is validly existing as a Delaware corporation and has full power and authority to enter into and perform this Remarketing Agreement. This Remarketing Agreement constitutes the legal, valid and binding obligation of the Remarketing Agent enforceable against the Remarketing Agent in accordance with its terms, except as the enforcement thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting the enforcement of creditors' rights generally now existing or hereafter enacted and by the application of general principles of equity including equitable subordination.

4. Acceptance of Duties of the Remarketing Agent. The execution and delivery by the Remarketing Agent of this Remarketing Agreement shall constitute the acceptance by the Remarketing Agent of its duties and obligations under the Resolution. The Remarketing Agent shall perform such duties and obligations imposed upon it as remarketing agent under the Resolution.

5. Conditions Precedent to the Obligations of the Remarketing Agent to Remarket Certificates. The obligations of the Remarketing Agent to offer for sale and to use its best efforts to sell any Certificates or Beneficial Interests in the Certificates hereunder shall be subject to the accuracy in all material respects of the representations and warranties of the Board contained herein as of the date hereof and on the Tender Dates, to the performance by the Board of its obligations hereunder and to the following conditions:

(a) On the Tender Dates, this Remarketing Agreement, the Resolution and the Liquidity Facility shall be in full force and effect and shall not have been amended, modified or supplemented since the date hereof, except for any amendment, modification or supplement made in accordance with their terms and of which the Remarketing Agent has received written notice prior to the Tender Date.

(b) No event of default under the Resolution shall have occurred and be continuing.

(c) No adverse tax events with respect to the Certificates shall have occurred.

(d) The Certificates or Beneficial Interests in the Certificates that have been tendered for purchase and would otherwise be subject to remarketing on the Tender Date shall not have been called for redemption or mandatory tender pursuant to the Resolution unless the remarketing of such Certificates or Beneficial Interests would be permitted under the Resolution.

(e) None of the following events shall have occurred and be continuing:

(1) Legislation shall be favorably reported by a committee of the House of Representatives or the Senate of the Congress of the United States or be introduced by committee, by amendment or otherwise, in, or be enacted by, the

House of Representatives or the Senate, or be recommended by committee to the Congress of the United States for signature by the President of the United States, or a decision by a court established under Article III of the Constitution of the United States shall be rendered or a ruling, regulation or order of the Treasury Department of the United States of the Internal Revenue Service shall be made or proposed having the purpose or effect of imposing federal income taxation, or any other event shall have occurred which results in the imposition of federal income taxation upon interest received on the Certificates;

(2) Legislation shall be introduced by committee, by amendment or otherwise, in, or be enacted by, the House of Representatives or the Senate of the Congress of the United States, or a decision by a court of the United States shall be rendered, or a stop order, ruling, regulation or official statement by, or on behalf of, the SEC or other governmental agency having jurisdiction of the subject matter shall be made or proposed, to the effect that the offering or sale of obligations of the general character of the Certificates, as contemplated hereby, is or would be in violation of any provision of the 1933 Act as then in effect, or the 1934 Act as then in effect, or the 1939 Act and as then in effect, or with the purpose of effect of otherwise prohibiting the offering or sale of obligations of the general character of the Certificates, or the Certificates, as contemplated hereby;

(3) Any information shall have become known, which, at any time, in the Remarketing Agent's reasonable opinion, makes untrue, incorrect, incomplete or misleading in any material respect any statement or information contained in the current offering memorandum relating to the Certificates, as the information contained therein has been supplemented or amended by other information, or causes such offering memorandum, as so supplemented or amended, to contain an untrue, incorrect or misleading statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

(4) Except as provided in clauses (1) and (2) hereof, any legislation, resolution, ordinance, rule or regulation shall be introduced in, or be enacted by any federal governmental body, department or agency of the United States or the State of Illinois, or a decision by any court of competent jurisdiction with the United States or the State of Illinois shall be rendered which, in the Remarketing Agent's reasonable opinion, materially adversely affects the marketability of the Certificates;

(5) Additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange;

(6) Any governmental authority shall impose, as to the Certificates, or obligations of the general character of the Certificates, any material restrictions not now in force, or increase materially those now in force;

(7) A general banking moratorium shall have been established by federal or Illinois authorities;

(8) Any rating of the Certificates shall have been downgraded or withdrawn by a national rating service below the ratings on the Certificates upon the issuance thereof, which downgrading or withdrawal, in the Remarketing Agent's reasonable opinion, materially adversely affects the marketability of the Certificates;

(9) A war involving the United States shall have been declared, or any existing conflict involving the armed forces of the United States shall have escalated, or any other national emergency relating to the effective operation of government or the financial community shall have occurred, which, in the Remarketing Agent's reasonable opinion, materially adversely affects the marketability of the Certificates; or

(10) An event, including without limitation, the bankruptcy or default of any other Authority or Board tax exempt or taxable securities, shall have occurred, which, in the Remarketing Agent's reasonable opinion, materially adversely affects the securities of the general character of the Certificates.

6. Remarketing of the Certificates on a Conversion Date. At the request of the Board, notice of such request having been received by the Remarketing Agent at least 60 days prior to the Conversion Date for a conversion of the Certificates to a different Interest Rate Period and so long as no Event of Default under the Resolution has occurred and is continuing, the Remarketing Agent agrees to offer for sale and use its best efforts to remarket the Certificates or Beneficial Interests which are tendered or deemed tendered on the Conversion Date, at a price at least equal to the principal amount thereof subject to the following conditions:

(a) satisfactory compensation and other terms and conditions shall have been agreed upon by the Board and the Remarketing Agent;

(b) the Remarketing Agent shall have received an opinion of nationally recognized bond counsel to the effect that the interest on such Certificates will continue to be excluded from gross income for federal income tax purposes after the Conversion Date;

(c) the Remarketing Agent, as it deems necessary, shall have received an Official Statement or other appropriate disclosure document, in form and substance satisfactory to the Remarketing Agent, to be used in connection with its efforts to remarket the Certificates;

(d) the Board shall have delivered to the Remarketing Agent and the Authority a continuing disclosure agreement in a form satisfactory to the Remarketing

Agent and the Authority, whereby the Board agrees to comply with the continuing disclosure requirements of SEC Rule 15c2-12, if and as then applicable; and

(e) the Remarketing Agent shall have received such additional documents, certificates and legal opinions as it may reasonably request;

Further details regarding such remarketing shall be negotiated between the Board and the Remarketing Agent prior to the Conversion Date.

7. Fees and Expenses of the Remarketing Agent.

(a) In consideration of the services to be performed by the Remarketing Agent under this Remarketing Agreement, the Board agrees to pay to the Remarketing Agent on demand such amounts as are required to reimburse it for or pay the reasonable expenses incurred, (including, without limitation, the reasonable fees and disbursements of counsel and any reasonable costs incurred in connection with the preparation or delivery of documents), advances made (including, without limitation, the advancement of immediately available funds when remarketing proceeds received by the Remarketing Agent are next day funds), and compensation for services rendered pursuant to the Resolution or this Remarketing Agreement as described below.

(b) While the Certificates bear interest at a Daily Rate or a Weekly Rate, the Board shall pay the Remarketing Agent, as compensation for its services hereunder, a fee equal to _____ basis points (____%) per annum of the weighted average principal amount of the Certificates outstanding during each three-month period, or such other amount as may be agreed upon from time to time by the Board and the Remarketing Agent, payable quarterly in arrears on each January 1, April 1, July 1 and October 1, commencing July 1, 2009.

(c) If, pursuant to Section 6 hereof, the Remarketing Agent is requested by the Board to use its best efforts to remarket the Certificates upon conversion of the interest rate thereon to another Interest Rate Period, the Remarketing Agent shall be paid such remarketing fee as may then be mutually agreed upon by the Board and the Remarketing Agent, and the Board shall reimburse the Remarketing Agent for its costs of document preparation, its costs of funds, its reasonable counsel fees and other out-of-pocket expenses in connection with such services.

8. Furnishing of Remarketing Materials.

(a) If the Remarketing Agent determines that it is necessary or desirable to amend or supplement the Official Statement or prepare a new disclosure document in connection with its remarketing of Certificates, the Remarketing Agent will notify the Board and the Board will provide the Remarketing Agent with an amendment or supplement to the Official Statement or other disclosure document (the "Remarketing Materials") satisfactory to the Remarketing Agent and its counsel in respect of the Certificates. The Board will supply the Remarketing Agent, at the Board's expense, with such number of copies of the Remarketing Materials as the Remarketing Agent requests from time to time and will amend the Official Statement and any other Remarketing

Materials with respect to the Board and any summary of documents the amendment of which was approved by the Board (and/or the documents incorporated by reference in it) so that at all times the Official Statement and any other Remarketing Materials will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. In connection with the use of any of the Remarketing Materials by the Remarketing Agent in its remarketing of the Certificates, the Board will furnish to the Remarketing Agent such certificates, accountants' letters and opinions of counsel as the Remarketing Agent reasonably requests. In addition, the Board, at its own expense, shall take all steps reasonably requested by the Remarketing Agent that the Remarketing Agent or its counsel may consider necessary or desirable to register the sale of the Certificates by the Remarketing Agent under any federal or state securities law or qualify the Resolution under the 1939 Act.

(b) The Board shall promptly notify the Remarketing Agent when it becomes aware of any material misstatement or omission in any of the Remarketing Materials furnished to the Remarketing Agent for use in connection with the remarketing of the Certificates.

9. Remarketing Agent Not Acting As Underwriter.

(a) In carrying out its duties hereunder, the Remarketing Agent shall act solely as the agent of the registered owners or Beneficial Owners from time to time of the Certificates, and the Remarketing Agent's responsibility is limited to the use of its best efforts to solicit offers to purchase the Certificates or Beneficial Interests. The Remarketing Agent is not obligated to buy or take any position in the Certificates or Beneficial Interests for its own account. If the Remarketing Agent does purchase Certificates or Beneficial Interests for its own account, it shall have all the rights and privileges of a normal holder of the Certificates or Beneficial Interests. The Remarketing Agent may also make a market in the Certificates by routinely purchasing and selling the Certificates other than in connection with an optional or mandatory tender and remarketing. Such purchases and sales may be at, above or below par, at any time. However, the Remarketing Agent is not required to make a market in the Certificates.

10. Indemnification and Contribution.

(a) The Board will indemnify and hold harmless the Remarketing Agent, its officers and employees, and each person who controls the Remarketing Agent within the meaning of Section 15 of the 1933 Act or Section 20(a) of the 1934 Act (collectively, the "Indemnified Parties" and when any one is intended, the "Indemnified Party"), against any losses, claims, damages or liabilities, joint or several, to which any Indemnified Party may become subject, insofar as such losses, claims, damages or liabilities, or actions in respect thereof, arise out of or are based upon (i) an untrue statement or alleged untrue statement of a material fact contained or incorporated by reference in the Official Statement (except with respect to information relating to the Remarketing Agent furnished to the Board in writing by the Remarketing Agent expressly for use in the Official Statement, or any amendment or supplement thereto, including the information under the heading "REMARKETING AGREEMENT" as to which the Remarketing Agent

hereby indemnifies the Board) or the omission or alleged omission to state in the Official Statement a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading, or (ii) arise out of or are based upon an allegation or a determination of a failure in connection with the public offering of the Certificates to register any security under the 1933 Act or to qualify any indenture under the 1939 Act. The foregoing indemnity shall include reimbursement for any legal or other expenses reasonably incurred by any Indemnified Party in connection with investigating or defending any such action or claim.

Promptly after receipt by an Indemnified Party under this Section of notice of the commencement of any action, such Indemnified Party shall, if a claim in respect thereof is to be made against the Board under this Section, notify the Board in writing of the commencement thereof; but the omission so to notify the Board shall not relieve it from any liability which it may have to any Indemnified Party otherwise than under this Section. In case any such action shall be brought against any Indemnified Party and such party shall notify the Board of the commencement thereof, the Board shall be entitled to participate therein and, to the extent that it shall wish, to assume the defense thereof, with counsel satisfactory to the party to be indemnified (who shall not, except with the consent of the party to be indemnified, be counsel to the Board); *provided, however*, that if the defendants in any such action include both an Indemnified Party and the Board and such Indemnified Party shall have reasonably concluded that there may be legal defenses available to it and/or other Indemnified Parties which are different from or in addition to the defense available to the Board, the Indemnified Party or Parties shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on behalf of such Indemnified Party or Parties. Upon receipt of notice from the Board to such Indemnified Party of its election so to assume the defense thereof, the Board shall not be liable to such Indemnified Party under this Section for any legal or other expenses subsequently incurred by such Indemnified Party in connection with the defense thereof, other than reasonable costs of investigation incurred at the request of the Board or such counsel, and shall not be liable to such Indemnified Party with respect to such action under this Section if such Indemnified Party effects the settlement of such action without the consent of the Board; but if settled with the consent of the Board or if there shall be a final judgment for the plaintiff in any such action, the Board agrees to indemnify and hold harmless the Indemnified Party from and against any loss or liability by reason of such settlement or judgment.

(b) If the indemnification provided for in Section 10(a) hereof is unavailable to the Remarketing Agent (or any controlling person thereof) in respect to any losses, claims, damages or liabilities referred to therein, then the Board shall, in lieu of indemnifying the Remarketing Agent, contribute to the amount paid or payable by the Remarketing Agent as a result of such losses, claims, damages or liabilities in such proportion as is appropriate to reflect the relative benefits received by the Board and the Remarketing Agent, respectively, from the remarketing of the Certificates. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law, then the Board shall contribute to such amount paid or payable by the Remarketing Agent in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Board and the Remarketing Agent, respectively,

in connection with the statements or omission which resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefit received by the Board or the Remarketing Agent, respectively, shall be deemed to be in the same proportion as the total proceeds from the remarketing of the Certificates (before deducting costs and expenses other than remarketing fees and expenses), on the one hand, bear to the total remarketing fees and expenses received by the Remarketing Agent, on the other hand. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact related to information supplied by the Board or the Remarketing Agent and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission; provided, however, that in the case of an allegation or a determination that arises out of or is based upon a failure in connection with the public offering of the Certificates to register any security under the 1933 Act or to qualify any indenture under the 1939 Act, the fault shall be deemed entirely that of the Board. The Board and the Remarketing Agent, respectively, agree that it would not be just and equitable if contribution pursuant to this Section were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to above in this Section. The amount paid or payable by the Remarketing Agent as a result of the losses, claims, damages or liabilities referred to above in this Section shall be deemed to include any legal or other expenses reasonably incurred by the Remarketing Agent (or any controlling person thereof) in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this subsection (b), the Remarketing Agent shall not be required to contribute any amount in excess of the aggregate amount of remarketing fees paid to the Remarketing Agent under Section 7 hereof for that calendar year. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any person who is not guilty of such fraudulent misrepresentation.

11. Limitation on Liability of Remarketing Agent. The Remarketing Agent shall incur no liability to the Board or any person for its actions as remarketing agent pursuant to the terms of this Remarketing Agreement and the Resolution except for its willful misconduct or gross negligence.

12. Term. This Remarketing Agreement will terminate upon the earlier of (a) the date on which the Certificates are no longer Outstanding under the Resolution or are not subject to tender for purchase by the registered owners thereof prior to the stated maturity thereof, or (b) the effective date of any resignation or removal of the Remarketing Agent in accordance with the Resolution.

The Remarketing Agent may at any time resign and be discharged of its duties and obligations by giving at least 60 days' prior written notice to the Board, the Bank, and the Trustee. The Board may remove the Remarketing Agent at any time upon 30 days' written notice to the Remarketing Agent, the Bank and the Trustee; provided, however, that if the Letter of Credit Provider or Liquidity Facility Provider is an affiliate of the Remarketing Agent or any Letter of Credit relating to all or a portion of the Certificates has been terminated or suspended,

the Board will not remove the Remarketing Agent without the prior written consent of the Remarketing Agent, unless concurrently with the removal of the Remarketing Agent, all Certificates owned by the Remarketing Agent in its individual capacity are purchased from the Remarketing Agent at a price of par.

Notwithstanding the foregoing, nothing shall prevent the parties hereto from allowing the Remarketing Agent to resign and be discharged from its duties and obligations at any earlier date if the parties hereto so agree. The Remarketing Agent may also resign upon 21 days' prior written notice to the Trustee, the Board and the Bank if (a) the Board fails to supply the Remarketing Agent with the Remarketing Materials and such documents, materials or information concerning the Board, as the Remarketing Agent reasonably deems necessary to be delivered to purchasers in connection with the remarketing of the Certificates or (b) the Board fails to pay when due any fee, reimbursement, indemnification or other amount due to the Remarketing Agent from the Board. The Remarketing Agent, after prior consultation with the Board, may cease offering and selling the Certificates with immediate effect if it determines, in its reasonable judgment that for any reason, including without limitation, (i) a pending or proposed change in applicable tax laws, (ii) a material adverse change in the financial condition of the Board, (iii) a banking moratorium, (iv) hostilities, (v) a down-rating or withdrawal of the rating on the Certificates, the Board, the Liquidity Facility Provider or any credit enhancer insuring the Certificates, (vi) an imposition of material restrictions on the Certificates or similar obligations or (vii) a material misstatement or omission in the disclosure document as then modified or supplemented, it is not advisable to attempt to remarket the Certificates.

In the event that the Board fails to appoint a Remarketing Agent hereunder, or in the event that the Remarketing Agent resigns or is removed, or is dissolved, or if the property or affairs of the Remarketing Agent are taken under the control of any state or federal court or administrative body because of bankruptcy or insolvency, or for any other reason, and the Board shall not have appointed its successor as Remarketing Agent, the Trustee shall *ipso facto* be deemed to be the Remarketing Agent for all purposes until the appointment by the Board of the Remarketing Agent or successor Remarketing Agent, as the case may be; provided, however, that the Trustee, in its capacity as Remarketing Agent, shall not be required to solicit purchasers of, or to remarket, Certificates or determine the interest rate on the Certificates pursuant to the Resolution and the Trustee shall have the right to appoint a successor Remarketing Agent meeting the qualifications set forth in the Resolution.

Following termination, the provisions of Sections 7 and 10 hereof will continue in effect as to transactions prior to the date of termination, and each party will pay the other party any amounts owing at the time of termination.

13. Notices. Any notice or other communication to be given under this Remarketing Agreement shall be given in writing, delivered by confirmed facsimile, by hand or by first-class mail, and if by mail, by being deposited in the United States mail, addressed to the party to which such notice is to be given. Unless otherwise provided, the respective addresses for the Board and the Remarketing Agent for notices which are or may be required to be given hereunder are as follows:

If to the Board:

The University of Illinois
354 Henry Administration Building
506 South Wright Street
Urbana, Illinois 61801
Attention: Walter K. Knorr, Vice President and
CFO and Comptroller
Telephone: (312) 996-8800
Telecopier: (312) 996-9013
E-Mail: wknorr@uillinois.edu

With a copy to:

The University of Illinois
405 AO, MC-225
1737 West Polk, Suite 405
Chicago, Illinois
Attention: Thomas R. Bearrows
University Counsel
Telephone: (312) 996-7762
Telecopier: (312) 996-6511
E-Mail: bearrows@uillinois.edu

If to the Remarketing Agent:

J.P. Morgan Securities Inc.
270 Park Avenue, Floor 6
New York, New York 10017
Mail Code NY1-K104
Attention: Municipal Short Term Desk
Telephone: (212) 834-7175
Telecopier: (212) 834-6743
E-Mail: betty.infantes@jpmorgan.com

With a copy to:

Ungaretti & Harris LLP
3500 Three First National Plaza
Chicago, Illinois 60602
Attention: Raymond C. Fricke, Esq.
Telephone: (312) 977-4400
Telecopier: (312) 977-4405
E-Mail: rcfricke@uhl.com

14. Amendment, Modification and Waiver. The provisions of this Remarketing Agreement may not be amended, modified or waived unless such amendment, modification or waiver is in writing and signed by the party against which enforcement is sought.

15. Successors. Any person or entity into which the Remarketing Agent may be merged, or with which it may be consolidated, or to which it may sell, release or transfer its investment banking business and assets as a whole or substantially as a whole, shall be and become successor of the Remarketing Agent hereunder and shall be vested with all the powers, rights, obligations and duties hereunder as was its predecessor, without the execution or filing of any instrument by any person or entity.

16. Waiver of Trial by Jury. Each of the parties hereto also irrevocably waives all right to trial by jury in any action, proceeding or counterclaim arising out of this Remarketing Agreement or the transactions contemplated hereby.

17. Governing Law. This Remarketing Agreement shall be governed by and construed in accordance with the laws of the State of Illinois applicable to agreements made and to be performed in said State. The parties all agree that all actions and proceedings arising out of this Remarketing Agreement or any of the transactions contemplated hereby if brought by the Board against the Remarketing Agent, shall be brought exclusively in the County of Cook and if brought by the Remarketing Agent against the Board, shall be brought only in the Illinois Court of Claims, and, in connection with any such action or proceeding, the parties submit to the exclusive jurisdiction of, and venue in, federal or state courts located in such County and the Court of Claims, respectively.

18. Counterparts. This Remarketing Agreement may be executed in counterparts, each of which shall be deemed to be an original, and such counterparts shall constitute one and the same instrument.

[signatures on following page]

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands as of the date and year first written above.

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

By: _____

Its: _____

J.P. MORGAN SECURITIES INC.

By: _____

Its: _____