

## CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (the “Disclosure Undertaking”) is entered into as of this \_\_\_ day of \_\_\_\_\_, 2013, 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 Health Services Facilities System Revenue Bonds, Series 2013 (the “Series 2013 Bonds”). The Series 2013 Bonds are being issued pursuant to a Resolution of the Board adopted by the Board on January 22, 1997 (the “Original Resolution”), as amended and supplemented in accordance with its terms, including by a Third Supplemental System Revenue Bond Resolution adopted by the Board on July 25, 2013 (together with the Original Resolution, as supplemented and amended to date, the “Bond Resolution”). The proceeds of the Series 2013 Bonds will be used to finance the costs of certain construction, renovation and equipment purchases for the Health Services Facilities System (the “System”). The Board covenants, undertakes and agrees as follows:

1. PURPOSE OF THE DISCLOSURE UNDERTAKING. This Disclosure Undertaking is being executed and delivered by the Board for the benefit of registered and beneficial owners of Series 2013 Bonds and in order to assist the Participating Underwriters 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 Disclosure Undertaking is enforceable by registered and beneficial owners of Series 2013 Bonds, as further provided in Section 10 of this Disclosure Undertaking.

2. DEFINITIONS. Initially capitalized terms used but not otherwise defined in this Disclosure Undertaking 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*” shall mean the Electronic Municipal Market Access of the MSRB accessible at <http://emma.msrb.org> or at such website as may be determined by the Securities and Exchange Commission from time to time.

“*Listed Event(s)*” means any one or more of the events described in Section 5 hereof.

“*Listed Event Notice*” means written or electronic notice of a Listed Event.

“*MSRB*” means the Municipal Securities Rulemaking Board, or any successor entity as described in the Rule.

“*Official Statement*” means the Official Statement dated \_\_\_\_\_, 2013, relating to the offering of the Series 2013 Bonds.

“*Participating Underwriter*” means any of the original underwriters of the Series 2013 Bonds required to comply with the Rule in connection with the offering of the Series 2013 Bonds.

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

“*State*” means the State of Illinois.

### 3. CONTINUING DISCLOSURE REPORTS.

Board Annual Report. Within 180 days after each fiscal year of the Board, commencing with the fiscal year ending June 30, 2013, the Board shall post to EMMA, 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):

(i) In the front part of the Official Statement, “ANNUAL DEBT SERVICE REQUIREMENTS” (Combined Total column only);

(ii) In Appendix A: Table IV – Certain Utilization Statistics, Table VI – Gross Revenues by Payor, Table X – Debt Service Coverage, and Table XI – System’s Historical Liquidity;

(iii) In Appendix A, Table XII - Summary Operations Performance Report of the MSP Unaudited Statements of Revenues, Expenses, and other Changes in Net Assets;

(iv) In Appendix B, “2013 Budget and State Appropriations,” “Student Enrollment,” “Student Admissions,” “Tuition and Fees,” “Financial Aid to Students,” “University and Foundation Investments”, and “Physical Plant.”

(b) Audited financial statements of the Board and the System for the most recently ended fiscal year prepared in accordance with U.S. generally accepted accounting principles (“GAAP”). 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 EMMA, and shall include a reference to the specific federal or State law or regulation describing such accounting basis. If audited financial statements are not available by the 180th day after the end of the applicable fiscal year, then they shall be provided as soon as they are 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 EMMA. If a change is made to the basis on which financial statements are prepared, the annual financial information for the year in

which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. Such comparison shall include a qualitative and, to the extent reasonably feasible, quantitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information. The Board will also provide, in a timely manner, to EMMA, 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 EMMA. If the document incorporated by reference is a final official statement, it must be available from EMMA. The Board shall clearly identify each such other document so incorporated by reference in the Board Annual Report.

5. REPORTING OF LISTED EVENTS.

(a) The Board will also post to EMMA, written notice of the occurrence of any of the following events (a “Listed Event”):

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves, reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements, reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) 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 Series 2013 Bonds, or other material events affecting the tax status of the Series 2013 Bonds;
- (vii) modification to rights of owners of the Series 2013 Bonds, if material;
- (viii) (A) bond calls, if material or (B) tender offers;
- (ix) defeasances;

(x) release, substitution or sale of property securing the repayment of the Series 2013 Bonds (including property leased, mortgaged or pledged as such security), if material;

(xi) rating changes;

(xii) the consummation of a merger, consolidation or acquisition involving the Board or the System or the sale of all or substantially all of the assets of the Board or the System, 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;

(xiii) the appointment of a successor or additional trustee or the change of name of a trustee, if material; and

(xiv) any other material events that are added to the Rule after the date of the Disclosure Undertaking.

(b) If a Listed Event occurs and the Board determines that such Listed Event is material, or if there is no materiality requirement for such Listed Event, the Board shall file a notice of such occurrence with EMMA within ten (10) business days. If the Board determines that it failed to give notice as required hereunder, it is required to promptly file a notice of such determination in the same manner.

(c) Each Listed Event Notice shall be so captioned and shall prominently state the date, title and CUSIP of the Bonds. Notwithstanding the foregoing, notice of a Listed Event described in Sections 5(a)(8) and (9) need not be given under this Section any earlier than the notice (if any) of the underlying event is given to the owners of affected Bonds pursuant to the Bond Resolution.

6. MANAGEMENT DISCUSSION OF ITEMS DISCLOSED IN BOARD ANNUAL REPORTS OR AS LISTED EVENTS. If any item required to be disclosed in the Board Annual Report under Section 3, or as a Listed 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 Disclosure Undertaking will terminate upon the defeasance, prior redemption or payment in full of all of the Series 2013 Bonds or if the Board no longer remains an obligated person with respect to the Series 2013 Bonds within the meaning of the Rule.

8. AMENDMENT; WAIVER. Notwithstanding any other provision of this Disclosure Undertaking, the Board may amend this Disclosure Undertaking, and any provision of this Disclosure Undertaking may be waived, if such amendment or waiver (i) is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Board; (ii) is supported by an

opinion of counsel expert in federal securities laws acceptable to the Board, to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule or adjudication of the Rule by a final decision of a court of competent jurisdiction; and (iii) the amendment or waiver does not materially impair the interests of holders, as determined either by parties unaffiliated with the issuer or obligated person (such as external counsel), or by approving vote of Bondholders pursuant to the terms of the Bond Resolution.

9. **ADDITIONAL INFORMATION.** Nothing in this Disclosure Undertaking shall be deemed to prevent the Board from disseminating any other information, using the means of dissemination set forth in this Disclosure Undertaking or any other means of communication, or including any other information in any Board Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Undertaking.

10. **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 Disclosure Undertaking, any registered or beneficial owner of Series 2013 Bonds may take action to compel performance by the Board under this Disclosure Undertaking. A default under this Disclosure Undertaking shall not be deemed a default or event of default under the Bond Resolution, and the sole remedy under this Disclosure Undertaking in the event of any failure of the Board to comply with this Disclosure Undertaking shall be an action to compel performance.

11. **BENEFICIARIES.** This Disclosure Undertaking shall inure solely to the benefit of the Board, the Participating Underwriters and registered and beneficial owners from time to time of the Series 2013 Bonds, and shall create no rights in any other person or entity.

12. **GOVERNING LAW.** This Disclosure Undertaking shall be governed by and construed in accordance with the laws of the State of Illinois.

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

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

By: \_\_\_\_\_  
Walter K. Knorr  
Comptroller