

In the opinion of Katten Muchin Rosenman LLP, Bond Counsel, under existing law, the interest portion of the Installment Payments under the Installment Purchase Contracts (the "Certificate Interest"), for so long as the Installment Purchase Contracts are in effect, is not includable in the gross income of the owners thereof for Federal income tax purposes and, assuming continuing compliance with the applicable requirements of the Internal Revenue Code of 1986, will continue to be excluded from the gross income of the owners thereof for Federal income tax purposes. Certificate Interest is not an item of tax preference for purposes of computing individual or corporate alternative minimum taxable income and is not taken into account when computing corporate alternative minimum taxable income for purposes of the corporate alternative minimum tax. Certificate Interest is not exempt from present Illinois income taxes. See "TAX MATTERS" herein.

\$75,000,000
VARIABLE RATE DEMAND CERTIFICATES OF PARTICIPATION (REFUNDING), SERIES 2009B
Evidencing Proportionate Interests in
Installment Payments to be Made by
THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ILLINOIS

Dated: Date of Issuance

Price: 100%

Due: October 1, 2027

This Official Statement has been prepared by the Board of Trustees of the University of Illinois (the "Board") to provide information with respect to the Variable Rate Demand Certificates of Participation (Refunding), Series 2009B (the "Series 2009B Certificates"). Selected information is presented on the cover page for the convenience of the user. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision. Holders and prospective purchasers of the Series 2009B Certificates after the date hereof should be aware that certain information contained in this Official Statement may no longer be accurate and should refer to the revisions, supplements and additions to this Official Statement, if any, or any new offering materials for current information after such date. *This Official Statement does not provide any information regarding the Series 2009B Certificates after the date, if any, on which the Series 2009B Certificates are converted to bear interest at interest rates other than the Weekly Interest Rate.*

THE SERIES 2009B CERTIFICATES HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, BY VIRTUE OF THE EXEMPTION FROM REGISTRATION PROVIDED IN SECTION 3(a)(2) THEREOF.

- Authorization:** The Series 2009B Certificates are being issued pursuant to a Resolution of the Board adopted on May 21, 2009 (the "Resolution").
- Purpose:** The proceeds of the Series 2009B Certificates, together with other funds of the Board, including the proceeds of the Board's Certificates of Participation (Refunding), Series 2009A (the "Series 2009A Certificates" and together with the Series 2009B Certificates and any additional Parity Certificates, as defined herein, the "Certificates") which are being issued simultaneously with the issuance of the Series 2009B Certificates, will be used to (i) provide for the refunding of the Board's outstanding Variable Rate Demand Certificates of Participation (Projects), Series 2007C and Variable Rate Demand Certificates of Participation (Projects), Taxable Series 2007D and (ii) pay costs incidental to the issuance of the Certificates. See "PLAN OF FINANCE" herein.
- Security:** The Series 2009B Certificates evidence and represent an undivided proportionate interest in certain Installment Payments required under two Installment Purchase Contracts to be paid by the Board to the Trustee under the Indenture securing the Series 2009B Certificates. The Board has covenanted to include in each annual operating budget for the University an amount of Legally Available Non-Appropriated Funds which, when combined with the State-appropriated funds, will be sufficient to make the Installment Payments and Additional Payments under the Installment Purchase Contracts when due in each Fiscal Year. The Board has further covenanted under the Installment Purchase Contracts to include in each of its annual operating budget appropriation requests to the Illinois General Assembly a request for funds that will be sufficient to pay all Installment Payments and Additional Payments due and payable during the next occurring Fiscal Year of the State to be paid from State-appropriated funds. The Series 2009B Certificates are being issued on a parity and of equal rank with the Series 2009A Certificates. Subject to certain conditions and limitations described herein, additional Parity Certificates of equal rank with the Series 2009B Certificates and the Series 2009A Certificates may be issued from time to time.
- Initial Interest Rate:** The Series 2009B Certificates will initially bear interest at the Weekly Interest Rate (as described herein) and will continue to bear interest at the Weekly Interest Rate to, but not including, the date upon which the interest rate borne by the Series 2009B Certificates is converted, if ever, to a Daily Interest Rate, a Commercial Paper Interest Rate or a Fixed Interest Rate in accordance with the terms of the Indenture as described herein.
- Redemption and Mandatory Tender:** The Series 2009B Certificates are subject to optional and mandatory redemption at par and optional and mandatory tender for purchase prior to maturity in the manner and at the times described herein. See "DESCRIPTION OF THE SERIES 2009B CERTIFICATES – Redemption", "– Optional Tender" and "– Mandatory Tender."
- Liquidity:** Purchase of Series 2009B Certificates that are not remarketed by the Remarketing Agent initially will be funded, subject to certain conditions described herein, under a Standby Certificate Purchase Agreement (the "Initial Liquidity Facility") among the Board, the Trustee and JPMorgan Chase Bank, N.A. (the "Initial Liquidity Facility Provider").
The Initial Liquidity Facility expires on June __, 20__, subject to renewal or extension, unless terminated sooner in accordance with the terms thereof. Under certain circumstances described herein, the Initial Liquidity Facility may terminate or suspend immediately without notice to the holders of the Series 2009B Certificates. See "INITIAL LIQUIDITY FACILITY – Remedies".
- Denominations:** \$100,000 or any integral multiple of \$5,000 in excess thereof.
- Closing/Issuance Date:** On or about June __, 2009.
- Registration:** New Issue, Book-Entry
- Remarketing Agent:** J.P. Morgan Securities Inc.
- Trustee:** The Bank of New York Mellon Trust Company, N.A.
- Bond Counsel:** Katten Muchin Rosenman LLP, Chicago, Illinois
- University Counsel:** Thomas R. Bearrows, Esq., Chicago, Illinois
- Special Issuer's Counsel:** Freeborn & Peters LLP, Chicago, Illinois
- Underwriter's Counsel:** Ungaretti & Harris LLP, Chicago, Illinois
- Liquidity Provider's Counsel:** Winston & Strawn LLP, Chicago, Illinois
- Financial Advisor:** Scott Balice Strategies, LLC, Chicago, Illinois

J.P. Morgan

The date of this Official Statement is June __, 2009

REGARDING THIS OFFICIAL STATEMENT

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 2009B Certificates, by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. No dealer, broker, 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 2009B Certificates, and if given or made, such information or representation must not be relied upon as having been authorized by the Board, the Trustee, the Financial Advisor or the Underwriter.

The Underwriter has provided the following sentence for inclusion in the Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under Federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

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 a promise or guarantee of, the Trustee or the Underwriter. 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 the information or opinions contained herein since the date of this Official Statement.

The 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 2009B CERTIFICATES ARE OFFERED TO THE PUBLIC MAY VARY FROM THE INITIAL PUBLIC OFFERING PRICES APPEARING ON THE COVER PAGE HEREOF. IN ADDITION, THE UNDERWRITER MAY ALLOW CONCESSIONS OR DISCOUNTS FROM SUCH INITIAL PUBLIC OFFERING PRICES TO DEALERS AND OTHERS, AND THE UNDERWRITER MAY ENGAGE IN TRANSACTIONS INTENDED TO STABILIZE THE PRICES OF THE SERIES 2009B CERTIFICATES 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 2009B CERTIFICATES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THE INDENTURE HAS NOT 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 2009B CERTIFICATES IN ACCORDANCE WITH APPLICABLE PROVISIONS OF LAW OF THE STATES IN WHICH SERIES 2009B CERTIFICATES 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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OFFICIAL STATEMENT
relating to
\$75,000,000

**VARIABLE RATE DEMAND CERTIFICATES OF PARTICIPATION (REFUNDING),
SERIES 2009B**
**Evidencing Proportionate Interests in
Installment Payments to be Made by
THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ILLINOIS**

INTRODUCTION

This Official Statement, including the cover page and appendices hereto (the "Official Statement"), is provided to prospective purchasers in connection with the sale and delivery of Variable Rate Demand Certificates of Participation (Refunding), Series 2009B (the "Series 2009B Certificates"), in the aggregate principal amount of \$75,000,000.

The Series 2009B Certificates will initially bear interest at a Weekly Interest Rate as described herein under "DESCRIPTION OF THE SERIES 2009B CERTIFICATES," although the interest rate on the Series 2009B Certificates may be converted from the Weekly Interest Rate to other interest rates following mandatory purchase upon 30 days' written notice to the Registered Owners of the Series 2009B Certificates. THIS OFFICIAL STATEMENT DOES NOT PROVIDE ANY INFORMATION REGARDING THE SERIES 2009B CERTIFICATES AFTER THE DATE, IF ANY, ON WHICH THE SERIES 2009B CERTIFICATES ARE CONVERTED TO BEAR INTEREST AT INTEREST RATES OTHER THAN THE WEEKLY INTEREST RATE.

The Series 2009B Certificates are being issued pursuant to the Indenture of Trust dated as of June 1, 2009 as supplemented by the Second Supplemental Indenture of Trust dated as of June 1, 2009 (collectively, the "Indenture"), each from the Board of Trustees of the University of Illinois (the "Board") to The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee").

The Series 2009B Certificates, together with each additional Parity Certificate, represent proportionate interests of the Registered Owners thereof in payments to be made by the Board as installment purchase payments (the "Installment Payments") pursuant to the provisions of two Installment Purchase Contracts, each dated as of June 1, 2009 (each an "Installment Purchase Contract" and collectively the "Installment Purchase Contracts"), between the Trustee and the Board, as purchaser.

The Series 2009B Certificates, together with other funds of the Board, including the proceeds of the Board's Certificates of Participation (Refunding), Series 2009A (the "Series 2009A Certificates" and together with the Series 2009B Certificates and any additional Parity Certificates, as defined herein, the "Certificates"), which are being issued simultaneously with the issuance of the Series 2009B Certificates, are being issued to (i) provide for the refunding of the Board's outstanding Variable Rate Demand Certificates of Participation (Projects), Series 2007C (the "Series 2007C Certificates") and Variable Rate Demand Certificates of Participation (Projects), Taxable Series 2007D (the "Series 2007D Certificates") and (ii) pay the costs associated with issuing the Series 2009B Certificates.

The Series 2007C and Series 2007D Certificates were issued to (i) finance a portion of the cost of various buildings on the University's campuses at Rockford, Illinois and Urbana, Illinois (the "Improvements"), consisting of the College of Medicine Rockford National Center for Rural Health Professionals Facility located on the Rockford, Illinois campus and the Petascale Computing Facility and

related infrastructure located on the Urbana, Illinois campus and (ii) pay costs incidental to the issuance of such obligations. Upon issuance of the Series 2009B Certificates and the Series 2009A Certificates and the refunding of the Series 2007C and Series 2007D Certificates, all unspent proceeds from the Series 2007C and Series 2007D Certificates will be transferred to the Trustee to purchase the Improvements (as defined below) pursuant to two Amended and Restated Acquisition Agreements, each dated as of June 1, 2009 (collectively, the "Acquisition Agreements"), between the Board and the Trustee.

The Board, as governing body of the University of Illinois (the "University"), has or will enter into equipment contracts or purchase orders, construction contracts, or as applicable, professional services or specialty services contracts (collectively, the "Improvement Contracts") with certain contractors (the "Contractors") to acquire, construct, equip and improve the Improvements as more fully described under the caption "PLAN OF FINANCE." The Board is acquiring the Improvements pursuant to the Installment Purchase Contracts.

Under the Acquisition Agreements, the Board's right, title and interest in and to the Improvements and in and to the Improvement Contracts will be assigned to the Trustee; *provided that*, under each Installment Purchase Contract, title to the Improvements in existence at the time such Installment Purchase Contract is entered into will automatically thereupon vest in the Board without action by the Trustee and title to all Improvements acquired thereafter will automatically so vest in the Board upon acquisition without action by the Trustee, but subject to the provisions of such Installment Purchase Contract immediately re-vesting such title in the Trustee upon the occurrence of an Event of Default under such Installment Purchase Contract. Under the Acquisition Agreements, the Board will reserve, among other things, the rights to demand, accept and retain all rights in and to all property, data and service that the Contractors are obligated to provide pursuant to the Improvement Contracts and all rights under all warranty and indemnity provisions contained in the Improvement Contracts.

Pursuant to the Indenture, the Trustee will hold for the benefit of the Owners of the Certificates its rights in and to (i) the Installment Purchase Contracts, including its right to receive Installment Payments from the Board under the Installment Purchase Contracts, (ii) the Improvements purchased pursuant to the Acquisition Agreements and (iii) amounts on deposit from time to time in the funds and accounts created pursuant to the Indenture (other than the Rebate Fund and the Certificate Purchase Fund). However, the assignment of the Installment Purchase Contracts under the Indenture shall not transfer, impair or diminish any rights of the Trustee under any assigned instrument for indemnification, reimbursement of fees, costs and expenses, or to receive notices or approve amendments. The funds created pursuant to the Indenture, which secure the Certificates, include moneys and investments held by the depository of the Board in the Acquisition Fund created under the Indenture. Such funds are held by the Trustee under the Indenture for the benefit of Certificate Owners, subject to their use and application in accordance with the provisions of the Installment Purchase Contracts, the Indenture and the Initial Liquidity Facility.

Initially capitalized terms used but not otherwise defined in the body of this Official Statement have the meanings set forth in "APPENDIX C – Summary of Certain Legal Documents."

THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ILLINOIS

The University is governed by the Board, which consists of eleven voting members, including one student member and the Governor of the State of Illinois (the "State"), who serves as an ex-officio member, and two nonvoting 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. Additional information regarding the

Board and the University is set forth in "APPENDIX A – The Board of Trustees of the University of Illinois" and is included for informational purposes only. The Board has no obligation to update such information.

DESCRIPTION OF THE SERIES 2009B CERTIFICATES

General

The Series 2009B Certificates, together with each additional Parity Certificate, represent an undivided proportionate interest in the principal portion of the Installment Payments due and payable with respect to the maturity date of the Series 2009B Certificates and in the interest portion of the Installment Payments due and payable to and including such maturity date.

The Series 2009B Certificates shall mature on October 1, 2027. The Series 2009B Certificates, while bearing interest at a Weekly Interest Rate, shall be in denominations of \$100,000 and any integral multiple of \$5,000 in excess of \$100,000.

Interest

The Series 2009B Certificates shall be dated the date of original issuance, and interest with respect thereto shall be payable from the last date to which interest was paid or, if no interest has been paid, from the original issuance date until the entire principal amount has been paid.

Interest with respect to the Series 2009B Certificates shall be payable initially at the Weekly Interest Rate to and including the effective date of a conversion of the Series 2009B Certificates from one Interest Rate Period to another Interest Rate Period (the "Conversion Date") or date of maturity or redemption, whichever is earlier. The interest rate on the Series 2009B Certificates may be adjusted hereafter to a Daily Interest Rate, a Commercial Paper Interest Rate or a Fixed Interest Rate. Such interest represents the portion of Installment Payments designated as interest and coming due during the period preceding each Interest Payment Date. The proportionate share of the portion of Installment Payments designated as interest for any interest period shall be computed by multiplying the portion of Installment Payments designated as principal by the rate of interest for such interest period (on the basis of the actual number of days elapsed over a year of 365 or 366 days, as appropriate).

The Trustee shall calculate the amount of interest payable on the Series 2009B Certificates. The Remarketing Agent shall inform the Trustee, the Bank and the Board orally (promptly confirmed by facsimile) at the oral request of any of them of any interest rate set by the Remarketing Agent. The Remarketing Agent shall confirm the current interest rate by telephone or in writing to any Series 2009B Certificate Owner who requests it in any manner.

Interest on the Series 2009B Certificates shall be payable on each Interest Payment Date by the Trustee during any Daily Interest Rate Period, Weekly Interest Rate Period or Fixed Interest Rate Period by check mailed on the date on which such interest is due to the Owners of Series 2009B Certificates at the close of business on the Record Date in respect of such Interest Payment Date at the registered addresses of the Owners of the Series 2009B Certificates as shall appear on the registration books of the Trustee. "Interest Payment Date" shall mean for any Weekly Interest Rate Period, the first Wednesday of each calendar month, or, if the first Wednesday is not a Business Day, the next succeeding Business Day and any maturity date. In the case of any Owner of Series 2009B Certificates in an aggregate principal amount in excess of \$1,000,000 as shown on the registration books of the Trustee who, prior to the Record Date next preceding any Interest Payment Date, shall have provided the Trustee with written wire

transfer instructions, interest payable on such Series 2009B Certificates shall be paid in accordance with the wire transfer instructions provided by the Owner of such Series 2009B Certificates.

The setting of interest rates and the calculation of the amount of interest payable on the Series 2009B Certificates shall be conclusive and binding on the parties to the Indenture, the Bank, the Remarketing Agent and the Owners of Series 2009B Certificates.

Notwithstanding anything in the Indenture to the contrary, the interest rate payable on the Series 2009B Certificates (except the Bank Certificates) shall not exceed the lesser of (i) 12% per annum or (ii) the maximum rate of interest permitted by applicable law, as from time to time in effect (the "Maximum Rate").

Weekly Interest Rate Period

During each Weekly Interest Rate Period, the Series 2009B Certificates shall bear interest at the Weekly Interest Rate, which shall be determined by the Remarketing Agent by no later than 5:00 p.m., New York City time, on Tuesday of each week during such Weekly Interest Rate Period, or if such day shall not be a Business Day, then on the next succeeding Business Day. The first Weekly Interest Rate for each Weekly Interest Rate Period shall be determined on or prior to the first day of such Weekly Interest Rate Period and shall apply to the period commencing on the first day of such Weekly Interest Rate Period and ending on the next succeeding Tuesday (whether or not a Business Day). Thereafter, each Weekly Interest Rate shall apply to the period commencing on the first Wednesday on or after the date of determination thereof (whether or not a Business Day) and ending on the next succeeding Tuesday (whether or not a Business Day), unless such Weekly Interest Rate Period shall end on a day other than Tuesday, in which event the last Weekly Interest Rate for such Weekly Interest Rate Period shall apply to the period commencing on the Wednesday (whether or not a Business Day) preceding the last day of such Weekly Interest Rate Period and ending on the last day of such Weekly Interest Rate Period. The Weekly Interest Rate shall be the rate of interest per annum determined by the Remarketing Agent to be the minimum interest rate which, if borne by the Series 2009B Certificates, would enable the Remarketing Agent to sell such Series 2009B Certificates on the effective date and at the time of such determination at a price (without regarding accrued interest) equal to the principal amount thereof. In the event that the Remarketing Agent fails to establish a Weekly Interest Rate for any week, then the Weekly Interest Rate for such week shall be the same as the Weekly Interest Rate for the immediately preceding week if the Weekly Interest Rate for such preceding week was determined by the Remarketing Agent. In the event that the Weekly Interest Rate for the immediately preceding week was not determined by the Remarketing Agent, or in the event that the Weekly Interest Rate determined by the Remarketing Agent shall be held to be invalid or unenforceable by a court of law, then the interest rate for such week shall be equal to 110% of the SIFMA Swap Index on the day such Weekly Interest Rate would otherwise be determined for such Weekly Interest Rate Period.

Adjustment of Interest Rate Periods

Adjustment and Notice of Adjustment to Daily Interest Rate. At any time the Board, by written direction to the Trustee, the Bank and the Remarketing Agent, may elect that the Series 2009B Certificates shall bear interest at a Daily Interest Rate. During each Daily Interest Rate Period commencing on a date so specified and ending on the day immediately preceding the effective date of the next succeeding Interest Rate Period, the interest rate borne by the Series 2009B Certificates shall be a Daily Interest Rate. The Trustee shall give notice by first-class mail of an adjustment to a Daily Interest Rate Period for the Series 2009B Certificates to the Owners of the Series 2009B Certificates not less than fifteen (15) days prior to the proposed effective date of such Daily Interest Rate Period. Such notice shall state: (i) that the interest rate on the Series 2009B Certificates will be adjusted to a Daily Interest Rate

unless Special Counsel fails to deliver a Favorable Opinion of Special Counsel to the Board, the Trustee and the Remarketing Agent as to such adjustment on the effective date of such adjustment in the Interest Rate Period; (ii) the proposed effective date of such Daily Interest Rate Period; and (iii) that the Series 2009B Certificates are subject to mandatory tender for purchase on such proposed effective date, regardless of whether any or all conditions to the adjustment are met, and setting forth the applicable Purchase Price and the place of delivery for purchase of such Series 2009B Certificates.

Adjustment and Notice of Adjustment to Commercial Paper Interest Rates. At any time, the Board, by written direction to the Trustee, the Bank and the Remarketing Agent (if any), may elect that the Series 2009B Certificates shall bear interest at Commercial Paper Interest Rates. During each Commercial Paper Rate Period commencing on the date so specified and ending, on the day immediately preceding the effective date of the next succeeding Interest Rate Period with respect to such Series 2009B Certificate, each such Series 2009B Certificate shall bear interest at Commercial Paper Interest Rates during each Commercial Paper Rate Period for such Series 2009B Certificate. The Trustee shall give notice by first-class mail of an adjustment to a Commercial Paper Rate Period for the Series 2009B Certificates to the Owners of such Series 2009B Certificates not less than fifteen (15) days prior to the proposed effective date of such Commercial Paper Rate Period. Such notice shall state: (i) that the Series 2009B Certificates shall bear interest at Commercial Paper Interest Rates unless Special Counsel fails to deliver a Favorable Opinion of Special Counsel to the Board, the Trustee and the Remarketing Agent as to such adjustment on the effective date of such adjustment in the Interest Rate Period or other conditions precedent to such adjustment are not met; (ii) the proposed effective date of such Commercial Paper Rate Period; and (iii) that such Series 2009B Certificates are subject to mandatory tender for purchase on such proposed effective date of such Commercial Paper Rate Period, regardless of whether any or all conditions precedent to the adjustment are met, and setting forth the applicable Purchase Price and the place of delivery for purchase of the Series 2009B Certificates.

Adjustment and Notice of Adjustment to Fixed Interest Rate. At any time, the Board, by written direction to the Trustee, the Bank (if any) and the Remarketing Agent (if any), may elect that the Series 2009B Certificates shall bear interest at a Fixed Interest Rate. The Trustee shall give notice by first-class mail of an adjustment to a Fixed Interest Rate to the Owners of the Series 2009B Certificates not less than fifteen (15) days prior to the proposed effective date of such Fixed Interest Rate Period. Such notice shall state: (i) that the interest rate on the Series 2009B Certificates shall be adjusted to a Fixed Interest Rate unless Special Counsel fails to deliver a Favorable Opinion of Special Counsel to the Board, the Trustee and the Remarketing Agent as to such adjustment in the Interest Rate Period on the effective date of such adjustment; (ii) the proposed effective date of such Fixed Interest Rate Period; and (iii) that the Series 2009B Certificates are subject to mandatory tender for purchase on such proposed effective date, regardless of whether any or all conditions to the adjustment are met, and setting forth the applicable Purchase Price and the place of delivery for purchase of such Series 2009B Certificates.

Notice of Conversion; Conditions

In the event that the Board elects to adjust the interest rate on the Series 2009B Certificates to a Daily Interest Rate, a Weekly Interest Rate, a Fixed Interest Rate or a Commercial Paper Interest Rate, then the written direction furnished by the Board shall be made by registered or certified mail, or by telecopy, confirmed by registered or certified mail. The Trustee shall also provide written notice to any Rating Agencies then rating the Series 2009B Certificates of any Conversion under the Indenture. Upon any adjustment, the Series 2009B Certificates so converted shall be in Minimum Authorized Denominations. All Series 2009B Certificates shall be in the same Interest Rate Period at the same time.

Notwithstanding anything in the Indenture, in connection with any Conversion of the Interest Rate Period for the Series 2009B Certificates, the Board shall have the right to deliver to the Trustee, the

Remarketing Agent (if any), and the Bank (if any), on or prior to 10:00 a.m., New York City time, on the second Business Day preceding the effective date of any such Conversion a notice to the effect that the Board elects to rescind its election to make such Conversion. If the Board rescinds its election to make such Conversion, then the Interest Rate Period shall not be converted and the Series 2009B Certificates shall continue to bear interest at the Daily Interest Rate, Weekly Interest Rate, Fixed Interest Rate or Commercial Paper Interest Rate, as the case may be, as in effect immediately prior to such proposed Conversion. In any event, if notice of a Conversion has been mailed to the Owners of the Series 2009B Certificates and the Board rescinds its election to make such Conversion, then the Series 2009B Certificates shall continue to be subject to mandatory tender for purchase on the date which would have been the effective date of the Conversion.

No Conversion from one Interest Rate Period to another shall take effect under the Indenture unless each of the following conditions shall have been satisfied.

Except with respect to a Conversion from a Weekly Interest Rate Period to a Daily Interest Rate Period or from a Daily Interest Rate Period to a Weekly Interest Rate Period, the Trustee, the Remarketing Agent (if any) and the Board shall have received a Favorable Opinion of Special Counsel with respect to such Conversion.

In the case of any Conversion with respect to which there shall be no Liquidity Facility in effect to provide funds for the purchase of Series 2009B Certificates on the Conversion Date, the remarketing proceeds available on the Conversion Date shall not be less than the amount required to purchase all of the Series 2009B Certificates at the Purchase Price (unless the Board, in its sole discretion, elects to transfer to the Trustee the amount of such deficiency on or before the Conversion Date).

If any condition to the Conversion shall not have been satisfied, then the Interest Rate Period shall not be converted and the Series 2009B Certificates shall continue to bear interest at the Daily Interest Rate, Weekly Interest Rate, Fixed Interest Rate or Commercial Paper Interest Rate as the case may be, as in effect immediately prior to such proposed Conversion, and the Series 2009B Certificates shall continue to be subject to mandatory tender for purchase on the date which would have been the effective date of the Conversion.

Optional Tender

During any Weekly Interest Rate Period any Series 2009B Certificates other than a Bank Certificate or a Series 2009B Certificate owned by, for the account of, or on behalf of the Board (an "Eligible Certificate") shall be purchased from its Owner at the option of the Owner on any Business Day at a Purchase Price equal to the principal amount thereof plus accrued interest, if any, from and including the Interest Payment Date immediately preceding the date of purchase through and including the day immediately preceding the date of purchase, unless the date of purchase shall be an Interest Accrual Date in which case at a Purchase Price equal to the principal amount thereof, payable in immediately available funds, upon delivery to the Trustee at its corporate trust office for delivery of notices and to the Remarketing Agent of an irrevocable written notice which states the name of the Series 2009B Certificate, the principal amount and the date on which the same shall be purchased, which date shall be a Business Day not prior to the seventh day next succeeding the date of the delivery of such notice to the Trustee. Any notice delivered to the Trustee after 4:00 p.m., New York City time, shall be deemed to have been received on the next succeeding Business Day. For payment of such Purchase Price on the date specified in such notice, such Series 2009B Certificate must be delivered, at or prior to 10:00 a.m., New York City time, on the date specified in such notice, to the Trustee at its corporate trust office, accompanied by an instrument of transfer thereof, in form satisfactory to the Trustee, executed in blank

by the Owner thereof or by the Owner's duly-authorized attorney, with such signature guaranteed by a commercial bank, trust company or member firm of The New York Stock Exchange.

The addresses for the Principal Offices of the Trustee and the Remarketing Agent to which tender notices are to be delivered are:

Trustee: Rodney J. Harrington
Assistant Vice President
The Bank of New York Mellon Trust Company, N.A.
2 North LaSalle Street, Suite 1020
Chicago, Illinois 60602
Telephone: (312) 827-8626
Facsimile: (312) 827-8522

Remarketing Agent: J.P. Morgan Securities Inc.
270 Park Avenue, Floor 6
New York, New York 10017
Attention: Municipal Short-Term Desk
Telephone: (212) 834-7224
Facsimile: (917) 456-3541

Mandatory Tender

Mandatory Purchase of Certificates. The Series 2009B Certificates (except Bank Certificates) are subject to mandatory purchase upon any of the following dates (each a "Mandatory Purchase Date"):

- (a) On the day prior to the Stated Expiration Date of the Liquidity Facility or if such day is not a Business Day, the next preceding Business Day;
- (b) On the fifth Business Day following receipt by the Trustee of a Notice of Termination Date (as defined in the Liquidity Facility) from the Bank;
- (c) On the day prior to the termination of the Liquidity Facility and upon the delivery of an Alternate Liquidity Facility or, if such day is not a Business Day, on the next succeeding Business Day;
- (d) On the day next succeeding the last day of each Commercial Paper Rate Period for such Series 2009B Certificates; and
- (e) On the first day of each Interest Rate Period for such Series 2009B Certificates.

Notice of mandatory purchase shall be mailed by the Trustee, not less than 30 days prior to the Mandatory Purchase Date. Notice of mandatory purchase pursuant to (b) shall be mailed by the Trustee on the first Business Day after receipt of the notice described therein from the Bank. In connection with any mandatory purchase pursuant to (e), the Trustee shall give notice as part of the notice given in connection with the change in Interest Rate Period. Such notice shall state (i) that the Purchase Price of any Series 2009B Certificate subject to mandatory purchase shall be payable only upon surrender of such Series 2009B Certificate to the Trustee at its corporate trust office, accompanied by an instrument of transfer thereof, in form satisfactory to the Trustee, executed in blank by the Owner thereof or by the Owner's duly-authorized attorney, with such signature guaranteed by a commercial bank, trust company or member firm of The New York Stock Exchange; (ii) that all Series 2009B Certificates so subject to mandatory purchase shall be purchased on the mandatory purchase date which shall be explicitly stated;

and (iii) that in the event that any Owner of a Series 2009B Certificate so subject to mandatory purchase shall not surrender such Series 2009B Certificate to the Trustee for purchase on such mandatory purchase date, then such Series 2009B Certificate shall be deemed to be an Undelivered Certificate, and that no interest shall accrue thereon on and after such mandatory purchase date and that the Owner thereof shall have no rights under the Indenture other than to receive payment of the Purchase Price thereof. Notice in each case shall be mailed to the respective Owners of the Series 2009B Certificates at their addresses maintained by the Trustee in the Series 2009B Certificate Register. Each notice of mandatory purchase shall state the Mandatory Purchase Date and the place or places of mandatory purchase. Each such notice shall also state that on such date there will become due and payable on such Series 2009B Certificates the Purchase Price and that from and after the Mandatory Purchase Date interest thereon shall cease to accrue to the prior Owner of the Series 2009B Certificates to be purchased, and shall require that such Series 2009B Certificates be then surrendered and if not so surrendered that the Series 2009B Certificates will be deemed purchased in accordance with the Indenture under which such Series 2009B Certificates were issued.

Mandatory Tender for Purchase on First Day of Each Interest Rate Period. Eligible Series 2009B Certificates shall be subject to mandatory tender for purchase on the first day of each Interest Rate Period with respect to such Series 2009B Certificates, or, on the day which would have been the first day of an Interest Rate Period for such Series 2009B Certificates had one of the events specified in the Indenture for Conversion not occurred which resulted in the interest rate not being adjusted, at the Purchase Price, payable in immediately available funds. The Purchase Price of any Series 2009B Certificate so purchased shall be payable only upon surrender of such Series 2009B Certificate to the Trustee at its corporate trust office, accompanied by an instrument of transfer thereof, in form satisfactory to such Trustee, executed in blank by the Owner thereof or by the Owner's duly-authorized attorney, with such signature guaranteed by a commercial bank, trust company or member firm of The New York Stock Exchange at or prior to 10:00 a.m., New York City time, on the date specified for such delivery in this paragraph or in the notice provided pursuant to the Indenture.

Remarketing of Series 2009B Certificates; Undelivered Certificates

Except to the extent the Board directs the Remarketing Agent not to do so, the Remarketing Agent shall offer for sale and use its best efforts to sell all tendered Series 2009B Certificates to be sold and, when directed by the Board, any Series 2009B Certificates held by or on behalf of the Bank or the Board. The Purchase Price of each Series 2009B Certificate must be equal to the principal amount of such Series 2009B Certificate plus accrued interest, if any, to the Purchase Date. The Board may direct the Remarketing Agent from time to time to cease and to resume sales efforts with respect to some or all of the Series 2009B Certificates. The Remarketing Agent may buy as principal any Series 2009B Certificates to be offered.

Series 2009B Certificates purchased pursuant to tenders shall be offered for sale by the Remarketing Agent, except as follows:

(a) Series 2009B Certificates which are tendered between the date notice of any mandatory tender or redemption for such Series 2009B Certificates is given and the Purchase Date or the redemption date, as the case may be, for such Series 2009B Certificates may be remarketed before the Purchase Date or the redemption date, as the case may be, only if the buyer receives a copy of the mandatory tender notice or the redemption notice from the Remarketing Agent.

(b) Series 2009B Certificates purchased with funds obtained by a drawing on the Liquidity Facility shall constitute Bank Certificates and, if the Book-Entry System is in effect, the

ownership interest in such Bank Certificates shall be transferred on the books of the Securities Depository to or for the account of the Trustee, or a Participant acting on behalf of the Trustee, and the Trustee shall, and shall cause such Participant to, mark its own books and records to reflect the beneficial ownership of such Bank Certificates by the Bank. The Trustee shall release Bank Certificates after it has been notified in writing by the Bank that the Liquidity Facility has been reinstated by the amount of the funds drawn to purchase such Series 2009B Certificates (A) as a result of reimbursement by the Board to the Bank or (B) because such Series 2009B Certificates have been remarketed and the proceeds of such remarketing have been received by the Securities Depository for the account of the Trustee (for the benefit of the Bank). The Trustee shall promptly give the Bank notice by facsimile transmission that the proceeds referred to in clause (B) above have been credited to its account (for the benefit of the Bank) by the Securities Depository, subject to normal securities settlement procedures. If such Series 2009B Certificates have been released pursuant to clause (B) above, the Trustee shall instruct the Securities Depository to transfer such Series 2009B Certificates on its records to the account of the Participant designated by the Remarketing Agent. If such Series 2009B Certificates have been released pursuant to clause (A) above, the Trustee shall instruct the Securities Depository to transfer any such Series 2009B Certificates to the account of a Participant designated by the Board.

(c) Series 2009B Certificates shall not be offered for sale during the continuance of an Event of Default, but Series 2009B Certificates may be offered for sale during the continuance of an event which, with the giving of notice or lapse of time or both, would become an Event of Default in the sole reasonable discretion of the Remarketing Agent.

(d) Any Series 2009B Certificate which has been tendered and not remarketed for more than 30 days, or any Series 2009B Certificate which has been held by the Bank or the Board under such circumstances for more than 30 days, may not be remarketed until the Trustee and the Remarketing Agent have received a Favorable Opinion of Special Counsel with respect to such remarketing.

Payment of the Purchase Price of Series 2009B Certificates tendered for purchase shall be made from funds in the following order of priority: (i) proceeds of remarketing of the Series 2009B Certificates, (ii) proceeds of draws under the Liquidity Facility and (iii) moneys deposited by the Board at its sole option.

If the Series 2009B Certificates which are required to be tendered for purchase on a Purchase Date or which were the subject of a Tender Notice are not delivered on the Purchase Date as provided in the Indenture and there has been irrevocably deposited in trust in the Series 2009B Certificate Purchase Fund an amount of money sufficient to pay the Purchase Price thereof, such Series 2009B Certificates shall be deemed to have been purchased pursuant to the Indenture, and shall be Undelivered Certificates. In the event of a failure by the Owner of a Certificate to tender its Certificates on or prior to the required date, the Owner of such Undelivered Certificates shall not be entitled to any payment other than the Purchase Price and Undelivered Certificates in the hands of such non-delivering Owner shall no longer accrue interest or be entitled to any benefits of the Indenture, except for the payment of the Purchase Price; *provided, however*, that the indebtedness represented by such Undelivered Certificates shall not be extinguished.

The Owner of each Series 2009B Certificate, by its purchase and acceptance of such Series 2009B Certificate, irrevocably appoints the Trustee in the case of optionally tendered Series 2009B Certificates or Series 2009B Certificates subject to mandatory purchase, as its duly authorized attorney-in-fact for the purposes of effecting a transfer on the books of the Securities Depository or assignment,

endorsement, certification, execution or acknowledgement that the Owner is holding the Series 2009B Certificate for the benefit of the purchaser or purchasers, registration of transfers and delivery of the Series 2009B Certificates.

In the event of any purchase, any Undelivered Certificate shall no longer evidence an interest in the Certificate Installment Payments, and the Owner thereof shall be entitled only to payment of the Purchase Price, without interest, for the Undelivered Certificate upon delivery thereof from the funds held in the Certificate Purchase Fund.

If sufficient funds are not available for the purchase of all Series 2009B Certificates tendered or deemed tendered and required to be purchased on any tender date (including a failure in connection with the occurrence of an immediate termination or suspension of the Liquidity Facility, if any), the failure to pay the Purchase Price of all such tendered Series 2009B Certificates when due and payable shall constitute an Event of Default and all tendered Series 2009B Certificates shall be returned to their respective holders and shall bear interest at the Maximum Rate from the date of such failed purchase until all such Series 2009B Certificates are further remarketed or purchased as required in accordance with the terms of the Indenture. Thereafter, the Trustee shall continue to take all such action available to it to obtain remarketing proceeds from the Remarketing Agent and sufficient other funds from the Initial Liquidity Facility Provider.

Notwithstanding anything in this Indenture to the contrary, if the Series 2009B Certificates are bearing interest at a Weekly Interest Rate, a Daily Interest Rate, a Commercial Paper Interest Rate or a Fixed Interest Rate and the Remarketing Agent for such 2009B Certificates is removed and no successor has been appointed as of the effective date of such removal, then such 2009B Certificates shall bear interest at the Maximum Rate until a successor Remarketing Agent has been appointed and begins determining the Weekly Interest Rate, Daily Interest Rate, Commercial Paper Interest Rate or Fixed Interest Rate. Notwithstanding anything in the Indenture to the contrary, if a Liquidity Facility is required to be maintained and no Liquidity Facility is in effect, then such Series 2009B Certificates shall bear interest at the Maximum Rate until a Liquidity Facility is delivered to the Trustee and accepted.

Operation of Liquidity Facility

Drawings on Purchase Dates. On each Purchase Date, the Trustee shall deliver to the Bank at the place specified in the Liquidity Facility appropriate documentation for a drawing under the Liquidity Facility in the amount equal to the Purchase Price of Series 2009B Certificates required to be purchased on such Purchase Date and covered by such Liquidity Facility which were not remarketed by the Remarketing Agent at the time of the notice provided pursuant to the Indenture.

Reduction of Amount Available. Upon any redemption, repayment or other payment (other than payment of Purchase Price) of all or any portion of the Series 2009B Certificates covered thereby, the amount available under the Liquidity Facility shall be automatically and permanently reduced as set forth in such Liquidity Facility.

Consent of and Notices to Bank. Whenever in the Indenture it is required that notice be provided to the Bank, that the consent of the Bank be obtained or that documents or other information be made available to the Bank, such provision shall be effective only (i) while the Liquidity Facility is in effect and the Bank has not failed to honor a drawing made in accordance with the terms thereof and (ii) if the Liquidity Facility is no longer in effect, until the Trustee receives written confirmation from the Bank that all amounts owed to the Bank by the Board pursuant to the Liquidity Facility have been paid.

Interest Coverage. The amount available to be drawn under the Liquidity Facility with respect to the interest component of the Purchase Price of a Series 2009B Certificate covered by such Liquidity Facility, measured against the principal component of Outstanding Series 2009B Certificates (excluding for such purposes Bank Certificates), shall be not less than 35 days of interest at the Cap Rate (based upon a 360 day year) during a Weekly Interest Rate Period.

Notice of Immediate Termination. In the event the Trustee receives notice from the Bank of an Event of Default under the Liquidity Facility resulting in an immediate termination or suspension of such Liquidity Facility, the Trustee shall give prompt notice thereof to all Owners of Series 2009B Certificates covered by such Liquidity Facility by first class mail.

Redemption

Redemption Upon Event of Non-Appropriation, Exercise of Option to Prepay and Termination of Installment Purchase Contracts. The Series 2009B Certificates are subject to redemption, in whole or in part, at the price of 100% of the principal amount thereof, plus accrued interest to the redemption date, on any date on which the Installment Purchase Contracts are terminated by the Board because (i) an Event of Non-Appropriation has occurred, (ii) the Board has determined that there are not sufficient Legally Available Non-Appropriated Funds to pay all or such non-appropriated part of the portion of the Installment Payments under such Installment Purchase Contracts coming due during the then current fiscal year, and (iii) the Board has exercised its option, pursuant to the Installment Purchase Contracts to prepay the Series 2009B Certificates by the deposit of funds in the Installment Payment Fund sufficient to redeem such Series 2009B Certificates on such termination date at such redemption price.

The Installment Purchase Contracts and the Board's obligations to pay Installment Payments and Additional Payments thereunder are subject to termination 60 days after the Board certifies to the Trustee that the events described in clauses (i) and (ii) of the preceding paragraph have occurred.

Redemption Upon Optional Termination of Installment Purchase Contracts. The Series 2009B Certificates are subject to mandatory redemption, in whole or in part, at the redemption price of 100% of the principal amount thereof, plus accrued interest to the date fixed for redemption on any date on which the Installment Purchase Contracts are terminated, if the Board notifies the Trustee not less than 60 days prior thereto that it is exercising its option to terminate such Installment Purchase Contracts.

Redemption Upon Failure to Renew Installment Purchase Contracts. The Series 2009B Certificates are subject to mandatory redemption, in whole or in part, at the price of the principal amount thereof, plus accrued interest to the date fixed for redemption, on October 1, 2017, unless the Board notifies the Trustee not less than 60 days prior thereto that the Installment Purchase Contracts have been renewed and the Expiration Date extended for not more than an additional ten years in accordance with the terms of the Installment Purchase Contracts. If the Expiration Date is so extended, the Series 2009B Certificates will be subject to mandatory redemption, in whole, at the price of the principal amount thereof, plus accrued interest to the date fixed for redemption, on the new Expiration Date.

Optional Redemption. The Series 2009B Certificates are subject to optional redemption prior to maturity on any Business Day at the price of the principal amount thereof, plus accrued interest to the date fixed for redemption, in whole or in part in authorized denominations. Such redemption shall be at the direction of the Board, upon at least 35 days' prior written notice from the Board to the Trustee, the Bank and the Remarketing Agent.

Mandatory Sinking Fund Redemption. The Series 2009B Certificates are subject to mandatory redemption prior to maturity in part by lot as selected by the Trustee, at the principal amount to be

redeemed plus accrued interest to the redemption date, on October 1 of the years and in the principal amounts as follows:

<u>YEAR</u>	<u>AMOUNT</u>
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* Final Maturity

Mandatory Sinking Fund Redemption – Reduction by Optional Redemption or Purchase. The principal amount of such Series 2009B Certificates to be redeemed in each year as set forth in the preceding table may be reduced through the earlier optional redemption thereof, with any partial optional redemptions to be credited against future sinking fund requirements as determined by the Board. In addition, on or prior to the 45th day preceding any mandatory redemption date, the Trustee may, and if directed by the Board shall, purchase Series 2009B Certificates required to be retired on such redemption date. Any such Series 2009B Certificates so purchased shall be cancelled and the principal amount thereof shall be credited against the mandatory redemption of such Series 2009B Certificates on such next mandatory redemption date.

Notice of Redemption

The Trustee shall give notice of each redemption by mailing a copy of such notice, first class United States mail, postage prepaid, not less than 30 days nor more than 60 days before the redemption date, to all Owners of the Series 2009B Certificates which are to be redeemed at their last addresses appearing upon the Certificate Register. The notice shall identify the Series 2009B Certificates to be redeemed and shall state: (1) the redemption date, (2) the redemption price, (3) that the Series 2009B Certificates called for redemption must be surrendered to collect the redemption price, (4) the address at which the Series 2009B Certificates must be surrendered and (5) that interest on the Series 2009B Certificates called for redemption ceases to accrue on the redemption date.

With respect to any optional redemption of the Series 2009B Certificates, unless moneys sufficient to pay the principal of, and the premium, if any, and interest on, the Series 2009B Certificates to be redeemed shall have been received by the Trustee 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 Trustee on or prior to the date fixed for redemption. Such moneys shall be held uninvested or, at the direction of the Comptroller, shall be invested in United States Government Securities which mature on such date or dates as necessary to provide funds on a timely basis for such redemption. If such moneys are not received by the redemption date, such notice shall be of no force and effect, the Trustee shall not redeem such Series 2009B Certificates, the redemption price shall not be due and payable and the Trustee shall give notice, in the same manner in which the notice of redemption was given, that such moneys were not so received and that such Series 2009B Certificates will not be redeemed.

Failure to give any required notice of redemption or any defect in any notice given as to any particular Series 2009B Certificates shall not affect the validity of the call for redemption of any Series 2009B Certificates in respect of which no such failure or defect has occurred. Any notice mailed as provided in the Series 2009B Certificates shall be conclusively presumed to have been given, whether or not actually received by the addressee Owner.

Partial Redemption

Any partial redemption of Series 2009B Certificates shall be made only in authorized denominations. The portion of Series 2009B Certificates to be redeemed shall be selected by lot by the Trustee from among all Outstanding Series 2009B Certificates called for redemption (or, so long as the Book-Entry System is in effect, beneficial ownership interests in the Series 2009B Certificates shall be selected for redemption in accordance with the rules and procedures established by the Securities Depository); provided, however, that Bank Certificates and Board Certificates, if any, shall be selected for redemption prior to any Series 2009B Certificates. Each Series 2009B Certificate shall be considered a separate Series 2009B Certificate in the minimum authorized denominations for purposes of selecting Series 2009B Certificates to be redeemed.

Transfer and Exchange

See "BOOK-ENTRY ONLY SYSTEM" for a discussion of transfer and exchange of the beneficial ownership interests in Series 2009B Certificates while they are in the book-entry system described therein. If the book-entry system is discontinued, the Series 2009B Certificates may be transferred or exchanged only upon surrender thereof at the designated corporate trust operations office of the Trustee with a written instrument of transfer satisfactory to the Trustee duly executed by the Owner or his duly authorized attorney. As a condition to such transfer or exchange, the Owner shall pay to the Trustee any tax or other governmental charge in connection therewith.

Payment of the Series 2009B Certificates

The Installment Purchase Contracts require that Installment Payments are to be made by the Board, which payments have been assigned to the Trustee. Such Installment Payments are designed to be sufficient to meet the principal and interest payments due with respect to the Series 2009B Certificates during the term of the Installment Purchase Contracts.

BOOK-ENTRY ONLY SYSTEM

The following information concerning The Depository Trust Company, New York, New York ("DTC") and its book-entry system has been furnished for use in this Official Statement by DTC. The Board, the University, the Trustee and the Underwriter take no responsibility for the accuracy or completeness of such information.

General

DTC will act as securities depository for the Series 2009B Certificates. The Series 2009B Certificates will be issued as fully-registered certificates 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 certificated Series 2009B Certificate will be issued for each maturity of the Series 2009B Certificates, in the aggregate principal amount of 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 subsidiaries. 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 Series 2009B Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2009B Certificates on DTC's records. The ownership interest of each actual purchaser of each Series 2009B Certificate ("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 2009B Certificates 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 2009B Certificates, except in the event that use of the book-entry system for the Series 2009B Certificates is discontinued. See "—Successor Securities Depository; Discontinuation of Book-Entry System."

To facilitate subsequent transfers, all Series 2009B Certificates 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 2009B Certificates with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2009B Certificates; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2009B Certificates 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 Series 2009B Certificates may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2009B Certificates, such as redemptions, tenders, defaults, and proposed amendments to the Series 2009B Certificate documents. For example, Beneficial Owners of Series 2009B Certificates may wish to ascertain that the nominee holding the Series 2009B Certificates 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 Trustee and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2009B Certificates 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 any other DTC nominee) will consent or vote with respect to Series 2009B Certificates unless authorized by a Direct Participant in accordance with DTC's MMI 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 Series 2009B Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series 2009B Certificates 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 detail information from the Board or the Trustee on the 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 Board or the Trustee, as applicable, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend 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 Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the 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 2009B Certificates at any time by giving reasonable notice to the Board or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, certificated Series 2009B Certificates 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, certificated Series 2009B Certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Board believes to be reliable, but the Board takes no responsibility for the accuracy thereof.

NEITHER THE BOARD NOR THE TRUSTEE HAS ANY RESPONSIBILITY OR OBLIGATION TO THE PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, CEDE & CO. OR ANY PARTICIPANT; THE PAYMENT BY DTC OR ANY PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OR PURCHASE PRICE OF, PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2009B CERTIFICATES; ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO BENEFICIAL OWNERS UNDER THE INDENTURE; THE SELECTION BY DTC OR ANY PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE SERIES 2009B CERTIFICATES; OR ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY 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 Indenture 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 2009B Certificates that they be able to obtain certificated Series 2009B Certificates, the Board will notify DTC and the Direct Participants of the availability through DTC of certificated Series 2009B Certificates and the Series 2009B Certificates will no longer be restricted to being registered in the registry maintained by the Trustee in the name of Cede & Co., as nominee of DTC. At that time, the Board may determine that the Series 2009B Certificates 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 2009B Certificates may be registered in whatever name or names registered owners of Series 2009B Certificates transferring or exchanging Series 2009B Certificates shall designate, in accordance with the provisions of the Indenture.

SECURITY FOR THE CERTIFICATES

General

The Certificates, together with each additional Parity Certificate, evidence and represent an undivided proportionate interest in the Installment Payments required under the Installment Purchase Contracts to be paid by the Board to the Trustee under the Indenture. The Board has covenanted to include in each annual operating budget for the University an amount of Legally Available Non-Appropriated Funds which, when combined with the State-appropriated funds, will be sufficient to make the Installment Payments and Additional Payments under each Installment Purchase Contract when due in each fiscal year. The Board has further covenanted under the Installment Purchase Contracts to include in each of its annual operating budget appropriation requests to the Illinois General Assembly a request for funds that will be sufficient to pay that portion of the Installment Payments and Additional Payments due and payable during the next occurring fiscal year of the State to be paid from State-appropriated funds. The Series 2009B Certificates are being issued on a parity and of equal rank with the Series 2009A Certificates. Subject to certain conditions and limitations described herein, additional Parity Certificates of equal rank with the Series 2009B Certificates and the Series 2009A Certificates may be issued from time to time.

THE BOARD'S OBLIGATION TO MAKE INSTALLMENT PAYMENTS DOES NOT CONSTITUTE A DEBT OF THE BOARD OR THE STATE WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION. NEITHER THE FAITH AND CREDIT OF THE BOARD OR THE STATE NOR THE TAXING POWER OF THE STATE IS PLEDGED TO MAKE INSTALLMENT PAYMENTS. THE BOARD HAS NO TAXING POWERS. PAYMENT OF THE PRINCIPAL AND INTEREST REPRESENTED BY THE SERIES 2009B CERTIFICATES WILL BE MADE BY THE TRUSTEE SOLELY FROM (A) AMOUNTS DERIVED UNDER THE TERMS OF THE INSTALLMENT PURCHASE CONTRACTS, INCLUDING INSTALLMENT PAYMENTS, (B) AMOUNTS FROM TIME TO TIME ON DEPOSIT WITH THE TRUSTEE OR HELD BY THE BOARD UNDER THE TERMS OF THE INDENTURE, AND (C) PROCEEDS FROM THE EXERCISE OF REMEDIES BY THE TRUSTEE UNDER THE INDENTURE.

The Board has the right to terminate the Installment Purchase Contracts and its obligation to pay Installment Payments thereunder, as described below under "– Termination of Installment Purchase Contracts."

Termination of Installment Purchase Contracts

Term of Agreement. The initial term of the Installment Purchase Contracts shall continue until October 1, 2017 (as it may be renewed or extended, the "Expiration Date") unless earlier terminated or renewed and extended prior thereto. The term of the Installment Purchase Contracts may be renewed and the Expiration Date extended up to October 1, 2027, upon at least 60 days' written notice by the Board to the Trustee. The Trustee will give written notice to the Board not less than 120 days and not more than 150 days prior to October 1, 2017, that the Installment Purchase Contracts will terminate if not renewed.

Termination of Installment Purchase Contracts Upon Non-Appropriation and Non-Availability of Funds. The Installment Purchase Contracts and the Board's obligation to pay Installment Payments and Additional Payments thereunder is subject to termination 60 days after the Board certifies to the Trustee that (i) the General Assembly of the State has failed to appropriate requested funds necessary to make that portion of the Installment Payments due during the then current fiscal year to be paid from State-appropriated funds (an "Event of Non-Appropriation") and (ii) the Board has determined that there are not sufficient Legally Available Non-Appropriated Funds to pay all or such non-appropriated part of the portion of the Installment Payments coming due during the then-current fiscal year. The termination of the Installment Purchase Contracts would be effective on the date that is 60 days following such certification.

Termination of Installment Purchase Contracts at the Option of the Board. The Board has the option to terminate the Installment Purchase Contracts on any Business Day within the then-current term of the Installment Purchase Contracts upon written notice to the Trustee at least 60 days prior to the termination date.

Prepayment Options. The Installment Purchase Contracts are subject to termination prior to their Expiration Date to the extent the Indenture is discharged by its terms. Such discharge may require that the Board exercise its option to prepay the Installment Payments due under such terminated Installment Purchase Contracts in whole or in part in connection with an optional redemption of the Series 2009B Certificates as described above under the subheading "DESCRIPTION OF THE SERIES 2009B CERTIFICATES – Redemption – *Optional Redemption.*"

In addition, (i) on or after an Event of Non-Appropriation and determination by the Board of the existence of insufficient Legally Available Non-Appropriated Funds to make Installment Payments under the Installment Purchase Contracts as described under the subheading "DESCRIPTION OF THE SERIES 2009B CERTIFICATES – Redemption – *Redemption Upon Event of Non-Appropriation, Exercise of Option to Prepay, and Termination of Installment Purchase Contracts,*" the Board may exercise its option to, or (ii) upon the termination of the Installment Purchase Contracts by the Board as described under the subheading "DESCRIPTION OF THE SERIES 2009B CERTIFICATES – Redemption – *Redemption Upon Optional Termination of Installment Purchase Contracts,*" or the Board's failure to renew and extend the Installment Purchase Contracts as described under the subheading "DESCRIPTION OF THE SERIES 2009B CERTIFICATES – Redemption – *Redemption Upon Failure to Renew Installment Purchase Contracts,*" the Board is required to prepay the Installment Payments due under the Installment Purchase Contracts after the termination date or Expiration Date, as applicable. Such prepayment price shall be applied to the redemption of such Series 2009B Certificates as described under the subheading "DESCRIPTION OF THE SERIES 2009B CERTIFICATES – Redemption".

In the event the Installment Purchase Contracts are terminated as described under the subheading "*– Termination of Installment Purchase Contracts Upon Non-Appropriation and Non-Availability of Funds,*" above, and the Board does not exercise its option to prepay the outstanding Series 2009B Certificates related to the Installment Purchase Contracts in connection therewith, the Board will have no further payment obligations under the Installment Purchase Contracts. Upon termination of the Installment Purchase Contracts as a result of an Event of Default (See "APPENDIX C – Summary of Legal Documents – Purchase Contracts – Events of Default") or an Event of Non-Appropriation in connection with which the Board determines not to exercise its prepayment option, the Board is required by the Installment Purchase Contracts to surrender the Improvements related to the Installment Purchase Contracts to the Trustee. Upon such termination as a result of an Event of Non-Appropriation or upon an Event of Default under the Indenture, the Trustee may exercise one or more of the remedies provided in the Indenture, and apply the proceeds thereof, if any, along with the moneys in the Installment Payment Fund established by the Indenture to the payment of Series 2009B Certificates. However, due to the nature of the Improvements, it is unlikely that revenues from the Trustee's sale or rental of the Improvements would be sufficient to pay in full the principal of, or interest or premium, if any, on, the outstanding Series 2009B Certificates.

For a further discussion of certain risks associated with the termination of the Installment Purchase Contracts, see "SERIES 2009B CERTIFICATE OWNERS' RISKS – Termination of the Installment Purchase Contracts" and "*– Limited Nature of the Improvements.*"

Sources of Payments

The Board is obligated to make Installment Payments under the Installment Purchase Contracts either from funds derived from State appropriations or from Legally Available Non-Appropriated Funds. The State appropriated funds and the sources of revenue derived from Board activities are more fully described in APPENDIX A.

The Illinois Constitution of 1970 requires the General Assembly to appropriate moneys for the purpose of operating and maintaining all State institutions of higher learning. Such moneys are derived from taxation as well as from other sources as determined by the General Assembly to insure the proper maintenance of the institutions. State appropriated funds represent a significant percentage of the Board's operating revenues. For its fiscal year ended June 30, 2008, unrestricted State appropriations to the University were approximately \$_____ million. Such Funds were previously appropriated as a lump sum, and were not specifically designated by the General Assembly, and were available to the Board for its general use, including its obligation to make Installment Payments.

The State Finance Act was amended in 2003 by adding a new section with respect to appropriations for higher education. For future Fiscal Years, commencing with Fiscal Year 2005, State appropriations for operations to the Board, and to the boards of all of the other public universities, shall identify the amounts appropriated for personal services, State contributions to social security for Medicare, contractual services, travel, commodities, equipment, operation of automotive equipment, telecommunications, awards and grants, and permanent improvements (each line item) rather than provide for appropriations in a single, combined amount.

The Board is authorized by law to retain all tuition ("Tuition") and fees ("Fees") in its treasury and to credit such amounts to an account known as the University Income Fund.

Outstanding revenue bonds of the Board that have a pledge on Tuition and Fees are described in APPENDIX A hereto under the caption "Other Outstanding Indebtedness and Leasehold Obligations."

The Board retains the option to issue additional bonds with a pledge of Tuition and Fees in accordance with the provisions of these respective resolutions authorizing the issuance of the revenue bonds described in the preceding paragraph.

Tuition and Fees (exclusive of Tuition and Fee waivers and exemptions awarded to certain students and staff) were \$_____ million in Fiscal Year 2007 and \$_____ million in Fiscal Year 2008. Pro-forma maximum annual debt service in any future year is \$_____ million on the Auxiliary Facilities System Revenue Bonds and \$_____ million on the Health Services Facilities System Revenue Bonds.

Tuition and Fees have not been used for debt service or operations and maintenance expenses for (i) the Health Services Facilities System, (ii) the Auxiliary Facilities System, (iii) the Willard Airport Project or (iv) the UIC South Campus Development Project, all as more particularly described in APPENDIX A.

Certificates on a Parity with the Series 2009B Certificates

Additional certificates ranking on a parity with the Series 2009B Certificates and the Series 2009A Certificates ("Parity Certificates") may be issued under the Indenture upon compliance with all of the following conditions:

(i) The Comptroller signs 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 certificates, including the Series 2009B Certificates, under the Indenture, and that no Event of Non-Appropriation shall have occurred.

(ii) Such Parity Certificates must be issued for the purpose of completing the acquisition, development or implementation of the Improvements or for the purpose of refunding outstanding certificates, including the Series 2009B Certificates, or for any combination of such purposes.

(iii) Such Parity Certificates are authorized by a supplemental indenture conforming in all respects to the requirements of the Indenture, including a description of any additional improvements to be financed with proceeds of such Parity Certificates.

(iv) The Improvements to be financed or refinanced shall be covered by the Installment Purchase Contracts and the Board shall enter into an extension or supplement to the Installment Purchase Contracts, if necessary, as described in the Indenture.

Other Legally Available Funds

Legally Available Non-Appropriated Funds include any budgeted legally available funds of the Board derived from sources other than State appropriations on an annual basis. Such funds include but are not limited to, Tuition and Fees (in excess of an amount equal to annual debt service and mandatory transfers in each Fiscal Year pursuant to the resolutions authorizing the revenue bonds referred to hereinabove, which amount is pledged thereto), certain investment income, and indirect cost recoveries on grants and contracts. None of the net revenues of the Health Services Facilities System, the Auxiliary Facilities System, the Willard Airport Project or the UIC South Campus Development Project are Legally Available Non-Appropriated Funds.

There are outstanding Certificates of Participation issued on behalf of the Board that are described in APPENDIX A hereto under the caption "Other Outstanding Indebtedness and Leasehold

Obligations," which outstanding Certificates of Participation have an equal claim to appropriated funds and Legally Available Non-Appropriated Funds as the Series 2009B Certificates. Maximum annual debt service in any future year is \$46.5 million on such Certificates of Participation.

Various factors outside the control of the Board may materially affect the funding levels from State appropriations and from the other sources referred to above. Public Act 93-0228, signed into law by the Governor of the State on July 22, 2003, amends the University of Illinois Act, and the laws of all of the other public universities in Illinois, to provide that, 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 four 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.

The General Assembly could further change the process by which it makes appropriations for the Board. Any significant change in the level of State appropriations or Legally Available Non-Appropriated Funds could affect the Board's ability to pay Installment Payments.

INITIAL LIQUIDITY FACILITY

[to be updated]

General

The following description is a summary of certain provisions of the Initial Liquidity Agreement. Such summary does not purport to be a complete description or restatement of the material provisions of the Initial Liquidity Agreement. Investors should obtain and review a copy of the Initial Liquidity Agreement in order to understand all of the terms of that document.

The Initial Liquidity Agreement provides that the Bank shall purchase those Series 2009B Certificates tendered or deemed tendered from time to time pursuant to an optional or mandatory tender by Owners thereof in accordance with the terms of the Indenture, to the extent such Series 2009B Certificates are not remarketed by the Remarketing Agent. The Initial Liquidity Agreement will expire on June __, 20__, unless extended or terminated pursuant to its terms.

Under certain circumstances described below, the obligation of the Bank to purchase Series 2009B Certificates tendered or deemed tendered by the Owners thereof pursuant to an optional or mandatory tender may be suspended or terminated. In such event, sufficient funds may not be available to purchase Series 2009B Certificates tendered or deemed tendered by the Owners thereof pursuant to an optional or mandatory tender.

The Initial Liquidity Facility Agreement contains certain additional covenants and agreements of the Board which are in addition to those summarized in "DEFINITIONS OF CERTAIN TERMS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE," in APPENDIX C, the breach of which could constitute an Event of Default under the Initial Liquidity Facility Agreement. The covenants and agreements contained in the Initial Liquidity Facility Agreement are for the benefit only of the Initial Liquidity Facility Provider and may be waived at any time in the sole discretion of the Initial Liquidity Facility Provider or amended at any time in accordance with the amendment provisions of the Initial Liquidity Facility Agreement. Owners of the Series 2009B Certificates are not entitled to and should not rely upon any of the covenants and agreements in the Initial Liquidity Facility Agreement.

The Liquidity Facility does not secure payment of the principal of or interest or premium, if any, on the Series 2009B Certificates. The Liquidity Facility provides for the funding of tenders of the Series 2009B Certificates which are not remarketed by the Remarketing Agent. Under certain circumstances described herein, the Initial Liquidity Facility Provider will not make purchases under the Liquidity Facility and therefore funds may not be available for the purchase of tendered Series 2009B Certificates.

Initial Liquidity Facility Provider

[to come]

Purchase of Tendered Series 2009B Certificates by the Bank

The Bank will purchase from time to time during the period prior to the expiration or earlier termination of the Initial Liquidity Agreement, Eligible Certificates (as defined in the Initial Liquidity Agreement), tendered or deemed tendered from time to time during the period from and including June __, 2009, to and including June __, 20__ (unless earlier terminated pursuant to the terms of the Initial Liquidity Agreement) pursuant to an optional or mandatory tender by owners thereof in accordance with the terms and provisions of the Indenture, in each case, to the extent such Series 2009B Certificates are not remarketed in accordance with the terms and provisions of the Remarketing Agreement. The price to be paid by the Bank for Series 2009B Certificates will be equal to the aggregate principal amount of each such Series 2009B Certificate, provided that the aggregate principal amount of all Series 2009B Certificates so purchased shall not exceed the Available Principal Commitment (as defined in the Initial Liquidity Agreement), plus the lesser of (i) the Available Interest Commitment (as defined in the Initial Liquidity Agreement) and (ii) interest accrued thereon to but excluding the date of such purchase.

Events of Default

The following events, among others, constitute Events of Default under the Initial Liquidity Agreement. Reference is made to the Initial Liquidity Agreement for a complete listing of all Events of Default.

[to come]

Remedies

[to come]

ALTERNATE LIQUIDITY FACILITY

General

The Board covenants in the Indenture that at all times while any Series 2009B Certificates issued thereunder are outstanding which bear interest at a Weekly Interest Rate it will maintain a Liquidity Facility in full force and effect with respect to all such Series 2009B Certificates, except as otherwise provided in the Indenture.

Alternate Liquidity Facility

While any Series 2009B Certificates bear interest at a Weekly Interest Rate or a Daily Interest Rate, subject to the provisions of the Liquidity Facility, the Board may provide for delivery to the Trustee under the Indenture of an Alternate Liquidity Facility in form acceptable to the Trustee issued by a commercial bank or other financial institution, the terms of which with respect to the payment of the Purchase Price of the Series 2009B Certificates are in all material respects substantially the same as the then current Liquidity Facility ("Alternate Liquidity Facility"). An Alternate Liquidity Facility also includes any modifications of an existing Liquidity Facility that would be material for the holders of the Series 2009B Certificates or the addition of any new condition or event of default, the remedy for which is an immediate termination or suspension of the obligations of a related Liquidity Provider. On or prior to the delivery of such Alternate Liquidity Facility, the Board must furnish to the Trustee: (1) an opinion of counsel stating that the delivery of such Alternate Liquidity Facility to the Trustee is authorized under the Indenture, is in compliance with the terms thereof and opining as to the validity and enforceability of the Liquidity Facility and exemption from registration under Federal securities laws; (2) a Favorable Opinion of Special Counsel with respect to the substitution of such Alternate Liquidity Facility; and (3) a certificate from the current Bank, if any, that all conditions of the Liquidity Facility, if any, with respect to the delivery of such Alternate Liquidity Facility have been met, including a statement that all amounts payable to the Bank by the Board under the Liquidity Facility or in connection therewith have been paid in full.

In connection with the issuance of any Alternate Liquidity Facility, the provider thereof must agree to purchase from the Bank on the effective date of such Alternate Liquidity Facility all Bank Certificates issued under the Indenture then outstanding, at a price of par plus accrued interest to the purchase date thereof.

The Board shall give notice to the Trustee of its intention to provide an Alternate Liquidity Facility at least 60 days prior to the date such Alternate Liquidity Facility is to become effective. Upon delivery of an Alternate Liquidity Facility, the Trustee shall provide written notice thereof to the Owners of the Series 2009B Certificates of the mandatory purchase described above.

ESTIMATED SOURCES AND USES OF FUNDS

The University expects the sources and uses of funds for the Certificates to be applied as follows:

	Series 2009A	Series 2009B
<i>SOURCES OF FUNDS</i>		
Principal Amount of Certificates	\$ _____	\$ _____
Premium (Discount)	_____	_____
Total Sources of Funds	\$ <u> </u>	\$ <u> </u>
 <i>USES OF FUNDS</i>		
Refunding of Series 2007C and Series 2007D Certificates	\$ _____	\$ _____
Costs of Issuance ⁽¹⁾	_____	_____
Total Uses of Funds	\$ <u> </u>	\$ <u> </u>

(1) Includes the Underwriter's discount, legal and accounting fees, printing costs and other expenses incurred in connection with the issuance of the Certificates.

PLAN OF FINANCE

The Board has elected to currently refund and redeem all of the \$ _____ outstanding principal amount of the Series 2007C and Series 2007D Certificates (the "Refunding Plan"). The Series 2007C and Series 2007D Certificates will be redeemed on the date of issuance of the Series 2009B Certificates and the Series 2009A Certificates at the redemption price of par plus accrued interest to the redemption date.

[application of unspent proceeds]

REMARKETING AGREEMENT

Remarketing Agent

J.P. Morgan Securities Inc. has been appointed as the initial Remarketing Agent for the Series 2009B Certificates (the "Remarketing Agent").

The Remarketing Agent is appointed as the Remarketing Agent under a Remarketing Agreement (the "Remarketing Agreement") for the Series 2009B Certificates. The Remarketing Agent agrees to perform all of the interest rate setting functions for the Series 2009B Certificates as set forth in the Indenture and to use its best efforts to offer for sale and to sell the Series 2009B Certificates tendered at a price of not less than 100 percent of the principal amount thereof plus accrued interest, if any.

Remarketing Agreement

The Remarketing Agent shall be under no obligation to remarket Tendered Series 2009B Certificates during the period when there is no Liquidity Facility in effect when such Liquidity Facility is required pursuant to the Indenture or if there shall have occurred and be continuing a breach under the Indenture. In addition, the Remarketing Agent shall be under no obligation to remarket Series 2009B Certificates upon the occurrence and continuance of certain events specified in the Remarketing Agreement, including, without limitation, an Event of Default.

Upon 30 days written notice, the Remarketing Agent may at any time resign or be removed and be discharged of the duties and obligations created by the Indenture and in the Remarketing Agreement. Otherwise, the Remarketing Agreement shall remain in effect until the earlier of payment in full of all the Series 2009B Certificates, or the earlier conversion of such Series 2009B Certificates to (i) a Fixed Rate bearing a term which begins on the Fixed Rate Conversion Date and ends on the date of maturity, or (ii) a Commercial Paper Rate, subject to the right of earlier suspension or termination as provided in the Remarketing Agreement and Indenture.

It is the express intention of the Board and the Remarketing Agent that no purchase, sale or transfer of the Series 2009B Certificates pursuant to the Remarketing Agreement shall constitute or be construed to be the extinguishment of the Series 2009B Certificates or the indebtedness represented thereby or the reissuance of the Series 2009B Certificates or the refunding of any indebtedness represented thereby. The Remarketing Agent, in its individual capacity, either as principal or agent, may in good faith buy, sell, own, hold and deal in any of the Series 2009B Certificates, and may join in any action which any Owner of Series 2009B Certificates may be entitled to take with like effect as if it did not act in any capacity under a Remarketing Agreement. The Remarketing Agent, in its individual capacity, either as principal or agent, may also engage in or be interested in any financial or other transactions with the Board and may act as depository, trustee, or agency for any committee or body of Owners of Series 2009B Certificates or other obligations of the Board as freely as if it did not act in capacity under the Remarketing Agreement.

DISCLOSURE CONCERNING SALES OF SERIES 2009B CERTIFICATES BY REMARKETING AGENT

The Remarketing Agent is Paid by the Board

The Remarketing Agent's responsibilities include determining the interest rate from time to time and remarketing Series 2009B Certificates that are optionally or mandatorily tendered by the Owners thereof (subject, in each case, to the terms of the Remarketing Agreement), all as further described in this Official Statement. The Remarketing Agent is appointed by the Board and is paid by the Board for its services. As a result, the interests of the Remarketing Agent may differ from those of existing holders and potential purchasers of Series 2009B Certificates.

The Remarketing Agent Routinely Purchases Series 2009B Certificates for its Own Account

The Remarketing Agent acts as remarketing agent for a variety of variable rate demand obligations and, in its sole discretion, routinely purchases such obligations for its own account in order to achieve a successful remarketing of the obligations (i.e., because there are otherwise not enough buyers to purchase the obligations) or for other reasons. The Remarketing Agent is permitted, but not obligated, to purchase tendered Series 2009B Certificates for its own account and, if it does so, it may cease doing so at any time without notice. The Remarketing Agent may also make a market in the Series 2009B Certificates by routinely purchasing and selling Series 2009B Certificates other than in connection with an optional or mandatory tender and remarketing. Such purchases and sales may be at or below par. However, the Remarketing Agent is not required to make a market in the Series 2009B Certificates. The Remarketing Agent may also sell any Series 2009B Certificates it has purchased to one or more affiliated investment vehicles for collective ownership or enter into derivative arrangements with affiliates or others in order to reduce its exposure to the Series 2009B Certificates. The purchase of Series 2009B Certificates by the Remarketing Agent may create the appearance that there is greater third party demand for the Series 2009B Certificates in the market than is actually the case. The practices described above also may result in fewer Series 2009B Certificates being tendered in a remarketing.

Series 2009B Certificates May be Offered at Different Prices on Any Date Including an Interest Rate Determination Date

Pursuant to the Remarketing Agreement, the Remarketing Agent is required to determine the applicable rate of interest that, in its judgment, is the lowest rate that would permit the sale of the Series 2009B Certificates bearing interest at the applicable interest rate at par plus accrued interest, if any, on and as of the applicable Rate Determination Date. The interest rate will reflect, among other factors, the level of market demand for the Series 2009B Certificates (including whether the Remarketing Agent is willing to purchase Series 2009B Certificates for its own account). There may or may not be Series 2009B Certificates tendered and remarketed on a Rate Determination Date, the Remarketing Agent may or may not be able to remarket any Series 2009B Certificates tendered for purchase on such date at par and the Remarketing Agent may sell Series 2009B Certificates at varying prices to different investors on such date or any other date. The Remarketing Agent is not obligated to advise purchasers in a remarketing if it does not have third party buyers for all of the Series 2009B Certificates at the remarketing price. In the event the Remarketing Agent owns any Series 2009B Certificates for its own account, it may, in its sole discretion in a secondary market transaction outside the tender process, offer such Series 2009B Certificates on any date, including the Rate Determination Date, at a discount to par to some investors.

The Ability to Sell the Series 2009B Certificates other than through Tender Process May Be Limited

The Remarketing Agent may buy and sell Series 2009B Certificates other than through the tender process. However, it is not obligated to do so and may cease doing so at any time without notice and may require holders that wish to tender their Series 2009B Certificates to do so through the Tender Agent with appropriate notice. Thus, investors who purchase the Series 2009B Certificates, whether in a remarketing or otherwise, should not assume that they will be able to sell their Series 2009B Certificates other than by tendering the Series 2009B Certificates in accordance with the tender process.

Under Certain Circumstances, the Remarketing Agent May Be Removed, Resign or Cease Remarketing the Series 2009B Certificates, Without a Successor Being Named

Under certain circumstances the Remarketing Agent may be removed or have the ability to resign or cease its remarketing efforts, without a successor having been named, subject to the terms of the Remarketing Agreement.

CERTIFICATE OWNERS' RISKS

The purchase of the Series 2009B Certificates involves certain investment risks that are discussed throughout this Official Statement. Accordingly, each prospective Series 2009B Certificate purchaser should make an independent evaluation of all of the information presented in this Official Statement in order to make an informed investment decision. Certain of these risks are set forth below.

Limited Obligations

The Series 2009B Certificates, together with each additional Parity Certificate, evidence a proportionate interest in the right to receive payments made by the Board under two Installment Purchase Contracts. Such obligations constitute currently budgeted operating expenditures by the Board and do not constitute a general obligation or other indebtedness of the State or the Board within the meaning of the Constitution or laws of the State.

Termination of the Installment Purchase Contracts

As described above under the subheading "SECURITY FOR THE CERTIFICATES – Termination of Installment Purchase Contracts," each Installment Purchase Contract is subject to termination prior to its Expiration Date upon the occurrence of certain events.

There is no assurance that either Installment Purchase Contract will not be terminated prior to its Expiration Date.

In the event that an Installment Purchase Contract is terminated, for whatever reason, and the Installment Payments payable under such Installment Purchase Contract are not prepaid by the Board in whole, the Trustee may use the moneys in the Installment Payment Fund, the Acquisition Fund and its interest in the Improvement Contracts related to such Installment Purchase Contract to make payments on the Series 2009B Certificates related to such Installment Purchase Contract. The Trustee may also take such action as may be necessary to enforce the payment of the Board's obligations under such Installment Purchase Contract. Should an Event of Default occur, the Trustee may terminate such Installment Purchase Contract and exercise these remedies. No assurance can be made as to the amount of funds available from any source for the payment of any series of the Series 2009B Certificates. Due to the nature of the Improvements, it is unlikely that revenues from the Trustee's exercise of such remedies would be sufficient to pay in full the principal of, or interest or premium, if any, with respect to the Series 2009B Certificates.

Delays in Exercising Remedies

A termination of an Installment Purchase Contract as a result of an Event of Default thereunder will give the Trustee the right to possession of, and right to rent, lease or to sell, the Improvements related to such Installment Purchase Contract in accordance with the provisions of such Installment Purchase Contract and the Indenture. To the extent that particular Improvements do not constitute a complete building or structure, transfer of title of those Improvements to the Trustee if an Event of Default occurs may not provide meaningful security to the Series 2009B Certificate Owners. See "Limited Nature of Improvements" below. In addition, the enforceability of the Installment Purchase Contracts and Indenture is subject to applicable bankruptcy laws, equitable principles affecting the enforcement of creditors' rights generally and of liens securing such rights, and the police powers of the State and its political subdivisions. Because of delays inherent in obtaining judicial remedies, it should not be assumed that these remedies could be accomplished rapidly. Any delays in the ability of the Trustee to obtain possession of and sell the Improvements may result in delays in any payment of the Series 2009B Certificates.

Limited Nature of the Improvements

The Improvements to be refinanced through the issuance of the Series 2009B Certificates constitute facilities that are designed for academic and administrative purposes of the University. Due to the limited purpose of the Improvements, it is unlikely that the proceeds of any sale or rental by the Trustee of the Improvements upon an Event of Default under the Installment Purchase Contracts would be sufficient to pay in whole or in substantial part the principal of, or interest or premium, if any, on the outstanding Series 2009B Certificates.

Destruction of the Improvements

Each Installment Purchase Contract requires that the Board maintain policies of property damage insurance but only for those structures which are currently used by the Board and in which the

Improvements related to such Installment Purchase Contract are located. The Board is not required by either Installment Purchase Contract to procure or maintain, or cause to be procured and maintained, property insurance against loss or damage to any Improvements that are not located in such structures. Under each Installment Purchase Contract, upon any damage to or destruction of any portion of the Improvements related to an Installment Purchase Contract which are not covered by property insurance, the original cost of which, in the aggregate, exceeds \$250,000, the Board shall take one of the following actions, in the sole discretion of the Board Representative: (i) restore, repair or replace such damaged or destroyed Improvements to their original condition; (ii) amend such Installment Purchase Contract to add additional Improvements having at least the same original cost as such damaged or destroyed Improvements; or (iii) secure the payment of the portion of Installment Payments relating to such damaged or destroyed Improvements by a deposit with the Trustee of an amount which, upon investment together with investment earnings, will be sufficient to pay a portion of the unpaid Installment Payments payable under such Installment Purchase Contract, including the principal and interest components thereof. Such portion of the principal component of the unpaid Installment Payments in each year shall be determined by multiplying the amount of the principal component of the unpaid Installment Payments due in each year by the ratio of (a) the original cost of such damaged or destroyed Improvements paid from the proceeds of the Series 2009B Certificates to (b) all Acquisition Costs, rounded up to the nearest \$5,000 of principal amount in each year.

THE TRUSTEE

The Bank of New York Mellon Trust Company, N.A., the Trustee, is a national banking association organized under the laws of the United States.

The Trustee will enter into the Installment Purchase Contracts, the Acquisition Agreements and the Indenture to facilitate the refinancing of the Improvements. The Trustee is not financially liable for the Installment Payments and the Series 2009B Certificate Owners will have no right to look to the Trustee for payment of the Series 2009B Certificates. The obligations of the Trustee with respect to the Series 2009B Certificates and the Improvements are limited to those specifically provided for in the Installment Purchase Contracts and the Indenture.

TAX MATTERS

Summary of Bond Counsel Opinion

Bond Counsel is of the opinion that under existing law, the interest portion of the Installment Payments under the Installment Purchase Contracts (the "Certificate Interest"), for so long as the Installment Purchase Contracts are in effect, is not includable in the gross income of the owners thereof for Federal income tax purposes and, if there is continuing compliance with the applicable requirements of the Internal Revenue Code of 1986 (the "Code"), will continue to be excluded from the gross income of the owners thereof for Federal income tax purposes. Bond Counsel is further of the opinion that Certificate Interest is not an item of tax preference for purposes of computing individual or corporate alternative minimum taxable income and is not taken into account when computing corporate alternative minimum taxable income for purpose of the corporate alternative minimum tax.

The Code contains certain requirements that must be satisfied from and after the date of issuance of the Series 2009B Certificates in order to preserve the exclusion from gross income for Federal income tax purposes of Certificate Interest. These requirements relate to the use and investment of the proceeds of the Series 2009B Certificates, the payment of certain amounts to the United States, the security and

source of payment of the Series 2009B Certificates and the ownership and use of the property financed or refinanced with the proceeds of the Series 2009B Certificates. The Board has covenanted in the Resolution to comply with these requirements.

Bond Counsel expresses no opinion on the excludability from gross income for Federal income tax purposes of any payment on the Series 2009B Certificates to the extent that such payment accrues from and after the effective date of a termination of the Board's obligation to make Installment Payments under the Installment Purchase Contracts.

Certificate Interest is not exempt from present Illinois income taxes.

Exclusion from Gross Income: Requirements

The Code sets forth certain requirements that must be satisfied on a continuing basis in order to preserve the exclusion from gross income for Federal income tax purposes of Certificate Interest. Among those requirements are the following:

Limitations on Private Use. The Code includes limitations on the amount of Series 2009B Certificate proceeds that may be used in the trade or business of, or used to make or finance loans to, persons other than governmental units.

Investment Restrictions. Except during certain "temporary periods," the proceeds of the Series 2009B Certificates and investment earnings thereon (other than amounts held in a reasonably required reserve or replacement fund, if any, or as part of a "minor portion") may generally not be invested in investments having a yield that is "materially higher" than the yield on the Series 2009B Certificates.

Rebate of Permissible Arbitrage Earnings. Unless the Series 2009B Certificates qualify for one of several exemptions, earnings from the investment of the "gross proceeds" of the Series 2009B Certificates in excess of the earnings that would have been realized if such investment had been made at a yield equal to the yield on the Series 2009B Certificates are required to be paid to the United States at periodic intervals. For this purpose, the term "gross proceeds" includes the proceeds of the Series 2009B Certificates, amounts received as a result of investing such proceeds and amounts to be used to pay debt service on the Series 2009B Certificates.

Covenants to Comply

The Board has covenanted in the Resolution to comply with the requirements of the Code relating to the exclusion from gross income for Federal income tax purposes of Certificate Interest.

Risk of Non-Compliance

In the event that the Board fails to comply with the requirements of the Code, Certificate Interest may become includable in the gross income of the Owners thereof for Federal income tax purposes; in certain events, taxation may be retroactive to the date of issue of the Series 2009B Certificates. In such event, there is no required acceleration of payment of principal of, or interest on, the Installment Payments nor payment of any additional interest or penalties to the Owners of the Series 2009B Certificates.

Federal Income Tax Consequences

Pursuant to Section 103 of the Code, Certificate Interest is not includable in the gross income of the Owners thereof for Federal income tax purposes. The Code, however, contains a number of

provisions relating to the treatment of Certificate Interest which may affect the taxation of certain types of Owners depending on their particular tax situations. Some of the potentially applicable Federal income tax provisions are described in general terms below. *Prospective purchasers of the Series 2009B Certificates should consult their tax advisors concerning the particular Federal income tax consequences of their ownership of the Series 2009B Certificates.*

Cost of Carry. Owners of the Series 2009B Certificates will generally be denied a deduction for otherwise deductible interest on any debt that is treated for Federal income tax purposes as having been incurred or continued to purchase or carry the Series 2009B Certificates.

Individual Owners. Receipt of Certificate Interest may increase the amount of Social Security and Railroad Retirement benefits included in the gross income of the recipients thereof for Federal income tax purposes.

Certain Blue Cross or Blue Shield Organizations. Receipt of Certificate Interest may reduce a special deduction otherwise available to certain Blue Cross or Blue Shield organizations.

Property or Casualty Insurance Companies. Receipt of Certificate Interest may reduce otherwise deductible underwriting losses of a property or casualty insurance company.

Corporate Owners. Certificate Interest is generally taken into account in computing the earnings and profits of a corporation and consequently may be subject to Federal income taxes based thereon. Thus, for example, Certificate Interest is taken into account in computing the branch profits tax imposed on certain foreign corporations, the passive investment income tax imposed on certain S corporations, and the accumulated earnings tax.

Financial Institutions. Financial Institutions may be denied a deduction for their otherwise allowable interest expense in an amount determined by reference, in part, to their adjusted basis in the Series 2009B Certificates.

Foreign Personal Holding Company Income. A United States shareholder of a foreign personal holding company may realize taxable income to the extent that Certificate Interest held by such a company is properly allocable to the shareholder.

LITIGATION

To the best of the knowledge of appropriate Board officials, there are no lawsuits pending or threatened against the Board that question its right to enter into the financing documents or the validity or enforceability thereof or to consummate the transactions described therein or herein; nor are there lawsuits pending or threatened against the Board that, if decided adversely to the Board, would, individually or in the aggregate, impair the Board's ability to comply with all the requirements set forth in the financing documents or have a material adverse effect upon the financial condition of the University.

APPROVAL OF LEGAL PROCEEDINGS

Certain legal matters incidental to the authorization, validity and enforceability of the Installment Purchase Contracts and the Indenture and the authorization and issuance of the Series 2009B Certificates are subject to the approving legal opinion of Katten Muchin Rosenman LLP, Chicago, Illinois, as Bond

Counsel ("Bond Counsel"). The proposed form of such opinion is attached hereto as APPENDIX D. Certain legal matters will be passed upon for the Underwriter by its counsel, Ungaretti & Harris LLP, Chicago, Illinois. Certain legal matters will be passed upon for the Board by its University Counsel, Thomas R. Bearrows, Esq., Chicago, Illinois and its special counsel, Freeborn & Peters LLP, Chicago, Illinois, for the Bank by its counsel, Winston & Strawn LLP, Chicago, Illinois, and for the Trustee by its Law Department.

The legal opinions to be delivered concurrently with the delivery of the Series 2009B Certificates express the professional judgment of the attorneys rendering the opinions on the legal issues explicitly addressed in the opinions. By rendering a legal opinion, the opinion giver does not undertake to be an insurer or guarantor of the expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction. Rendering an opinion does not guarantee the outcome of any legal dispute that may arise out of the transaction.

UNDERWRITING

The Underwriter expects to enter an agreement, subject to certain customary conditions precedent to closing, to purchase the Series 2009B Certificates from the Board at a purchase price of par. In consideration for underwriting the Series 2009B Certificates the Underwriter will be paid a fee of \$ _____. The Underwriter will be obligated to purchase all of the Series 2009B Certificates if any Series 2009B Certificates are purchased.

FINANCIAL ADVISOR

The Board has retained Scott Balice Strategies, LLC (the "Financial Advisor") in connection with the preparation of the Board's issuance of the Series 2009B Certificates. The Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement. Scott Balice Strategies, LLC is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

FINANCIAL STATEMENTS

The financial statements of the University as of June 30, 2008 and for the fiscal year then ended are set forth in APPENDIX B. These financial statements have been audited by Clifton Gunderson LLP, independent auditors, as set forth in their report thereon also set forth in APPENDIX B.

DESCRIPTION OF RATINGS

Moody's Investors Service and Standard & Poor's Credit Markets Services, a Division of the McGraw Hill Corporation, have assigned the Series 2009B Certificates the ratings of "____" and "____," respectively. Moody's has assigned a short term rating of "____" to the Series 2009B Certificates. S&P has assigned a short term rating of "____" to the Series 2009B Certificates. The short term ratings on the Series 2009B Certificates will terminate on the expiration of the Liquidity Facility or apply only while the Liquidity Facility is in place. No application was made to any other rating agency for the purpose of obtaining an additional rating on the Series 2009B Certificates.

Such ratings express only the views of the respective rating agencies. An explanation of the significance of each of the ratings may be obtained from the rating agency furnishing the same. The ratings are not a "market" rating nor a recommendation to buy, sell, or hold the Series 2009B Certificates, and the ratings and the Series 2009B Certificates should be evaluated independently. There is no assurance that any of such ratings will continue for any given period of time or will not be revised, or withdrawn entirely by such rating agency, if, in its judgment, circumstances so warrant. The Board undertakes no responsibility either to bring to the attention of the owners of the Series 2009B Certificates any proposed change in or withdrawal of such rating or to oppose any such revision or withdrawal.

SECONDARY MARKET DISCLOSURE

Rule 15c2-12 (the "Rule") under the Exchange Act generally requires that "obligated persons," such as the Board and certain other parties, provide (i) continuing disclosure on an annual basis of financial information and operating data and (ii) notices of certain specified events that could affect the credit underlying the payment obligations of municipal securities. Offerings of municipal securities that are issued in minimum denominations of \$100,000 and are subject to purchase by the issuer on the demand of the holder, such as will be the case with respect to the Series 2009B Certificates while bearing interest at the Weekly Interest Rate or Daily Interest Rate, are exempt from these requirements. If the Series 2009B Certificates are remarketed bearing interest at a rate other the Weekly Interest Rate or Daily Interest Rate, the Board and any other "obligated person" may in the future become subject to these continuing disclosure obligations of the Rule.

On December 8, 2008, the Securities and Exchange Commission (the "Commission") approved an amendment to the Rule designating the Municipal Securities Rulemaking Board (the "MSRB") as the central repository for continuing disclosure by state and local government debt issuers including the Board. Under a separate MSRB rule change, the MSRB designated its Electronic Municipal Market Access ("EMMA") system as the system to be used for continuing disclosures to investors. The Commission and MSRB rule changes take effect on July 1, 2009.

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, 506 South Wright Street, Urbana, Illinois 61801.

The 96th Illinois General Assembly commenced on January 14, 2009. Various pieces of legislation have been introduced in the General Assembly and may in the future be introduced that, if passed, could have an impact, either directly or indirectly, on higher education in Illinois in general and the University of Illinois in particular. Issues affected may include, but are not limited to, governance, fiscal management, regulation, employment, and appropriations. The Board can make no representations as to the terms and provisions of any such legislation or potential legislation or as to the likelihood that any such legislation will ultimately be enacted.

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 have been authorized by the Board.

THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ILLINOIS

By: /s/ Walter K. Knorr
Vice President, Chief Financial Officer and
Comptroller

APPENDIX A

THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ILLINOIS

APPENDIX B

**FINANCIAL INFORMATION FOR THE UNIVERSITY FOR THE YEAR
ENDED JUNE 30, 2008, INCLUDING MANAGEMENT'S DISCUSSION
AND ANALYSIS AND AUDITED FINANCIAL STATEMENTS**

APPENDIX C

SUMMARY OF CERTAIN LEGAL DOCUMENTS

APPENDIX D

FORM OF OPINION OF BOND COUNSEL

June __, 2009

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

We have examined a record of proceedings of the Board of Trustees of the University of Illinois (the "Board") relating to the issuance of \$75,000,000 aggregate principal amount of University of Illinois Variable Rate Demand Certificates of Participation (Refunding), Series 2009B (the "Series 2009B Certificates"). The Series 2009B Certificates are authorized and issued by virtue of a Resolution entitled "Resolution Authorizing the Issuance and Sale of University of Illinois Series 2009B Certificates of Participation (Refunding), Series 2009B" adopted by the Board on May 21, 2009 (the "Resolution"). The Series 2009B Certificates are being issued pursuant to an Indenture of Trust dated as of June 1, 2009 as supplemented by the Second Supplemental Indenture of Trust dated as of June 1, 2009 (collectively, the "Indenture") between the Board and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"). The Series 2009B Certificates are being issued to refinance certain improvements, as more fully described in the Indenture. In connection therewith, the Board has entered into two Amended and Restated Acquisition Agreements, each dated June 1, 2009 (the "Acquisition Agreements"), with the Trustee and two Installment Purchase Contracts, each dated as of June 1, 2009 (each an "Installment Purchase Contract" and collectively the "Installment Purchase Contracts"), with the Trustee pursuant to which the Board agrees to pay to the Trustee installment payments on the dates and in the amounts set forth therein (the "Installment Payments"). The Acquisition Agreements, the Installment Purchase Contracts and the Indenture are hereafter collectively referred to herein as the "Financing Agreements". Capitalized terms used herein and not defined have the meanings set forth in the Indenture.

The Series 2009B Certificates are dated the date hereof, mature on October 1, 2027, bear interest at the rates determined in the manner provided in the Indenture, and are subject to optional and mandatory tender and to optional and mandatory redemption prior to maturity at the times, in the manner and upon the terms set forth in the Indenture.

Based upon our examination of said record of proceedings, we are of the opinion that:

1. The Board has all requisite power and authority under the Constitution and the laws of the State of Illinois to adopt the Resolution.
2. The Financing Agreements have been duly authorized, executed and delivered by the Board, constitute valid and binding obligations of the Board and are legally enforceable in accordance with their terms.
3. The Series 2009B Certificates have been validly executed and delivered by the Trustee pursuant to the Indenture and are valid evidences of undivided proportionate interests in the Installment Payments to be made by the Board pursuant to the Installment Purchase Contracts.
4. Under existing law, the interest portion of the Installment Payments under the Installment Purchase Contracts ("Certificate Interest"), for so long as the Installment Purchase Contracts are in effect, is not includable in the gross income of the owners thereof for Federal income tax purposes. If there is continuing compliance with the applicable requirements of the Internal Revenue Code of 1986 (the "Code"), we are of the opinion that Certificate Interest will continue to be excluded from the gross income

of the owners thereof for Federal income tax purposes. We are further of the opinion that Certificate Interest is not an item of tax preference for purposes of computing individual or corporate alternative minimum taxable income and is not taken into account when computing corporate alternative minimum taxable income for purposes of the corporate alternative minimum tax.

The Code contains certain requirements that must be satisfied from and after the date hereof in order to preserve the exclusion from gross income for Federal income tax purposes of Certificate Interest. These requirements relate to the use and investment of the proceeds of the Series 2009B Certificates, the payment of certain amounts to the United States, the security and source of payment of the Series 2009B Certificates and the ownership and use of the property financed with the proceeds of the Series 2009B Certificates. The Board has covenanted to comply with these requirements.

We express no opinion on the excludability from gross income for Federal income tax purposes of any payment on the Series 2009B Certificates to the extent such payment accrues from and after the effective date of a termination of the Board's obligation to make Installment Payments under the Installment Purchase Contracts.

Certificate Interest is not exempt from Illinois income taxes.

In rendering the foregoing opinion, we have relied, among other things, upon the representations and certifications of the Board with respect to certain material facts solely within its knowledge relating to the application of the proceeds of the Series 2009B Certificates and the property financed with such proceeds.

In rendering the foregoing opinion, we advise you that the enforceability (but not the validity or binding effect) of the Financing Agreements and the Series 2009B Certificates (i) may be limited by any applicable bankruptcy, insolvency or other laws affecting the rights or remedies of creditors now or hereafter in effect and (ii) is subject to principles of equity in the event that equitable remedies are sought, either in an action at law or in equity.

Respectfully submitted,