
STANDBY CERTIFICATE PURCHASE AGREEMENT

among

THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ILLINOIS,

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Trustee under the
Indenture of Trust,

and

JPMORGAN CHASE BANK, NATIONAL ASSOCIATION, as Bank

dated as of June 1, 2009

relating to:

\$75,000,000
VARIABLE RATE DEMAND
CERTIFICATES OF PARTICIPATION
(REFUNDING), SERIES 2009B

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LIST OF EXHIBITS:

- Exhibit A - Notice of Bank Purchase (Liquidity Purchase)
- Exhibit B - Notice of Bank Purchase (Mandatory Purchase)
- Exhibit C - Form of Request for Extension of Stated Expiration Date
- Exhibit D – Form of Custody Agreement

STANDBY CERTIFICATE PURCHASE AGREEMENT

THIS STANDBY CERTIFICATE PURCHASE AGREEMENT (this "Agreement") dated as of June 1, 2009, is among THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ILLINOIS, a body corporate and politic of the State of Illinois (the "Board"), THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Trustee (together with its successors in such capacity, the "Trustee"), and JPMORGAN CHASE BANK, NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America (the "Bank").

WITNESSETH:

WHEREAS, on January 4, 2008, the Board issued its Variable Rate Demand Certificates of Participation (Projects), Series 2007C and its Variable Rate Demand Certificates of Participation (Projects), Taxable Series 2007D (collectively, the "Series 2007 Certificates") to (i) finance a portion of the cost of various buildings on the University of Illinois' 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;

WHEREAS, for the purpose of obtaining the moneys to refund a portion of the Series 2007 Certificates, the Trustee has executed and delivered the \$75,000,000 Variable Rate Demand Certificates of Participation (Refunding), Series 2009B (the "Certificates") and has, in connection with the issuance of the Certificates and of the Certificates of Participation (Refunding), Series 2009A, established a trust pursuant to the Indenture of Trust dated as of June 1, 2009 (the "Original Indenture") as amended and supplemented by the First Supplemental Indenture of Trust dated as of June 1, 2009 (the "First Supplemental Indenture") and the Second Supplemental Indenture of Trust dated as of June 1, 2009 (the "Second Supplemental Indenture"); the Original Indenture as so amended and supplemented and as further amended and supplemented from time to time in accordance with the terms thereof and hereof, is herein referred to as the "Indenture";

WHEREAS, pursuant to two separate Amended and Restated Acquisition Agreements, each dated as of June 1, 2009, between the Trustee and the Board (collectively, as amended and modified from time to time, the "Acquisition Agreement"), the Trustee has agreed to purchase or cause to be purchased the Improvements from the Board;

WHEREAS, the Board and the Trustee have entered into two separate Installment Purchase Contracts, each dated as of June 1, 2009, between the Board and the Trustee (collectively, as amended and supplemented from time to time in accordance with the terms thereof and hereof, the "Purchase Contract"), under which the Trustee has agreed to sell the Improvements to the Board and the Board has agreed to purchase or repurchase the Improvements from the Trustee;

WHEREAS, the Certificates are subject to purchase from time to time at the option of the beneficial owners thereof and are required to be purchased in certain events; and in order to further assure the availability of funds for the payment of the purchase price therefor, the Board has provided for the remarketing of such Certificates in certain cases, and in certain other cases, to the extent such remarketing may not be successful, for the purchase of such Certificates by the provider of a liquidity facility, such provider being the Bank;

NOW, THEREFORE, in consideration of the respective agreements contained herein, the parties hereto agree as follows:

ARTICLE I DEFINITIONS

Section 1.01 Definitions. The following capitalized terms have the meanings indicated below unless the context shall clearly indicate otherwise. Other capitalized terms used in this Agreement and not defined in this Agreement shall have the meaning given those terms in the Indenture.

"Acquisition Agreement" has the meaning set forth in the Recitals hereof.

"Additional Payments" has the meaning given that term in the Original Indenture.

"Agreement" means this Standby Certificate Purchase Agreement, as amended, modified or supplemented from time to time in accordance with the terms hereof.

"Alternate Base Rate" means, for any day, the highest of (i) the Base Rate plus 1.50% per annum, (ii) the Federal Funds Rate plus 2.00% per annum, and (iii) 8.50% per annum. Each change in the Alternate Base Rate shall take effect at the time of such change in the Base Rate or the Federal Funds Rate, as the case may be. Each determination of the Alternate Base Rate by the Bank will be conclusive and binding on the Board, absent manifest error.

"Amortization End Date" means, with respect to any Bank Certificate, the third anniversary of the Amortization Start Date.

"Amortization Payment Date" means, with respect to any Bank Certificates, (a) the first Business Day of the sixth full month following the Amortization Start Date and the first Business Day of each sixth month thereafter occurring prior to the Amortization End Date, and (b) the Amortization End Date.

"Amortization Start Date" means, with respect to any Bank Certificate, the 181st calendar day following the related Bank Purchase Date.

"Authorized Officer" means, with respect to the Board, the Comptroller, the Senior Associate Vice President for Business & Finance, the Director of Capital Financing, the Manager of Capital Financing Analytics, the Manager of Capital Financing Operations or an attorney in the University Counsel's Office.

"Available Commitment" means on any day the sum of the Available Principal Commitment and the Available Interest Commitment on such day.

"Available Interest Commitment" initially means \$863,014, constituting interest for 35 days at 12% per annum calculated on the basis of a year of 365 days and the number of days elapsed and thereafter means such amount adjusted from time to time as follows: (a) downward by an amount that bears the same proportion to such amount as the amount of any reduction in the Available Principal Commitment pursuant to the definition of "Available Principal Commitment" bears to the Available Principal Commitment prior to such reduction; and (b) upward by an amount that bears the same proportion to such amount as the amount of any increase in the Available Principal Commitment pursuant to clause (c) of the definition of "Available Principal Commitment" bears to the Available Principal Commitment prior to such increase; *provided* that after giving effect to such adjustment the Available Interest Commitment shall never exceed 863,014. Any adjustments pursuant to clauses (a) and (b) above shall occur simultaneously with the event requiring such adjustment.

"Available Principal Commitment" initially means \$75,000,000 and thereafter means such amount adjusted from time to time as follows: (a) downward by the amount of any reduction of the Available Principal Commitment pursuant to Section 2.03; (b) downward by the principal amount of any Certificates purchased by the Bank pursuant to Section 2.02; and (c) upward by the principal amount of any Certificates theretofore purchased by the Bank pursuant to Section 2.02, which are resold by a Bank Certificateholder pursuant to Section 2.04(b) or which cease to bear interest at the Bank Rate pursuant to Section 2.04(c). Available Principal Commitment shall never exceed \$75,000,000. Any adjustments pursuant to clauses (a), (b) and (c) above shall occur simultaneously with the event requiring such adjustment.

"Bank" has the meaning assigned to that term in the recitals to this Agreement and shall include all permitted successors and assigns.

"Bank Certificateholder" means the Bank (but only in its capacity as owner of Certificates acquired pursuant to this Agreement) and any other Person to whom the Bank has sold Bank Certificates pursuant to Sections 2.04(a), 5.01(f) or 8.02.

"Bank Certificates" means each Certificate held by a Bank Certificateholder.

"Bank Purchase Date" means a Business Day during the Bank Purchase Period on which the Bank is required to purchase Certificates pursuant to Section 2.02.

"Bank Purchase Period" means the period from the effective date of this Agreement to and including the earliest of (i) the Stated Expiration Date then in effect, (ii) the date on which no Certificates are Outstanding, (iii) the close of business on the Substitution Date, so long as the Bank has honored any purchase of Certificates resulting solely from such substitution, (iv) the close of business on the Purchase Termination Date, (v) the Business Day immediately succeeding the Conversion Date or (vi) the close of business on the date the Available Commitment is reduced to zero or terminated pursuant to Section 2.03.

"Bank Rate" means, for each day of determination with respect to any Bank Certificate, except as otherwise provided in Section 3.01(b) hereof, (i) for the period from (and including)

the Bank Purchase Date through (but not including) the date which is 91 calendar days immediately following the related Bank Purchase Date, the Alternate Base Rate; and (ii) from (and including) the date which is 91 calendar days immediately following the related Bank Purchase Date through (and including) the Amortization End Date, the Alternate Base Rate plus one percent (1.00%) per annum; *provided* that from and after the occurrence of an Event of Default, the Bank Rate shall mean the Default Rate; *provided, however*, that the Bank Rate shall never exceed the Maximum Interest Rate.

"Bank Sale Date" has the meaning given that term in Section 2.04(b).

"Base Rate" means the rate of interest per annum equal to the rate of interest per annum from time to time announced by the Bank as its prime rate (which is not intended to be the lowest rate of interest charged by the Bank in connection with the extension of credit to its customers). Each change in the Base Rate shall take effect at the time of such change in such prime rate.

"Board" has the meaning assigned to that term in the recitals to this Agreement and shall include all permitted successors and assigns.

"Business Day" means any day other than a Saturday, Sunday or a day on which banking institutions are authorized or required by law or executive order to be closed for commercial banking purposes in the State of New York, or any day on which banks in the cities in which the corporate trust office of the Trustee and the principal offices of the Trustee, the Bank and the Remarketing Agent are located are not authorized or required by law to remain closed and on which The New York Stock Exchange is not closed.

"Certificates" has the meaning assigned to that term in the recitals to this Agreement and shall include, unless the context otherwise requires, all Bank Certificates.

"Closing Date" means the date on which the conditions specified in Section 6.01 are satisfied (or waived in accordance with Section 8.01) and the Certificates are initially issued and delivered by the Trustee.

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Commitment Fee" has the meaning given that term in Section 2.05(a).

"Conversion Date" means the date the Certificates no longer bear interest in the Daily Interest Rate Period or the Weekly Interest Rate Period.

"Custodian" means The Bank of New York Mellon Trust Company, N.A., or any successor thereto appointed pursuant to the terms of the Custody Agreement.

"Custody Agreement" means the Custody Agreement dated as of even date herewith between the Bank and the Custodian, substantially in the form of Exhibit D hereto, as amended from time to time.

"Daily Interest Rate" has the meaning given that term in the Second Supplemental Indenture.

"Daily Interest Rate Period" has the meaning given that term in the Second Supplemental Indenture.

"Default Rate" means the Alternate Base Rate from time to time in effect plus four percent (4.00%); *provided, however*, that the Default Rate shall never exceed the Maximum Interest Rate. The Default Rate shall change as and when the Alternate Base Rate changes.

"Default Tender" means a mandatory tender of the Certificates as a result of the Bank's delivery of a Notice of Termination to the Trustee pursuant to Section 7.02(b).

"Defaulted Interest" means accrued interest payable on a Certificate that was not paid by the Board when due under the terms of the Indenture or any amounts accruing on amounts owed on the Certificates by reason of such amounts being not paid when due.

"Deferred Interest" has the meaning given that term in Section 3.01(c).

"Depository" means The Depository Trust Company, New York, New York.

"Differential Interest Amount" means the amount equal to (a) the amount of interest on Bank Certificates, as provided under this Agreement, payable on each Bank Interest Payment Date to the owners of Bank Certificates minus (b) the amount of interest on Bank Certificates accruing at the applicable rate for Certificates other than Bank Certificates during the interest rate period with respect to which interest is payable on that Interest Payment Date (which amount shall include interest on the sale date of the applicable Bank Certificates).

"Dollars," and "\$" means the lawful currency of the United States of America.

"Eligible Certificates" means any Certificates bearing interest in a Daily Interest Rate Period or a Weekly Interest Rate Period other than Bank Certificates or Certificates owned by, for the account of, or on behalf of, the Board.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

"Event of Default" has the meaning given that term in Section 7.01.

"Extended Bank Purchase Period" has the meaning given that term in Section 8.05.

"Federal Funds Rate" means for any day the rate of interest per annum as determined by the Bank at which overnight Federal Funds are offered to the Bank for such day by major banks in the interbank market, with any change in such rate to become effective as to the Board on the date of any change in such rate. Each determination of the Federal Funds Rate by the Bank shall be deemed conclusive and binding on the Board absent manifest error.

"First Supplemental Indenture" has the meaning set forth in the recitals hereof.

"GASB" means Governmental Accounting Standards Board principles as in effect from time to time, applied by the Board on a basis consistent with the Board's most recent financial statements.

"Governmental Authority" means any national, state or local government (whether domestic or foreign), any political subdivision thereof or any other governmental, quasi-governmental, judicial, public or statutory instrumentality, authority, body, tribunal, agency, bureau, court or entity (including the Federal Deposit Insurance Corporation or the Federal Reserve Board, any central bank or any comparable authority), or any arbitrator with authority to bind any of the parties to this Agreement at law.

"Guarantee" means the legal obligation, contingent or otherwise, to pay the Indebtedness or satisfy the liabilities of another Person, whether such guarantee is of payment or of performance.

"Immediate Termination Event" has the meaning given that term in Section 7.02(a).

"Improvement Contracts" has the meaning given that term in the Original Indenture.

"Improvements" has the meaning set forth in the recitals hereof.

"Indebtedness" means and includes (a) indebtedness for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (c) indebtedness arising under reimbursement obligations by virtue of drawings under a letter of credit or any other similar instrument, of any Person; (d) all obligations for the deferred purchase price of property or services (other than trade accounts payable arising in the ordinary course of business) which are assigned a long-term rating by a Rating Agency equal to the rating assigned by such Rating Agency to the Certificates, (e) all obligations secured by any lien upon real, personal or mixed property of such Person, so long as such Person has assumed or become liable for the payment of such indebtedness, and (f) any Guarantee for which a final, non-appealable judgment for the payment of money in excess of an aggregate amount of \$10,000,000 has been rendered against such Person, and such judgment has continued unsatisfied, unstayed, undischarged, unbonded or undismissed for a period of sixty (60) days.

"Indenture" has the meaning set forth in the recitals hereof.

"Installment Payments" has the meaning given that term in the Original Indenture.

"Interest Component" has the meaning given that term in Section 2.01.

"Interest Payment Date" with respect to Certificates which are not Bank Certificates, has the meaning assigned in the Second Supplemental Indenture and, with respect to Bank Certificates, means each of the days described in Section 3.02.

"Legally Available Non-Appropriated Funds" means budgeted legally available funds of the Board derived from sources other than State appropriations on an annual basis.

"Lien" means any mortgage, lien, security interest, pledge, charge or encumbrance of any kind in respect of any Property, including the interests of a vendor or lessor under any conditional sale, capital lease or other title retention arrangement.

"Mandatory Purchase Date" means each date Certificates are required to be purchased pursuant to Section 3.09(a)(i), Section 3.09(a)(ii), Section 3.09(a)(iii) or Section 3.09(a)(v) of the Second Supplemental Indenture.

"Maximum Interest Rate" means the maximum non-usurious rate of interest on the relevant obligation permitted by applicable law.

"Moody's" means Moody's Investors Service, Inc., its successors and assigns.

"Notice of Bank Purchase" means in the case of a purchase of Eligible Certificates by the Bank pursuant to Section 3.08 of the Second Supplemental Indenture, a notice in the form of Exhibit A and in the case of a mandatory purchase of Certificates pursuant to Section 3.09(a)(i), Section 3.09(a)(ii), Section 3.09(a)(iii) or Section 3.09(a)(v) of the Second Supplemental Indenture, a notice in the form of Exhibit B.

"Notice of Termination" has the meaning given that term in Section 7.02(b).

"Official Statement" means the Official Statement (including any documents incorporated therein by reference and any exhibits or attachments thereto and any amendments thereof or supplements thereto) dated June ____, 2009, relating to the Certificates.

"Other Taxes" has the meaning given that term in Section 2.07(a).

"Parity Indebtedness" means Indebtedness which is secured by a pledge of the Trust Estate on a parity basis with, or is senior to, the Certificates.

"Participants" has the meaning given that term in Section 8.02.

"Payment Date" means, with respect to any Bank Certificate, the earliest to occur of (i) the Amortization End Date, (ii) the Conversion Date, (iii) the date on which no Certificates are Outstanding, and (iv) the effective date of a Substitute Liquidity Facility.

"Payment Office" means the wire transfer instructions of the Bank as described in Section 3.04(a).

"Person" means an individual, a corporation, a partnership, an association, a trust or any other entity or organization, including a government or a political subdivision or an agency or instrumentality thereof.

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

"Property" means any and all rights, titles and interests in and to any and all property, whether real or personal, tangible (including cash) or intangible, wherever situated and whether now owned or hereafter acquired.

"Purchase Contract" has the meaning set forth in the recitals hereof.

"Purchase Price," with respect to any Certificate or portion thereof on a Bank Purchase Date therefor, means the unpaid principal amount thereof plus accrued interest thereon, other than Defaulted Interest, to but excluding such Bank Purchase Date, in each case without premium; *provided* that if the applicable Bank Purchase Date is an Interest Payment Date, interest payable on such Certificate on such Interest Payment Date shall not be taken into account in the computation of the Purchase Price payable by the purchaser of such Certificate.

"Purchase Termination Date" means the close of business on the date on which the Bank is no longer required to purchase Tendered Certificates pursuant to Section 7.02(a), (b) or (c).

"Rating Agencies" means Moody's and S&P, but only to the extent any such rating agency has issued a long-term credit rating with respect to the Certificates.

"Related Documents" means the Indenture (including the First Supplemental Indenture and the Second Supplemental Indenture), the Certificates, each Purchase Contract, each Acquisition Agreement, this Agreement, the Custody Agreement, the Remarketing Agreement, the Tax Agreement, the Official Statement and any other agreement or instrument relating to the transactions contemplated hereby or thereby, as the same may be amended or modified from time to time in accordance with their respective terms and the terms hereof.

"Remarketing Agent" means (i) J.P. Morgan Securities Inc., and its permitted successors and assigns, and (ii) any permitted successor to the foregoing under the Indenture and this Agreement.

"Remarketing Agreement" means (i) the Remarketing Agreement dated as of June 1, 2009 between the Remarketing Agent and the Board, as amended, modified or supplemented from time to time, and (ii) any other remarketing agreement entered into between a Remarketing Agent and the Board.

"S&P" means Standard & Poor's Ratings Services, a division of The McGraw Hill Companies, Inc., its successors and assigns.

"Sale Price" has the meaning given that term in Section 2.04(b).

"Second Supplemental Indenture" has the meaning assigned to that term in the recitals to this Agreement.

"Security" means the pledge of the Trust Estate pursuant to the Indenture.

"State" means the State of Illinois.

"Stated Expiration Date" means the later of (i) June ____, 2010 or, if such day is not a Business Day, the immediately preceding Business Day to such day, and (ii) the last day of any extension of such date pursuant to Section 8.05 or, if such day is not a Business Day, the immediately preceding Business Day to such day.

"Substitute Liquidity Facility" means a replacement Standby Certificate Purchase Agreement or other substitute liquidity facility, which is accepted by the Trustee pursuant to Section 3.14 of the Second Supplemental Indenture.

"Substitution Date" means the date on which a Substitute Liquidity Facility is accepted by the Trustee and becomes effective.

"Suspension Event" has the meaning given that term in Section 7.02(c).

"Tax Certificate" means the Tax Exemption Certificate of the Board with respect to the Certificates dated the Closing Date.

"Taxes" has the meaning given that term in Section 2.07(a).

"Trustee" means The Bank of New York Mellon Trust Company, N.A., in its capacity as Trustee, and any successor Trustee appointed for the Certificates.

"Tendered Certificates" means, as of any date, Eligible Certificates which are tendered or deemed tendered for purchase pursuant to Section 3.08, Section 3.09(a)(i), Section 3.09(a)(ii), Section 3.09(a)(iii) or Section 3.09(a)(v) of the Second Supplemental Indenture.

"Termination Date" has the meaning given that term in Section 7.02(b).

"Trust Estate" has the meaning given that term in Section 2.08.

"Weekly Interest Rate" has the meaning given that term in the Second Supplemental Indenture.

"Weekly Interest Rate Period" has the meaning given that term in the Second Supplemental Indenture.

"Written" or "in writing" means any form of written communication or a communication by means of telex, telecopier device, telegraph or cable.

Section 1.02 Interpretation. In this Agreement, the singular includes the plural and the plural the singular; words importing any gender include the other genders; references to statutes are to be construed as including all statutory provisions consolidating, amending or replacing the statute referred to; the word "including" shall be deemed to be followed by the words "without limitation." All references to Sections and Exhibits shall be deemed references to Sections of and Exhibits to this Agreement unless the context shall otherwise require.

Section 1.03 Accounting Matters. All accounting terms used herein without definition shall be interpreted in accordance with GASB, and except as otherwise expressly provided herein

all accounting determinations required to be made pursuant to this Agreement shall be made in accordance with GASB.

ARTICLE II

THE COMMITMENT; FEES

Section 2.01 Commitment to Purchase Certificates. The Bank agrees, on the terms and conditions contained in this Agreement, to purchase Tendered Certificates and any Certificates subject to purchase on a Mandatory Purchase Date, for the Bank's own account, from time to time during the Bank Purchase Period at the Purchase Price. The aggregate principal amount (or portion thereof) of any Certificate purchased by the Bank on any Bank Purchase Date shall be an authorized denomination applicable to the Certificates, and in any case the aggregate principal amount of all Certificates purchased on any Bank Purchase Date shall not exceed the Available Principal Commitment on such date. The aggregate amount of the Purchase Price comprising interest on the Certificates (the "Interest Component") purchased on any Bank Purchase Date shall not exceed the lesser of (i) the Available Interest Commitment on such date and (ii) the actual aggregate amount of interest accrued on each such Certificate, other than Defaulted Interest, to but excluding such Bank Purchase Date; *provided* that if the applicable Bank Purchase Date is an Interest Payment Date the amount described in this clause (ii) shall be reduced by the amount of interest payable on each such Certificate on such Interest Payment Date. Any Certificates so purchased shall thereupon constitute Bank Certificates and shall, from the date of such purchase and while they are Bank Certificates, bear interest at the Bank Rate subject to the provisions of Section 2.04(c) and have other characteristics of Bank Certificates as set forth herein and in the Indenture.

Section 2.02 Method of Purchasing. If by 12:30 p.m. (New York City time) on the applicable Bank Purchase Date, the Bank receives from the Trustee a notice substantially in the form of Exhibit A or Exhibit B, as the case may be (any such notice to be referred to as a "Notice of Bank Purchase"), the Bank will, during the Bank Purchase Period, unless the Bank is no longer obligated to purchase Certificates pursuant to this Agreement, transfer not later than 2:30 p.m. (New York City time) on the Bank Purchase Date to the Trustee, in funds to be available as specified in such Notice of Bank Purchase, an amount equal to the aggregate Purchase Price of such Certificates as set forth in the applicable Notice of Bank Purchase. The Bank shall not have any responsibility for, or incur any liability in respect of, any act, or any failure to act, by the Trustee which results in the failure of the Trustee (y) to credit the appropriate account with funds made available by the Bank pursuant to this Section 2.02 or (z) to effect the purchase for the account of the Bank of Certificates with such funds pursuant to this Section 2.02. The Bank shall purchase any Certificates it is required to purchase with its own funds and purchase payments shall be made in immediately available funds. Amounts made available hereunder which are not so used to purchase Certificates will be returned to the Bank by the Trustee no later than 3:30 p.m. (New York City time) on the applicable Bank Purchase Date. Amounts held by the Trustee and not returned to the Bank pursuant to the preceding sentence shall accrue interest equal to (i) for the day following payment by the Bank, the Alternate Base Rate and (ii) thereafter, the Default Rate from time to time in effect.

So long as the Certificates are issued in book-entry form and held by the Trustee as custodian of the Depository as part of the Depository's fast automated transfer program ("FAST Eligible Certificates"), concurrently with the Trustee's receipt of the purchase price for each purchase of Certificates by the Bank hereunder, the Trustee, as a participant of the Depository (or any other successor securities depository) or an eligible transfer agent, shall make a direct registration electronic book-entry (A) crediting the Depository account designated by the Bank as its account in which to hold Bank Certificates purchased by it (each, the "Bank Book-Entry Account") by the principal amount of the Certificates purchased hereunder by the Bank using the Bank Certificate CUSIP number for such Certificates set forth below; and (B) debiting the book-entry account of the Depository for the Certificates (thereby reducing the principal balance of the global certificate representing the Certificates) (the "DTC Book-Entry Account") by the principal amount of the Certificates purchased hereunder by the Bank. The CUSIP number for the Certificates that are Bank Certificates is _____. So long as the Certificates are FAST Eligible Certificates, upon a remarketing of Bank Certificates in accordance with the terms of this Agreement and the Trustee's receipt from the Remarketing Agent and/or the Board of the amounts set forth in Section 2.04(b), the Trustee, as a participant of the Depository (or any other successor securities depository) or an eligible transfer agent, shall make a direct registration electronic book-entry in its records (A) debiting the Bank Book-Entry Account of the Bank by the principal amount of the Certificates so remarketed; and (B) crediting the DTC Book-Entry Account for such Certificates (thereby increasing the principal balance of the global certificate representing such Certificates) by the principal amount of the Certificates so remarketed. The Trustee acknowledges that it is familiar with the procedures and requirements set forth in a notice from The Depository Trust Company, dated April 4, 2008, respecting "Variable Rate Demand Obligations ("VRDO") Failed Remarketings and Issuance of Bank Bonds", as amended by DTC Notice number B3488-08, dated May 15, 2008, and agrees that, with respect to any and all Bank Certificates, it will follow the procedures and requirements set forth in such notice, as the same may be amended from time to time. To the extent that, following any amendment of such notice, the procedures and requirements therein should become inconsistent with any aspect of the preceding provisions, the Trustee, the Board and the Bank shall promptly negotiate in good faith and agree upon amendments of the preceding provisions so as to eliminate such inconsistency.

If the Certificates are no longer FAST Eligible Certificates, concurrently with the receipt of the purchase price for each purchase of Certificates by the Bank hereunder, the Trustee shall cause each Bank Certificate to be registered in the name of the Bank and shall be held by the Trustee as the agent, bailee and custodian (in such capacity, the "Custodian") of the Bank for the exclusive benefit of the Bank. The Custodian acknowledges and agrees that it is acting and will act with respect to Bank Certificates at the direction of the Bank for the exclusive benefit of the Bank and is not and shall not at any time be subject in any manner or to any extent to the direction or control of the Board or any other Person with respect to the Certificates. The Custodian agrees to act in strict accordance with this Agreement and in accordance with any lawful written instructions delivered to the Custodian from time to time pursuant hereto by the Bank. Under no circumstances shall the Custodian deliver possession of the Certificates to, or cause Certificates to be registered in the name of, the Board, the Remarketing Agent or any Person other than the Bank except in accordance with the express terms of this Agreement or otherwise upon the written instructions of the Bank. If, while this Agreement is in effect, the Custodian shall become entitled to receive or shall receive any payment in respect of any Bank

Certificates held for the Bank, the Custodian agrees to accept the same as the Bank's agent and to hold the same in trust on behalf of the Bank and to deliver the same forthwith to the Bank's Payment Office. Upon the remarketing of any Bank Certificates and the Trustee's receipt from the Remarketing Agent and/or the Board of the amounts set forth in Section 2.04(b), the Custodian shall release Bank Certificates in a principal amount equal to the principal amount so remarketed to the Remarketing Agent or the Board, as the case may be, in accordance with the terms of the Indenture. The Custodian may rely and shall be protected in acting upon any document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Custodian shall not be liable for any error in judgment made in good faith by its responsible officers, employees and agents unless the Custodian, its responsible officers, employees or agents were negligent or engaged in willful misconduct. Anything herein to the contrary notwithstanding, the Custodian shall have no liability hereunder for any act or omission except as shall result from its gross negligence or willful misconduct. Except as provided above, without the prior written consent of the Bank, the Custodian agrees that it will not sell, assign, transfer, exchange or otherwise dispose of, or grant any option with respect to, Bank Certificates, and will not create, incur or permit to exist any pledge, lien, mortgage, hypothecation, security interest, charge, option or any other encumbrance or take any other action with respect to the Bank Certificates, or any interest therein, or any proceeds thereof. The Custodian shall deliver to the Bank at the Bank's request such information as may be in the possession of the Custodian with respect to such Bank Certificates. If the Custodian is holding Bank Certificates, the Custodian, at its own expense, shall maintain and keep in full force and effect: fidelity insurance; theft of documents insurance; forgery insurance; and errors and omissions insurance (which may be maintained by self-insurance). All such insurance shall be in amounts, with standard coverage and subject to deductibles that are customary for insurance typically maintained by a bank or other financial institution acting as custodian.

Section 2.03 Reduction of Commitment.

(a) Mandatory Reduction of Commitment. Upon receipt by the Bank of notice of (i) any redemption, repayment or other payment pursuant to the Indenture of all or any portion of the principal amount of the Certificates (other than Bank Certificates) so that said Certificates shall have ceased to be Outstanding under the Indenture, or (ii) any conversion of all or any portion of the principal amount of the Certificates to an interest rate other than a Daily Interest Rate or a Weekly Interest Rate, then in each case, the aggregate Available Principal Commitment of the Bank shall automatically be reduced by the principal amount of said Certificates so redeemed, repaid, defeased or otherwise deemed paid, or otherwise converted and the Available Interest Commitment shall also be simultaneously reduced. The Board shall cause written notice of such redemption, repayment, other payment or conversion to be promptly delivered to the Bank.

(b) Voluntary Termination or Reduction of Commitment. Subject to Section 2.05(c), the Board may terminate and replace this Agreement, at any time, with a Substitute Liquidity Facility by giving the Bank and the Trustee not less than thirty (30) days' notice in writing to such effect; *provided* that: (1) the provider of a Substitute Liquidity Facility shall agree, in a manner acceptable to the Bank, to purchase on the Substitution Date any Bank Certificates, not otherwise remarketed, held by or on behalf of a Bank Certificateholder at a purchase price equal to the principal amount of such Bank Certificates plus accrued interest

thereon at the interest rate at which the Certificates are remarketed, and (2) at the date of such purchase, the Board and/or such provider shall pay all other amounts owing to the Bank hereunder (including accrued and unpaid Differential Interest Amounts and interest thereon). The Available Commitment of the Bank shall automatically terminate at 5:00 p.m. on the date on which a Substitute Liquidity Facility has become effective, so long as the Bank has honored any purchase of Certificates resulting from such substitution in accordance with the terms of this Agreement and the Indenture.

(c) Expiration of the Bank Purchase Period. The Available Commitment shall automatically terminate on the expiration of the Bank Purchase Period.

(d) No Other Termination. Except as specifically provided in this Section 2.03, no Person shall have the right to reduce or terminate the Available Commitment.

Section 2.04 Sale of Bank Certificates.

(a) Right to Sell Bank Certificates. The Bank expressly reserves the right to sell, at any time, Bank Certificates subject, however, to the express terms of this Agreement. The Bank agrees that such sales (other than sales made pursuant to Section 2.04(b)) will be made only to institutional investors or other entities or individuals that customarily purchase commercial paper or tax-exempt securities in large denominations. The Bank agrees to notify in writing the Board and the Remarketing Agent promptly of any such sale (other than a sale made pursuant to Section 2.04(b)); and to notify the transferee in writing that such Certificate is no longer an Eligible Certificate so long as it remains a Bank Certificate and that there may not be a short-term investment rating assigned to such Certificate so long as it remains a Bank Certificate. Prior to selling a Bank Certificate to a Bank Certificateholder pursuant to this Section 2.04(a), the Bank shall obtain a written acknowledgment from such Bank Certificateholder stating that such purchaser has no right to tender the Bank Certificate.

(b) Sales by Remarketing Agent. The Bank and each other Bank Certificateholder, by the acceptance by each of a Bank Certificate, hereby authorize the Remarketing Agent to sell Bank Certificates purchased pursuant to Section 2.02 on behalf of the Bank or such Bank Certificateholder pursuant to the Indenture and in accordance with applicable securities law at a price equal to the principal amount thereof plus unpaid accrued interest thereon to but excluding the date such Bank Certificates are to be sold pursuant to this Section 2.04(b) (the "Bank Sale Date") at the interest rate or rates borne by the Certificates which are not Bank Certificates in their current interest accrual period through but excluding the Bank Sale Date or, if all Certificates are Bank Certificates, then otherwise at the rate of interest to be borne by the Certificates after such sale or, if less, the Bank Rate (the "Sale Price"). If less than all Bank Certificates are remarketed on any date, the Bank Certificates having the highest aggregate amount of Deferred Interest payable shall be deemed to be remarketed first. Any sale of a Bank Certificate pursuant to this Section 2.04(b) shall be without recourse to the seller and without representation or warranty of any kind. The Bank agrees to deliver and, by its acceptance of a Bank Certificate, each other Bank Certificateholder agrees to deliver (but only upon receipt by the Bank or such other Bank Certificateholder of Dollars in the amount of the Sale Price) to the Trustee each certificate representing a Bank Certificate sold by it pursuant to this Section

2.04(b), including without limitation certificates representing Bank Certificates which are deemed to have been delivered in accordance with the provisions of the Indenture.

(c) Right to Retain Certificates. (i) Notwithstanding the foregoing or anything else contained in this Agreement, the Bank and each other Bank Certificateholder shall have the right, by not less than two (2) Business Days' prior written notice to the Remarketing Agent, to elect not to sell the Bank Certificates or any portion thereof pursuant to Section 2.04(b); *provided* that such election may be revoked before the expiration of said two (2) Business Days by the Bank or such other Bank Certificateholder.

(ii) After any sale of Bank Certificates by the Remarketing Agent pursuant to Section 2.04(b) and payment to the applicable Bank Certificateholder of the outstanding principal and interest accrued on the Bank Certificates so sold, or after any election by a Bank Certificateholder not to sell such Bank Certificates or, any portion thereof through the Remarketing Agent pursuant to Section 2.04(b), such Bank Certificates so sold or as to which such election is made, shall from such sale date or upon such election cease to be Bank Certificates for purposes of this Agreement and the Indenture, shall cease to bear interest at the Bank Rate and shall bear interest at the rate for Certificates other than Bank Certificates (and the Available Commitment shall be increased in the same amount as would be the case if said Certificates had been remarketed), *provided* that if such Bank Certificates are retained by the Bank, Deferred Interest (including interest thereon) described in Section 3.01 shall still be included as additional interest on said Certificates. Bank Certificates held by the Bank or such other Bank Certificateholder bearing interest at the rate for Certificates other than Bank Certificates may be tendered for purchase in accordance with and to the extent permitted by the Indenture by notice from the holder of said Certificates to the Remarketing Agent.

(d) Payment of Differential Interest Amount. Following any sale of Bank Certificates, pursuant to Section 2.04(b) or otherwise, or any election to retain Certificates pursuant to Section 2.04(c), the Bank shall retain the right to receive payment from the Board of any accrued Differential Interest Amount and interest thereon as provided herein and in the Indenture. Any Differential Interest Amount payable on Bank Certificates sold by the Remarketing Agent shall be payable by the Board to the Bank on the earlier of (i) the occurrence of an Immediate Termination Event and (ii) the Interest Payment Date next succeeding the applicable Bank Sale Date or if the Bank Sale Date is an Interest Payment Date, then on such Bank Sale Date.

Section 2.05 Fees.

(a) Commitment Fee. The Board hereby agrees to pay or cause to be paid to the Bank a commitment fee (the "Commitment Fee") with respect to the commitment of the Bank hereunder at the rate of 1.35% per annum on the average daily amount of the Available Commitment of the Bank (calculated at all times as though no Certificates had been purchased by the Bank hereunder) during each period in respect of which payment is to be made. The Commitment Fee shall be payable in immediately available funds, quarterly in arrears on each January 1, April 1, July 1 and October 1, commencing on July 1, 2009, with respect to the period beginning on the Closing Date. Commitment Fees shall be calculated on the basis of a year of 360 days and on the actual days elapsed. In the event that the long-term rating assigned by S&P

or Moody's, as the case may be, to the Certificates or any Parity Indebtedness of the Board is less than "AA-" or "Aa3", respectively, the Commitment Fee will increase by 0.10% per annum per rating category reduction, taking into effect any refinement or gradation, adjusted on the date that any such rating is publicly released by S&P or Moody's (for example, a rating reduction by S&P from "AA-" to "A+" would constitute one rating category reduction for purposes of the calculation, and from "AA-" to "A" would constitute two rating category reductions). If the long term ratings assigned by S&P and Moody's, respectively, appear in more than one rating category (i.e., a split rating), the Commitment Fee will be based on the category that includes the lowest rating. Upon the occurrence and during the continuance of an Event of Default, the Commitment Fee rate then in effect will increase by 1.00% per annum automatically and without notice to the Board, commencing on the date such Event of Default occurs and such increased Commitment Fee rate shall be payable until such Event of Default is cured or this Agreement otherwise terminates. In the event that the long-term credit rating assigned to the Certificates or any Parity Indebtedness of the Board by either of S&P or Moody's have been suspended or withdrawn, the Commitment Fee rate then in effect will increase by 1.00% per annum automatically and without notice to the Board, commencing on the date such withdrawal or suspension occurs and such increased Commitment Fee rate shall be payable until no such credit rating remains suspended or withdrawn or this Agreement otherwise terminates. For the purposes of this Section 2.05(a) only, the Available Commitment shall be deemed not to be reduced during any period the Bank's obligation to purchase Certificates has been suspended pursuant to Section 7.02(c).

(b) Amendment Fee. In connection with the written request by the Board of (i) any amendment, supplement or modification of this Agreement or (ii) any transfer of the rights and obligations of the parties to this Agreement, the Board hereby agrees to pay to the Bank on the date of each occurrence as set forth in (i) or (ii) above, a fee of \$3,000, plus the reasonable fees and expenses of counsel to the Bank (*provided* that if such amendment, supplement or modification results solely from an extension of the Stated Expiration Date, such \$3,000 fee shall not be payable to the Bank but the Board shall be responsible for the payment of such fees and expenses of counsel to the Bank).

(c) Termination Fee. In the event the Board elects to terminate this Agreement prior to the then Stated Expiration Date, the Board will be required to pay the Bank on such termination date, in addition to all other obligations of the Board that may be due and payable at such time, a termination fee equal to the Commitment Fee which would have been payable to the Bank from (and including) such termination date through such Stated Expiration Date, calculated at the time of such termination on the basis of the then applicable Available Commitment of the Bank and the then applicable Commitment Fee rate. Notwithstanding the foregoing provisions of this Section, no termination fee will be required to be paid by the Board if (a) Moody's shall have lowered or withdrawn the short-term rating on the Certificates below "VMIG-1" as a result of the reduction by Moody's of the senior, unsecured short-term rating of the Bank; or (b) S&P shall have lowered or withdrawn the short-term rating on the Certificates below "A-1+" as a result of the reduction by S&P of the senior, unsecured short-term rating of the Bank; *provided, however*, all obligations including, without limitation, all principal and interest evidenced by Bank Certificates and all amounts payable under Article II and Article III hereof, shall be paid to the Bank at or prior to the time of termination.

(d) Purchase Fee. Upon delivery of any notice of purchase by the Trustee under the Agreement, the Board hereby agrees to pay to the Bank a purchase fee equal to \$250 per purchase under this Agreement, payable on the applicable Bank Purchase Date.

Section 2.06 Compensation for Increased Costs.

(a) Reserves, Etc. In the event any introduction of any law, rule or regulation (domestic or foreign), or any change in any law, rule or regulation, or the interpretation or application thereof by any court, Governmental Authority central bank or comparable authority charged with the enforcement or administration or interpretation thereof, or the compliance with any guidelines or request from any Governmental Authority, central bank or comparable authority (whether or not having the force of law), which introduction, change or commencement of compliance occurs after the date of this Agreement.

(i) subjects the Bank to any tax, deduction or withholding or changes the basis for taxation with respect to this Agreement or any Bank Certificates held by or on behalf of the Bank (other than any tax based upon the overall net income of the Bank), or

(ii) imposes, modifies or deems applicable any reserve, special deposit, insurance premium (including any assessment or other cost imposed by the Federal Deposit Insurance Corporation or any successor thereto) or similar requirement against credits or commitments to extend credit extended by, or assets (funded or contingent) held by, or deposits with or for the account of, or loans by, or other acquisitions of funds or bonds by, the Bank, or

(iii) imposes upon the Bank any other condition or expense with respect to this Agreement, the commitment or obligations of the Bank hereunder, the Certificates or the purchase or holding of Bank Certificates by or on behalf of the Bank,

and the result of any of the foregoing is to increase the cost to the Bank, reduce the income receivable by the Bank, impose any expense upon the Bank or reduce the amount of any payment receivable by the Bank, with respect to this Agreement, any Bank Certificate or any purchase of Eligible Certificates or holding by the Bank of Bank Certificates, or with respect to the Available Commitment or any portion thereof as reasonably determined and allocated by the Bank, by an amount which the Bank deems to be material, the Bank shall from time to time notify the Board thereof by delivery of a certificate of an officer of the Bank of the nature described in the next sentence, and the Board shall pay to the Bank promptly, and in any event within 30 days after receipt of such notice, that amount which shall compensate the Bank (on an after tax basis, grossing up to cover any taxes payable by the Bank on such amount) for such increase in cost, reduction in income, additional expense, reduced amount or reduced rate of return. A certificate setting forth in reasonable detail such increase in cost, reduction in income or additional expense or reduced amount or reduced rate of return, and the manner of calculating the same as determined by the Bank, shall be submitted by the Bank to the Board and, absent manifest error, shall be conclusive as to the amount thereof. Such increased compensation shall be reduced or eliminated if the event causing such increase is modified or ceases to exist.

(b) Capital Costs. If the Bank shall have determined that the applicability of any law, rule, regulation or report, or the adoption of any law, rule, regulation or guideline

(whether or not having the force of law) regarding capital adequacy (including but not limited to any United States or foreign law, rule, regulation or guideline), or any change in any applicable law, rule, regulation or guideline, as the case may be, or any change in the enforcement or interpretation or administration thereof by any court or any administrative or Governmental Board, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by the Bank (or any lending office thereof) with any request or directive regarding capital adequacy (whether or not having the force of law) of any such authority, central bank or comparable agency, which determination of applicability, adoption, change or commencement of compliance occurs after the date of this Agreement, has or would have the effect of reducing the rate of return on capital of the Bank or of its bank holding company, if any, as a consequence of its obligations hereunder, its Available Commitment or its purchase of Tendered Certificates or holding of Bank Certificates to a level below that which the Bank could have achieved but for such applicability, adoption, change or compliance (taking into consideration the policies of the Bank with respect to liquidity and capital adequacy) by an amount deemed by the Bank to be material, then within 30 days after demand by the Bank the Board shall pay to the Bank from time to time as specified by the Bank for such reduction. Each demand for compensation pursuant to this Section 2.06(b) shall be accompanied by a certificate of an officer of the Bank in reasonable detail setting forth the computation of such compensation (including the reason therefor), which certificate shall be conclusive, absent manifest error. Such increased compensation shall be reduced or eliminated if the event causing such increase is modified or ceases to exist.

(c) Calculations. The amounts owed by the Board as compensation to the Bank pursuant to this Section 2.06 shall be calculated as though the Bank were the holder of all Bank Certificates other than Bank Certificates held by a Participant. The benefits of this Section 2.06 shall be available to each Participant to the extent that the events described herein, creating increased costs, affect the Participant.

Section 2.07 Net of Taxes.

(a) Taxes. Any and all payments to the Bank by the Board hereunder shall be made free and clear of and without deduction for any and all taxes, levies, imposts, deductions, charges, withholdings or liabilities imposed thereon, excluding, however, taxes imposed on or measured by the net income or capital of the Bank by any jurisdiction or any political subdivision or taxing authority thereof or therein solely as a result of a connection between the Bank and such jurisdiction or political subdivision (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities being hereinafter referred to as "Taxes"). If the Board shall be required by law to withhold or deduct any Taxes imposed by the United States or any political subdivision thereof from or in respect of any sum payable hereunder to the Bank (i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 2.07), the Bank receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Board shall make such deductions and (iii) the Board shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law. If the Board shall make any payment under this Section 2.07 to or for the benefit of the Bank with respect to Taxes and if the Bank shall claim any credit or deduction for such Taxes against any other taxes payable by the Bank to any taxing jurisdiction in the United States,

then the Bank shall pay to the Board an amount equal to the amount by which such other taxes are actually reduced; *provided* that the aggregate amount payable by the Bank pursuant to this sentence shall not exceed the aggregate amount previously paid by the Board with respect to such Taxes. In addition, the Board agrees to pay any present or future stamp, recording or documentary taxes and any other excise or property taxes, charges or similar levies that arise under the laws of the United States of America or any political subdivision thereof from any payment made hereunder or from the execution or delivery or otherwise with respect to this Agreement (hereinafter referred to as "Other Taxes"). The Bank shall provide to the Board within a reasonable time a copy of any written notification it receives with respect to Other Taxes owing by the Board to the Bank hereunder; *provided* that the Bank's failure to send such notice shall not relieve the Board of its obligations to pay such amounts hereunder.

(b) Indemnification for Taxes and Other Taxes. The Board shall, to the fullest extent permitted by law, indemnify the Bank for the full amount of Taxes and Other Taxes including any Taxes or Other Taxes imposed by any jurisdiction on amounts payable under this Section 2.07 paid by the Bank or any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted; *provided*, that the Board shall not be obligated to indemnify the Bank for any penalties, interest or expenses relating to Taxes or Other Taxes to the extent arising from the Bank's gross negligence or willful misconduct as determined by a court of competent jurisdiction. Payments by the Board pursuant to this indemnification shall be made within thirty (30) days from the date the Bank makes written demand therefor, which demand shall be accompanied by a certificate describing in reasonable detail the basis thereof. The Bank agrees to repay to the Board any refund (including that portion of any interest that was included as part of such refund) with respect to Taxes or Other Taxes paid by the Board pursuant to this Section 2.07 received by the Bank for Taxes or Other Taxes that were paid by the Board pursuant to this Section 2.07 and to contest, with the cooperation and at the expense of the Board, any such Taxes or Other Taxes which the Bank or the Board reasonably believes not to have been properly assessed.

(c) Notice. Within thirty (30) days after the date of any payment of Taxes by the Board, the Board shall furnish to the Bank the original or a certified copy of a receipt evidencing payment thereof. The Board shall compensate the Bank for all reasonable losses and expenses sustained by the Bank as a result of any failure by the Board to so furnish such copy of such receipt.

(d) Survival. The obligations of the Board under this Section 2.07 shall survive the termination of this Agreement.

Section 2.08 Security. The Board and the Bank intend that the payment of principal and interest on Bank Certificates, together with the obligations of the Board under this Agreement, shall have the benefit and security of the Indenture, as provided therein. The payment of principal and interest on Bank Certificates, together with the obligations of the Board under this Agreement, shall be on a parity with the Certificates, secured in accordance with and subject to the terms of the Indenture by a pledge of and first Lien on (i) all right, title and interest of the Trustee in and to the Improvements and each Acquisition Agreement, (ii) all right, title and interest of the Board in and to the Improvements now or subsequently acquired by the Board,

and in and to the Improvement Contracts between the Board and any Contractor, and any duly authorized and executed amendments to them; (iii) all right, title and interest of the Board in each Acquisition Agreement and each Purchase Contract, but excluding the Board's option to terminate or renew a Purchase Contract as described in the Indenture; (iv) all right, title and interest of the Trustee in and to each Purchase Contract; (v) all right, title and interest of the Board in and to amounts on deposit from time to time in the funds and accounts created pursuant to the Indenture, subject to the provisions of the Indenture; and (vii) amounts on deposit in all funds, accounts and sub-accounts established under the Indenture (collectively, the "Trust Estate").

ARTICLE III

INTEREST RATES; PAYMENTS

Section 3.01 Certificates to Bear Interest at Bank Rate; Other Interest Provisions.

(a) Bank Rate. Any Certificate purchased by the Bank pursuant to this Agreement shall thereupon become a Bank Certificate and shall bear interest at the Bank Rate for the period commencing from the date that the Bank shall have purchased said Certificate and, subject to Section 2.04(c), continuing until said Certificate is paid in full or remarketed as provided in Section 2.04(b). The Bank shall give telephonic notice, confirmed in writing, to the Board on the Business Day preceding each Interest Payment Date of the interest payment due on Bank Certificates on such date. The failure of the Bank to give any notice shall not limit or otherwise affect the obligation of the Board to pay interest on the Bank Certificates at the rates specified in this Section 3.01.

(b) Default Rate. If the principal amount of any Bank Certificate, or any other obligation of the Board under this Agreement or the Bank Certificates (including, to the extent permitted by law, any interest payment required thereunder) is not paid when due (whether by acceleration, redemption or otherwise), such overdue principal payment or other obligation shall bear interest from the date such principal amount or other obligation, as the case may be, was due until paid in full (after as well as before judgment) at the Default Rate, such interest to be payable on demand. If at any time an Event of Default has occurred and is continuing, the principal amount of any Bank Certificate, or any other obligation of the Board under this Agreement or the Bank Certificates (including, to the extent permitted by law, any interest payment required thereunder) shall bear interest from the date such principal amount or other obligation, as the case may be, was due until paid in full (after as well as before judgment) at the Default Rate, such interest to be payable on demand.

(c) Deferred Interest. For any period during which Bank Certificates are outstanding and as to each monthly interest period, in the event that the amount of interest which would be payable on the Bank Certificates (calculated at the Bank Rate for a monthly interest period, or in the case of the payment of the Differential Interest Amount, if any, on a Bank Certificate for the period from the date of the first day of the current interest period through but not including the date on which such Bank Certificate is remarketed or paid) exceeds the Maximum Interest Rate, the amount of such excess shall not be payable on the Interest Payment Date for such monthly interest period as interest on such Bank Certificates but shall be deferred

("Deferred Interest"). Deferred Interest shall be allocated among the Bank Certificates outstanding on such Interest Payment Date based upon the principal amount thereof and the length of time such Bank Certificates were outstanding during the monthly interest period related to such Interest Payment Date. Deferred Interest arising on any Interest Payment Date (i) shall to the extent permitted by law, bear interest (compounded monthly on each succeeding Interest Payment Date) at a rate per annum equal to the Bank Rate until paid in full and (ii) shall become payable, together with interest thereon, to the extent permitted by law, on the next succeeding Bank Interest Payment Date or Dates to the extent the interest (including Deferred Interest and to the extent permitted by law, interest on Deferred Interest) payable on the Bank Certificates (if any) for the monthly interest period ending on such Interest Payment Date does not exceed the Maximum Interest Rate for such monthly interest period. All amounts of interest payable on a Certificate which is a Bank Certificate, including without limitation, Deferred Interest (and interest thereon, to the extent permitted by law), for so long as such Certificate shall remain a Bank Certificate, shall constitute interest on such Certificate.

Section 3.02 Maturity; Interest. The Board agrees that, with respect to each Bank Certificate, (i) such Bank Certificate shall be paid in full no later than the Payment Date, if not earlier required to be paid under this Agreement; (ii) the Interest Component, if any, included in the Purchase Price for such Certificate shall be due and payable on the earlier of (a) the Interest Payment Date next following the Bank Purchase Date on which such Certificate became a Purchased Certificate or (b) the date on which such Purchased Certificate is remarketed or otherwise paid in full; (iii) the interest on the unpaid amount of each such Certificate from and including the applicable Bank Purchase Date shall be computed at a rate per annum equal to the Bank Rate as determined pursuant to Section 3.01; and (iv) interest payable pursuant to clause (iii) shall be payable (A) monthly on the first Business Day of each calendar month, (B) upon redemption (to the extent of the interest accrued on the amount being redeemed), (C) on the Payment Date, (D) after the Payment Date on demand, and (E) on the Bank Sale Date.

Section 3.03 Amortization of Bank Certificates. The Board agrees that it shall cause to be redeemed any Bank Certificates pursuant to the Indenture, such that the unpaid principal balance of all then outstanding Bank Certificates shall amortize, commencing on the Amortization Start Date, in six (6) approximately equal semi-annual installments of principal, payable on each Amortization Payment Date, with the last such redemption occurring on the Amortization End Date. The semi-annual amount to be redeemed, determined as of the date of acquisition, shall be rounded upward or downward, as appropriate, if necessary, to the nearest \$100,000. Notwithstanding the foregoing, the Bank's obligation to retain Bank Certificates pending redemption shall terminate and the Board shall cause the Bank Certificates to be paid in full at a price equal to the then principal amount thereof plus accrued interest thereon at the Bank Rate upon the related Bank Purchase Date or immediately, if currently held by the Bank, if an Event of Default shall have occurred and be continuing.

Section 3.04 Computations; Payments.

(a) Interest (including interest at the Default Rate), fees (other than the Commitment Fee) and other amounts payable to the Bank hereunder, including interest on Bank Certificates, shall be computed on the basis of a 365- or 366-day year, as applicable, and actual days elapsed. The Commitment Fee shall be computed on the basis of a 360-day year and actual

days elapsed. Any payments received by the Bank later than 3:30 p.m. (New York City time) on any day shall be deemed to have been paid on the next succeeding Business Day. All payments to the Bank hereunder shall be made in Dollars and in immediately available funds. Unless the Bank shall otherwise direct, all such payments shall be made by means of wire transfer of funds to the Bank through the Federal Reserve Wire System to the Federal Reserve Bank of New York for credit of JPMorgan Chase Bank, NA, ABA: 021-000-021, Account No.: _____, Ref: The Board of Trustees of the University of Illinois, or pursuant to such other direction as the Bank may specify in writing from time to time.

(b) Interest shall accrue during each period during which interest is computed from and including the first day thereof to but excluding the last day thereof. Any computation of the amounts due under this Article III, including, without limitation, the Bank Rate and Deferred Interest in connection with Bank Certificates, but excluding the computation of amounts required to be determined pursuant to the Indenture, shall be the obligation of the Bank and shall, absent manifest error, be binding on the Board and the Trustee.

(c) Payments made to the Bank under this Agreement shall first be applied to any fees, costs, charges or expenses payable to the Bank hereunder, next to any past due interest, next to any current interest due, and then to outstanding principal.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF THE BOARD

Section 4.01 Representations of the Board. The Board makes the following representations and warranties to the Bank as of the effective date of this Agreement and as of the effective date of any extension of the Stated Expiration Date (which representations and warranties shall survive the execution and delivery of this Agreement and any purchases of Eligible Certificates by the Bank):

(a) Existence. The Board is a body corporate and politic duly organized and validly existing under the laws of the State, has all necessary power to carry on its present activities, and has full power, right and authority to enter into this Agreement and the Related Documents to which it is a party and to perform each and all of the matters and things herein and therein provided for.

(b) Authorization; Contravention. The execution, delivery and performance by the Board of this Agreement and each Related Document are within the Board's powers, have been duly authorized by all necessary action, and do not and will not conflict with, or result in a violation of, the Board's charter, bylaws or other organizational documents, or any provision of law, including the Act, or any order, writ, judgment, injunction, decree, award, rule or regulation of any court or governmental agency or instrumentality binding upon or applicable to the Board, and do not and will not conflict with, result in a violation of, or constitute a default under, any resolution, agreement or instrument to which the Board is a party or by which the Board or any of its property is bound, which breach of such resolution, agreement or instrument would have a material adverse effect on the financial condition or results of operations of the Board.

(c) Binding Effect.

(i) This Agreement and the Related Documents constitute valid and binding agreements of the Board, enforceable in accordance with their respective terms.

(ii) The Indenture creates the pledge, lien and assignment which it purports to create to secure the Certificates (including the Bank Certificates), as and to the extent provided in the Indenture and, except as provided in the Indenture, the Board has not pledged or granted a lien, security interest or other encumbrance of any kind on the security pledged to the Certificates that is senior or superior to the pledge in favor of the Certificates and the Parity Indebtedness. Each of the statements set forth in Section 2.08 of this Agreement is true and correct.

(d) No Consent or Approval. No consent, approval, permit, authorization or order of, or registration or filing with, any court or governmental agency, authority or other instrumentality not already obtained, given or made is required on the part of the Board for the execution, delivery and performance by the Board of the Related Documents or this Agreement.

(e) Financial Information.

(i) The audited financial statements of the Board for the fiscal year ended June 30, 2008, as heretofore delivered to the Bank, fairly present the financial position of the Board at the end of such fiscal year and the results of operations for the year then ended, and have been prepared in conformity with GASB, consistently applied.

(ii) Except as described in writing to the Bank or as otherwise described in the Official Statement, since June 30, 2008 there has been no material adverse change in the financial position or results of operations of the Board or the Improvements.

(f) Litigation. There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, arbitrator, governmental agency or authority, or other board, body or official, pending for which written notice or service of process has been received or, to the best knowledge of the Board, threatened, questioning the validity of any proceeding taken or to be taken by the Board in connection with the execution, delivery and performance by the Board of the Related Documents or this Agreement or seeking to prohibit, restrain or enjoin the execution, delivery or performance by the Board of any of the foregoing or wherein an unfavorable decision, ruling or finding would adversely affect (i) the validity of the Act or any provision thereof material to the transactions contemplated by this Agreement, the Indenture or the other Related Documents, (ii) the validity or enforceability of, or the authority or ability of the Board to perform its obligations under, the Indenture, the other Related Documents or this Agreement, (iii) the ability of the Board to conduct its activities as presently conducted or as proposed or contemplated to be conducted under the terms of this Agreement, the Indenture and the other Related Documents or (iv) the exemption of interest on the Certificates from Federal income taxes.

(g) No Sovereign Immunity. The defense of sovereign immunity is not available to the Board in any proceeding by the Bank to enforce any of the obligations of the Board under this Agreement or the Certificates and, to the fullest extent permitted by law, the

Board agrees not to assert the defense of sovereign immunity in any proceeding by the Bank; *provided, however*, that no representation is made as to the availability to the Board under the laws of the State of Illinois of sovereign immunities with respect to jurisdiction, procedures and remedies.

(h) Employee Benefit Plans. The Board is exempt from ERISA. Retirement benefits are provided for substantially all full-time employees under a separately created retirement plan administered by the State Universities Retirement System of Illinois ("SURS"). The liability of SURS relating to University participants is not a liability of the Board. The Board provides all health and other employee benefit plans in accordance with all applicable laws and regulations.

(i) No Default. The Board is not in default under (i) its charter, by-laws or other organizational documents, (ii) any order, writ, injunction or decree of any court or Governmental Agency applicable to or binding on it or any of its properties, (iii) any law or regulation, (iv) any of its Indebtedness, (v) any contract, agreement or instrument to which it is a party or by which it or its property is bound, in each case, which default could have a material adverse effect on the financial condition or results of operations of the Board or an adverse effect on the validity or enforceability of, or the authority or ability of the Board to perform its obligations under, this Agreement and the Related Documents to which it is a party; and no event has occurred which with the giving of notice or the passage of time or both would constitute a default. No event, act or omission has occurred and is continuing which, with the lapse of time, the giving of notice, or both, would constitute an Event of Default.

(j) Official Statement. The Official Statement, copies of which have heretofore been delivered to the Bank, and any amendments or supplements thereto prepared prior to the Closing Date (a true copy of which shall be furnished to the Bank prior to the distribution thereof) do not, and in the case of any amendments or supplements prepared subsequent to the Closing Date (a true copy of which shall be furnished to the Bank prior to the distribution thereof) will not, as of their respective dates, contain any untrue statement of a material fact and do not and will not omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, except no representation is made as to information with respect to the book entry system with respect to the Certificates or the Bank included therein.

(k) Disclosure. No statement made by the Board in this Agreement or any Related Document or any document or financial statement provided by the Board to the Bank in connection with this Agreement contains or contained (as of the date made or furnished) an untrue statement of a material fact or omits or omitted (as of the date made or furnished) any material fact necessary to make the statements herein or therein not misleading under the circumstances in which they were made. Any financial, budget and other projections furnished to the Bank by the Board were prepared in good faith on the basis of the assumptions stated therein, which assumptions were fair and reasonable in light of conditions existing at the time of delivery of such financial, budget or other projections, and represented, and as of the Closing Date, represent the Board's best estimate of its future financial performance. There is no fact known to the Board which the Board has not disclosed to the Bank (in writing) that materially adversely affects, or in the future may (so far as the Board can reasonably foresee) materially

adversely affect, the principal operating functions of the Board, the Improvements, the validity or enforceability of this Agreement, the Certificates or any of the other Related Documents to which it is a party; *provided, however*, that no representation or warranty is made as to the effects of general economic conditions or the uncertainties inherent in the legislative and appropriation process.

(l) Tax-Exempt Status of Certificates. The Board has not taken any action, and knows of no action that any other person has taken, which would cause interest on the Certificates to be includable in the gross income of the recipients thereof for Federal income tax purposes.

(m) No Violation of Usury. The terms of this Agreement regarding the calculation and payment of interest and fees do not contravene any applicable usury laws.

(n) Pending Legislation. The Board knows of no legislation pending that could, if enacted, in the reasonable judgment of the Board, materially adversely affect the validity or enforceability of this Agreement or the Related Documents, or the ability of the Board to perform its obligations hereunder or under the Related Documents. No legislation has been enacted which, in the reasonable judgment of the Board, materially adversely affects the Certificates or the execution, delivery or performance of this Agreement or the Related Documents or the creation, organization or existence of the Board or the titles to office of any officers thereof, or the power of the Board to carry out its obligations under this Agreement or the Related Documents or the ability of the Board to perform its obligations hereunder or under the Related Documents.

(o) Federal Reserve Board Regulations. No part of the proceeds of any Certificates will be used for the purpose, whether immediate, incidental or ultimate, to purchase or carry any margin stock (within the meaning of Regulation T, U or X of the Board of Governors of the Federal Reserve System, as amended from time to time), or to extend credit to others for the purpose of purchasing or carrying any margin stock, or for any other purpose which would violate any of the regulations of said Board of Governors.

(p) Trustee and Remarketing Agent. The Bank of New York Mellon Trust Company, N.A. (or a successor or assign approved in accordance with this Agreement) is the duly appointed and acting Trustee, and J.P. Morgan Securities Inc. (or a successor or assign approved in accordance with this Agreement) is the duly appointed and acting Remarketing Agent with respect to the Certificates.

(q) Improvements are Essential. The use and operation of the Improvements are essential to the proper, efficient and economic operation of the University of Illinois, and the functions performed by the Improvements could not be transferred to other facilities available for the use of the University of Illinois.

(r) Incorporation of Representations and Warranties by Reference. The Board hereby makes to the Bank the same representations and warranties as are set forth in the Related Documents, which representations and warranties, as well as the related defined terms contained therein, are hereby incorporated by reference with the same effect as if each and every

such representation and warranty and defined term were set forth herein in its entirety. No amendment to such representations and warranties or defined terms made pursuant to the Related Documents shall be effective to amend such representations and warranties and defined terms as incorporated by reference herein without the written consent of the Bank.

ARTICLE V

COVENANTS OF THE BOARD

Section 5.01 Covenants of the Board. During the term of this Agreement, and until the obligations of the Board to the Bank hereunder are paid in full including full payment of the Bank Certificates, and the Bank has no further commitment hereunder, unless the Bank shall otherwise consent in writing, the Board covenants and agrees as follows:

(a) Information. The Board will deliver to the Bank:

(i) promptly after becoming available, but in any event by the later of 180 days after the end of each fiscal year of the Board or promptly after the Auditor General releases each report, a balance sheet of the Board as at the end of such fiscal year and statements of operations and fund balances and cash flows and changes in financial position for the fiscal year then ended, all in reasonable detail prepared in accordance with GASB consistently applied and any applicable regulations accompanied by a report and opinion of the Board's independent accountants (who shall be of nationally recognized standing) which report and opinion shall have been prepared in accordance with GASB, together with the audit report of such independent certified public accountants (which report shall not be qualified as to the conduct of such audit in accordance with generally accepted auditing standards). In addition, the Comptroller of the Board shall deliver to the Bank within said period a certificate stating that nothing has come to his attention to lead him to believe that any Event of Default hereunder exists or, if such is not the case, specifying such Event of Default and the nature thereof. Notwithstanding the foregoing, in the event that the foregoing deliveries are not available within 180 days after the end of each fiscal year of the Board, the Board shall deliver to the Bank a draft annual audit report of the Board containing a balance sheet of the Board as at the end of such fiscal year and statements of operations and fund balances and cash flows and changes in financial position for the fiscal year then ended, all in reasonable detail prepared in accordance with GASB consistently applied and any applicable regulations;

(ii) as soon as practicable and, in any event, within 60 days after the end of each fiscal quarter of the Board, a copy of the investment report and performance summary of the University of Illinois;

(iii) as soon as practicable and, in any event, within 60 days after each June 30 and December 31, a copy of the investment report of the University of Illinois setting forth the restricted and unrestricted investments of the University;

(iv) promptly, and in any event within ten (10) days after an Authorized Officer shall have obtained knowledge, of the occurrence of an Event of Default or Potential Default, the written statement of an authorized officer of the Board setting forth the

details of each such Event of Default or Potential Default and the action which the Board proposes to take with respect thereto;

(v) promptly, notice of any change, suspension or withdrawal in the ratings on the Certificates or the Board's Parity Indebtedness by either Moody's or S&P forthwith upon the occurrence thereof;

(vi) promptly, notice of the failure of the Board to make a payment under any other Indebtedness of the Board incurred pursuant to certificates of participation issued with respect to facilities, equipment or services leased or purchased by the Board or otherwise secured on a parity with the Certificates;

(vii) promptly (i) notice of the failure by the Remarketing Agent or the Trustee to perform any of their respective obligations under the Related Documents to which such entity is a party, and (ii) notice of any proposed substitution of this Agreement;

(viii) promptly upon receipt of the written request therefor from the Bank, copies of all management letters of substance and other reports of substance that are submitted to the Board by its independent accountants in connection with any annual or interim audit of the books of the Board made by such accountants;

(ix) promptly, after the filing thereof, any material event notices or other filing required to be filed pursuant to Securities and Exchange Commission Rule 15c2-12 or pursuant to any continuing disclosure agreement entered into by the Board from time to time;

(x) promptly, notice of any redemption, repayment or other payment or conversion to a Fixed Rate of any or all of the Certificates;

(xi) promptly, notice of any proposed amendments to Related Documents and copies of all actual amendments thereto; and

(xii) from time to time such other information with respect to the affairs, properties, business, revenues, condition (financial or other), results of operations or prospects of the Board or with respect to the Certificates and the transactions contemplated hereby and by the Related Documents as the Bank may from time to time reasonably request.

(b) No Amendment Without Consent of the Bank. The Board will not agree or consent to any amendment, supplement or modification of any Related Document, nor waive any provision thereof, in a manner relating in any way to this Agreement or the Bank, or having a material adverse effect on the security for the Certificates, the Bank Certificates or any other obligations of the Board to the Bank or the Board's ability to pay the Certificates or the Bank Certificates or perform its obligations under this Agreement, the Indenture or any Related Document to which the Board is a party, or on the rights or remedies of the Bank, without the prior written consent of the Bank, it being understood by the Board and the Bank that in any event no amendment or modification to Section 10.1 and 10.2 of the Original Indenture and Section 2.1(d), 2.1(e) and (f) of the Purchase Contract shall be effective without the prior written consent of the Bank.

(c) Maintenance of Remarketing Agent. The Board will at all times have a Remarketing Agent with respect to the Certificates performing the duties thereof contemplated by the Second Supplemental Indenture. The Board agrees to use its best efforts to have the Remarketing Agent replaced, at the request of the Bank, in the event the Bank holds any Bank Certificates for a period exceeding sixty (60) days.

(d) Trustee and Remarketing Agent. The Board shall not appoint any Person to perform the duties of the Trustee or the Remarketing Agent in accordance with the terms of the Indenture, without the consent of the Bank, which consent shall not be unreasonably withheld, delayed or conditioned.

(e) Incorporation of Covenants by Reference. The Board agrees that it will perform and comply with each and every covenant and agreement required to be performed or observed by it in the Indenture and the other Related Documents, which provisions, as well as related defined terms contained therein, are hereby incorporated by reference herein with the same effect as if each and every such provision were set forth herein in its entirety. To the extent that (i) any such incorporated provision permits any Person to waive compliance with or consent to such provision or requires that a document, opinion or other instrument or any event or condition be acceptable or satisfactory to any Person and (ii) any such waiver or consent or acceptance of a document, opinion or other instrument would adversely affect the interests of the Bank, for purposes of this Agreement, such provision shall be complied with only if it is waived or consented to in writing by the Bank and such document, opinion or other instrument shall be acceptable or satisfactory only if it is acceptable or satisfactory to the Bank. Without the written consent of the Bank, no amendment to such covenants and agreements or defined terms made pursuant to any certificate or any other Related Document shall be effective to amend such covenants and agreements and defined terms as incorporated by reference herein.

(f) Liquidity.

(i) The Board agrees to use its best efforts to obtain a Substitute Liquidity Facility to replace or otherwise amend this Agreement in the event (x) the Bank shall decide not to extend the Stated Expiration Date (such replacement to occur on or before the Stated Expiration Date), (y) there shall have occurred a Mandatory Tender Date of any Certificates under the Indenture or (z) the Bank shall furnish a Notice of Termination pursuant to Section 7.02(b) to the Trustee unless, in each event, the Board has provided funds (which may be remarketing proceeds) for the purchase of all Bank Certificates at par plus accrued interest through the purchase date and notifies the Bank in writing of its decision not to provide a Substitute Liquidity Facility.

(ii) The Board agrees that any Substitute Liquidity Facility will require, as a condition to the effectiveness of that Substitute Liquidity Facility, that the issuer of the Substitute Liquidity Facility or the Board provide funds (which may be remarketing proceeds) on the Substitution Date, for the purchase of all related Bank Certificates at par plus accrued interest (at the Bank Rate) through the Substitution Date. On the Substitution Date or on any date the Board provides the funds required by clause (i) of this paragraph if no Substitute Liquidity Facility is to be provided, the Board shall pay in full all other amounts due hereunder

(including, without limitation, any Differential Interest Amount, all Deferred Interest and unpaid interest thereon).

(g) Tax Status of the Certificates. The Board shall not take any action or omit to take any action which, if taken or omitted, would adversely affect the exemption of interest on the Certificates from Federal income taxes.

(h) Maintenance of Books and Records. The Board will keep proper books of record and account in which full, true and correct entries in accordance with GASB will be made of all dealings or transactions in relation to its business and activities.

(i) Access to Officers, Employees or Agents. The Board will permit its officers, employees and agents to discuss with the Bank matters pertinent to an evaluation of the credit of the Board, all at such reasonable times as the Bank may reasonably request and at the expense of the Board upon and during the continuance of an Event of Default.

(j) Restriction on Use of Proceeds. The Board will not apply the proceeds of amounts advanced hereunder for any purpose other than the payment of the purchase price of unremarketed Certificates.

(k) Inspection of Records. At any reasonable time and upon reasonable notice from time to time, and at the expense of the Board upon and during the continuance of an Event of Default, the Board shall permit the Bank or any agents or representatives thereof designated in writing (i) to visit and inspect any of the properties of the Board, and to discuss the affairs, finances and accounts of the Board with, and to be advised as to the same by, the principal officers and employees of the Board and its independent public accountants, all at such reasonable times during normal business hours and as often as the Bank may reasonably request, and (ii) to review and inspect the corporate books and financial records of the Board and to make copies thereof and extracts therefrom.

(l) Compliance with Law. The Board shall comply with all laws, rules and regulations, and with all final orders, writs, judgments, injunctions, decrees or awards of any court or Governmental Agency, which are applicable to the Board or any of its properties the failure to comply with which could reasonably be determined to have a material adverse effect on the financial condition or results of operations of the Board; *provided, however*, that the Board may contest the validity or application thereof and appeal or otherwise seek relief therefrom, and exercise any and all of the rights and remedies which it may have with regard thereto, so long as such acts do not affect the validity or enforceability of, or the power and authority of the Board to perform its obligations under, this Agreement and the Related Documents to which it is a party.

(m) Proceeds of Certificates. No part of the proceeds of the Certificates or any advance hereunder will be used to purchase or carry any margin stock or to extend credit to others for the purpose of purchasing or carrying margin stock.

(n) Payment of Obligations. The Board shall take such action as necessary to cause payment of the Certificates, and shall take such further action as is appropriate in order to provide for payment of any and all of its obligations hereunder.

(o) Further Assurances. From time to time hereafter, the Board will execute and deliver such additional instruments, certificates or documents, and will take all such actions as the Bank may reasonably request for the purposes of implementing or effectuating the provisions of this Agreement and each of the Related Documents.

(p) Preservation of Existence. The Board will not directly or indirectly:

(i) Terminate, wind up, liquidate or dissolve its affairs or sell, transfer, convey or lease (whether in a single transaction or a series of transactions) all or substantially all of its properties or assets.

(ii) Consolidate or merge with or into any other corporation, organization, partnership, association, government, political subdivision, public benefit corporation or other entity, including an individual, unless:

(A) neither the validity nor enforceability of the Second Supplemental Indenture, the Certificates or the Indenture, nor the exemption of interest on the Certificates from Federal income taxes shall be adversely affected thereby;

(B) such merger or consolidation shall be with or into another body politic and corporate, which shall assume in writing or by operation of law, the due and punctual performance and observance of all covenants, agreements and conditions of the Certificates, the Purchase Contract, the Acquisition Agreement, the Indenture and this Agreement;

(C) the pledge of the Trust Estate shall remain in full force and effect with respect to the Certificates (including the Bank Certificates) and the other obligations of the Board under this Agreement and the priority of such pledge shall remain the same as in effect prior to such merger or consolidation; and

(D) no Potential Default or Event of Default will have occurred and be continuing, both before and after giving effect to such merger or consolidation; and

At least thirty (30) days before the consummation of any such consolidation or merger, the Board shall give notice thereof in reasonable detail to the Bank. The Board promptly shall furnish such additional information with respect to any such consolidation or merger as the Bank shall request and, if the Bank shall so request, an opinion of counsel satisfactory to the Bank, in form and substance satisfactory to the Bank, as to the matters set forth in subparagraphs (A), (B) and (C) of this subsection (p)(ii).

(q) Liens, Etc. The Board shall not create or suffer to exist any Lien upon or with respect to any of the funds or accounts created under the Indenture except those Liens specifically permitted under the Indenture.

(r) Disclosure. The Board shall not refer to the Bank in any official statement or make any changes in reference to the Bank in any official statement without the Bank's prior written consent thereto. The Bank hereby consents to the inclusion of the disclosure information describing the Bank that has been specifically provided for purposes of the Official Statement.

(s) Additional Obligations. The Board shall not issue or cause to be issued any certificates, notes or similar obligations payable from the Trust Estate or any other amounts, accounts or other property held under the Indenture except as expressly provided in the Indenture.

(t) Bank Certificate Ratings. At any time Bank Certificates are Outstanding, upon the request of the Bank or any other institution that owns such Bank Certificates or a beneficial interest therein, the Board at its expense, within thirty (30) days following receipt of such request, (i) shall obtain from at least one of the Rating Agencies then rating the Certificates, a rating specifically assigned to such Bank Certificates and (ii) shall ensure that the CUSIP number and the rating assigned to such Bank Certificates are available electronically to the Bank pursuant to a third-party provider of such information.

(u) Issuance of Indebtedness, Conversion of Certificates or Delivery of Substitute Liquidity Facility. If at any time the Prime Rate shall exceed 8.50% per annum, the Board shall within ninety (90) days thereafter either (i) offer for sale or cause to be offered for sale certificates, including Bank Certificates, or other indebtedness in an amount sufficient to pay the outstanding amount of all Certificates, (ii) offer for sale or cause to be offered for sale the Certificates such that upon a successful sale, the Certificates would be converted to an Interest Rate Period (as defined in the Second Supplemental Indenture) which does not require the maintenance of a Liquidity Facility (as defined in the Second Supplemental Indenture), or (iii) cause the delivery to the Trustee of a Substitute Liquidity Facility in compliance with the Second Supplemental Indenture.

(v) Budget Requests. For each fiscal year of the State during the term of this Agreement, the Board will include in its annual budget request for the University of Illinois to the General Assembly of the State for each appropriation period a request for an appropriation for the University of Illinois sufficient to make 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 Board covenants to include in each annual operating budget for the University of Illinois an amount of Legally Available Non-Appropriated Funds which, when combined with State appropriated funds, will be sufficient to make the Installment Payments and Additional Payments when due in each fiscal year.

(w) Waiver of Sovereign Immunity. The Board covenants and agrees to waive any current or future right to sovereign immunity and agrees that it is and shall be subject to claims, suits, and legal process in connection with this Agreement and the Related Documents and the transactions contemplated hereby and thereby; *provided, however*, that no waiver is made as to any sovereign immunities under the laws of the State of Illinois with respect to jurisdiction, procedures, and remedies.

ARTICLE VI

CONDITIONS PRECEDENT

Section 6.01 Conditions to Bank's Entering into Agreement. It shall be a condition precedent to the Bank's entering into this Agreement that all proceedings taken in connection with the transactions contemplated hereby and all documents incident thereto including the Related Documents shall be in form and substance satisfactory to the Bank and that the conditions enumerated in this Section 6.01 have been fulfilled to the satisfaction of the Bank and its counsel, Winston & Strawn LLP. Delivery by the Bank of fully executed signature pages to this Agreement shall constitute acknowledgment and acceptance by the Bank that all such conditions have been met or waived.

(a) Representations. On the date of the execution and delivery of this Agreement: (i) there shall exist no Event of Default or Potential Default, (ii) all representations and warranties made by the Board herein or in any of the Related Documents to which it is a party shall be true and correct with the same effect as though such representations and warranties had been made at and as of such time, (iii) except as described in the Official Statement, no material adverse change in the financial condition, operations or prospects of the Board shall have occurred since June 30, 2008, and (iv) except as described in writing to the Bank or as otherwise disclosed in the Official Statement, no transaction or event shall have occurred and no change shall have occurred in the condition (financial or otherwise) or operations of the Board between the date of the Board's most recent audited financial statements and the effective date of this Agreement which materially adversely affects the issuance of the Certificates, the security for the Certificates or the Board's ability to repay when due its obligations under this Agreement and the Related Documents.

(b) Supporting Documents. On or prior to the date of the execution and delivery of this Agreement, the Bank shall have received, in form and substance satisfactory to the Bank, the following:

(i) true and complete executed originals of this Agreement and the Custody Agreement;

(ii) executed originals of the Indenture, the Remarketing Agreement and each other Related Document not specified in (i) above;

(iii) certified copies of the resolutions of the Board approving this Agreement, the Related Documents and the other matters contemplated hereby (which certificate shall state that such resolutions are in full force and effect as of the Closing Date), and certified copies of the Board's by-laws and the Act;

(iv) originals (or copies certified to be true copies by the Board) of all governmental and regulatory approvals, if any, at the time necessary for the Board with respect to this Agreement and the transactions contemplated hereby;

(v) signature and incumbency certificates, dated the date of the execution and delivery of this Agreement, of the signatures of the officers of the Board executing

this Agreement and the Related Documents to which it is a party and which are being delivered on the date of this Agreement;

(vi) a certificate of the Board, dated the date of the execution and delivery of this Agreement, to the effect set forth in Section 6.01(a);

(vii) executed legal opinions, dated the date of the execution and delivery of this Agreement, addressed to the Bank and in form and substance satisfactory to the Bank, (A) of Certificate Counsel covering such matters as the Bank may reasonably request; and (B) of counsel to the Board covering such matters as the Bank may reasonably request; and

(viii) such other documents, instruments, approvals (and, if requested by the Bank, certified duplicates of executed copies thereof) or opinions as the Bank may reasonably request.

(c) Certain Payments. On the date of the execution and delivery of this Agreement the Board shall have paid the fees and expenses of counsel to the Bank as provided in Section 8.12.

(d) CUSIP Numbers. The Bank shall have received evidence satisfactory to the Bank that the Certificates have been assigned separate CUSIP numbers in the event that they become Bank Certificates.

(e) Ratings. The Bank shall have received satisfactory evidence that the Certificates shall have been assigned a long term rating of "Aa3" by Moody's, and "AA-" by S&P, and a short term credit rating of "VMIG-1" by Moody's and "A-1+" by S&P.

Section 6.02 Conditions Precedent to Each Purchase. (a) The obligation of the Bank to purchase Eligible Certificates hereunder on any date is subject to the satisfaction of the following conditions, unless waived in writing by the Bank:

(i) No Immediate Termination Event shall have occurred;

(ii) No Suspension Event shall have occurred and be continuing; and

(iii) The Bank shall have timely received the Notice of Bank Purchase(s) as provided in Section 2.02 hereof.

(b) Each notification delivered pursuant to clause (iii) of Section 6.02(a) hereof shall constitute a representation and warranty by the Board on each Bank Purchase Date that, to its knowledge, each of the conditions described in the clauses (i) and (ii) of Section 6.02(a) have been satisfied on such Bank Purchase Date.

ARTICLE VII

EVENTS OF TERMINATION; REMEDIES

Section 7.01 Events of Termination. Each of the following events shall constitute an "Event of Default" hereunder:

(a) any principal or interest due on the Certificates (including any Bank Certificates) is not paid when due, whether on any regularly scheduled interest payment date, at maturity, upon redemption or acceleration (but not with respect to acceleration pursuant to Section 3.03 hereof), or otherwise;

(b) nonpayment of any other amounts payable by the Board to the Bank when and as due hereunder;

(c) any representation or warranty made by the Board in this Agreement (or incorporated herein by reference) or in any of the other Related Documents or in any certificate, document, instrument, opinion or financial or other statement contemplated by or made or delivered pursuant to or in connection with this Agreement or with any of the other Related Documents, shall prove to have been incorrect, incomplete or misleading in any material respect when made or deemed to have been made;

(d) default in the due observance or performance by the Board of any covenant set forth (or incorporated by reference) in Article V (other than Section 5.01(a)(i), (a)(ii), (a)(iii) and (v)-(xii), (l), and (o));

(e) default in the due observance or performance by the Board of any other term, covenant or agreement set forth (or incorporated by reference) in this Agreement and the continuance of such default for thirty (30) days after the occurrence thereof;

(f) one or more final, unappealable judgments against the Board for the payment of money, and not covered by insurance, or attachments against the property of the Board, the operation or result of which, individually or in the aggregate, equal or exceed \$10,000,000 shall remain unpaid, unstayed, undischarged, unbonded or undismissed for a period of sixty (60) days;

(g) a proceeding is instituted in a court having jurisdiction in the premises seeking an order for relief, rehabilitation, reorganization, conservation, liquidation or dissolution in respect to the Board or for any substantial part of its property under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or for the appointment of a receiver, liquidator, assignee, custodian, trustee or sequestrator (or other similar official) and such proceeding is not terminated within sixty (60) days of commencement or such court enters an order granting the relief sought in such proceeding, or the Board shall institute or take any corporate action for the purpose of instituting any such proceeding, or a moratorium, debt restructuring, debt adjustment, or comparable extraordinary restriction with respect to the payment of principal or interest on the Certificates or any other Parity Indebtedness of the Board is declared by any Governmental Authority of competent jurisdiction, or the Board shall become insolvent or unable to pay its debts as they mature, shall commence a voluntary case under any

applicable bankruptcy, insolvency or other similar law now or hereafter in effect, shall consent to the entry of an order for relief in an involuntary case under any such law or shall consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian or sequestrator (or other similar official) of the Board or for any substantial part of its property, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or the Board shall declare a moratorium, debt restructuring, debt adjustment, or comparable extraordinary restriction with respect to the payment of principal of or interest on the Certificates or any other Parity Indebtedness of the Board, or shall take any corporate action in furtherance of any of the foregoing;

(h) (i) this Agreement, the Indenture or the Certificates or any material provision hereof or thereof with respect to the payment of principal or interest on the Certificates (including Bank Certificates) or with respect to the Security therefor shall for any reason cease to be valid and binding on the Board, or the Board shall deny that the Board has any or further liability under this Agreement, the Indenture or the Certificates or any material provision hereof or thereof with respect to the payment of principal or interest on the Certificates (including Bank Certificates) or with respect to the Security therefor, or (ii) this Agreement, the Indenture or the Certificates or any material provision hereof or thereof with respect to the payment of principal or interest on the Certificates (including Bank Certificates) or with respect to the Security therefor shall in a judicial proceeding or any other official action commenced by the Board, be contested by the Board in said proceeding or action, or (iii) any court shall have ruled pursuant to a final judgment or order, or any other Governmental Board having jurisdiction shall find or rule, that this Agreement, the Indenture or the Certificates or any material provision hereof or thereof with respect to the payment of principal or interest on the Certificates (including Bank Certificates) or with respect to the Security therefor is null and void, invalid, unenforceable or not binding on the Board;

(i) (i) the long-term rating of the Certificates or any Parity Indebtedness is lowered below "BBB-" (or its equivalent) by S&P and below "Baa3" (or its equivalent) by Moody's, or such long-term ratings are suspended or withdrawn by S&P and Moody's for credit-related reasons; or (ii) the long-term rating of the Certificates or any Parity Indebtedness is lowered below "A+" (or its equivalent) by S&P and below "A1" (or its equivalent) by Moody's;

(j) the occurrence of an "event of default" under any of the Related Documents which is not cured within any applicable cure period shall occur which, if not cured, would give rise to remedies available thereunder;

(k) the Board shall (i) default in any payment of principal of, premium, if any, or interest on any Parity Indebtedness, other than Indebtedness owed pursuant to this Agreement; or (ii) default in the observance or performance of any other agreement or condition relating to any such Parity Indebtedness (other than by virtue of an Event of Default under this Agreement) or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause, or to permit the holder or holders of such Parity Indebtedness (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, with the giving of notice if required, such Parity Indebtedness to become due and payable; or

(l) a default shall occur and be continuing under any other agreement between the Board and the Bank or under any other obligation owed by the Board to the Bank.

Section 7.02 Event of Default Remedies. If any Event of Default shall have occurred and be continuing:

(a) In the case of an Event of Default specified in Section 7.01(a), (f), (g), (h)(i), (h)(iii), (i)(i) or (k)(i) (each an "Immediate Termination Event"), the Available Commitment and the obligation of the Bank to purchase Certificates shall immediately terminate without prior notice or demand, and thereafter the Bank shall be under no obligation to purchase Certificates. Promptly after the Bank receives notice or otherwise becomes aware of the occurrence of an Immediate Termination Event, the Bank shall give written notice of the same to the Board, the Trustee and the Remarketing Agent; *provided*, that the Bank shall incur no liability or responsibility whatsoever by reason of its failure to receive or give such notice and such failure shall in no way affect the termination of the Bank's Available Commitment and of its obligation to purchase Certificates pursuant to this Agreement.

(b) In the case of an Event of Default other than as set forth in Section 7.02(a) hereof, the Bank may terminate the Available Commitment by giving written notice (a "Notice of Termination") to the Board, the Remarketing Agent and the Trustee, specifying the date on which the Available Commitment shall terminate (the "Termination Date"), which shall be not less than thirty (30) days from the date of receipt of such notice by the Trustee, and on and after the Termination Date the Bank shall be under no further obligation to purchase Certificates hereunder.

(c) Upon the occurrence and during the continuance of a Potential Default described in Section 7.01(g) or (h)(iii) hereof or an Event of Default described in Section 7.01(h)(ii) (each a "Suspension Event"), the obligation of the Bank to purchase Certificates hereunder shall be immediately and automatically suspended, without notice, and the Bank shall be under no further obligation hereunder to purchase Certificates, until the final judgment or order or moratorium referred to in Section 7.01(h)(iii) shall be paid, discharged, vacated, bonded, dismissed, lifted or stayed, or the Board's obligations or the Security being contested pursuant to Section 7.01(h)(ii) are upheld in their entirety, or the bankruptcy, insolvency or similar proceeding referred to in Section 7.01(g) is terminated prior to the court entering an order granting the relief sought in such proceeding, respectively. In the event any such proceeding is terminated or such final judgment or order or moratorium is paid, discharged, vacated, bonded, dismissed, lifted or stayed, then the obligations of the Bank hereunder shall be automatically reinstated and the terms of the Indenture shall continue in full force and effect (unless the obligation of the Bank to purchase Certificates hereunder shall otherwise have terminated as provided in this Section 7.02) as if there had been no such suspension. Promptly after the Bank receives notice or otherwise becomes aware of the occurrence of a Suspension Event, the Bank shall give written notice of the same to the Board, the Trustee and the Remarketing Agent; *provided*, that the Bank shall incur no liability or responsibility whatsoever by reason of its failure to receive or give such notice and such failure shall in no way affect the suspension of the Bank's Available Commitment and of its obligation to purchase Certificates pursuant to this Agreement. In the event any Potential Default described in Section 7.01(g) or (h)(iii) hereof

becomes an Event of Default, this Agreement shall terminate pursuant to the terms of Section 7.02(a) hereof.

(d) In addition to the rights and remedies set forth in Section 7.02(a), (b) and (c), in the case of any Event of Default specified in Section 7.01, upon the election of the Bank, the Bank shall have all the rights and remedies available to it under this Agreement, the Related Documents, or otherwise pursuant to law or equity.

Section 7.03 Certain Other Matters. No failure or delay on the part of the Bank in exercising any right, power or privilege hereunder and no course of dealing shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein expressly provided are cumulative and not exclusive of any rights or remedies which the Bank would otherwise have. No notice to or demand on the Board or any other Person hereto in any case shall entitle the Board or such other Person to any other or further notice or demand in similar or other circumstances or constitute a waiver of the rights of the Bank to any other or further action in any circumstances without notice or demand.

ARTICLE VIII

MISCELLANEOUS

Section 8.01 Changes to Agreement. No provision of this Agreement may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the parties hereto. The Board shall give notice to S&P and Moody's of any amendments to this Agreement.

Section 8.02 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the respective successors and assigns of the parties hereto; *provided, however*, that the Board may not assign or transfer any of its rights or obligations hereunder without the prior written consent of the Bank; and *provided, further, however*, with respect to the Bank, no assignment shall occur and become effective until each of S&P and Moody's, if then rating the Certificates, has confirmed in writing that such assignment shall not cause the lowering, withdrawal or suspension of any ratings then existing on the Certificates. The Bank shall have the right at any time to grant participations in all or part of its obligations hereunder and the obligations of the Board hereunder to any other institutional purchaser (the "Participants") without the consent of or notice to the Board or any other Person; *provided, however*, that notwithstanding anything herein to the contrary, the Bank shall not grant participations in all or part of its obligations hereunder unless such participation is subject in all cases to the provisions of this Agreement (including, but not limited to, the obligation to put the Bank Certificates back to the Remarketing Agent if the Remarketing Agent can remarket such Certificates); and *provided, further* that any such participation shall not relieve the Bank from any of its obligations under this Agreement and the Board, the Trustee and the Remarketing Agent may deal exclusively with the Bank for all purposes of this Agreement (including the making of all payments on Bank Certificates). The Bank may disclose to any Participant or prospective Participant any information or other data or material in the Bank's possession

relating to this Agreement, any Related Document and the Board, without the consent of or notice to the Board.

Section 8.03 Governing Law. This Agreement shall be governed by, and construed in accordance with, the internal laws of the State.

Section 8.04 Submission to Jurisdiction; Waiver of Jury Trial.

(a) THE BOARD, THE TRUSTEE AND THE BANK IRREVOCABLY AGREE TO THE EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF ILLINOIS (INCLUDING, WITHOUT LIMITATION, THE ILLINOIS COURT OF CLAIMS) AND THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS. EACH OF THE BOARD, THE TRUSTEE AND THE BANK REPRESENTS AND WARRANTS THAT IT HAS DULY AND VALIDLY SUBMITTED TO THE JURISDICTION OF THE COURTS OF THE STATE OF ILLINOIS AND THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS. EACH OF THE BOARD, THE TRUSTEE AND THE BANK ACKNOWLEDGES AND AGREES THAT EACH PARTY RETAINS ANY RIGHT IT MAY HAVE TO SEEK TO TRANSFER OR CHANGE THE VENUE OF ANY LITIGATION BROUGHT BY OR AGAINST THE BOARD, THE TRUSTEE AND/OR THE BANK IN ACCORDANCE WITH THIS SECTION SO LONG AS THE COURT TO WHICH SUCH LITIGATION IS SOUGHT TO BE TRANSFERRED IS A COURT OF THE STATE OF ILLINOIS (INCLUDING, WITHOUT LIMITATION, THE ILLINOIS COURT OF CLAIMS) OR THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS.

(b) THE BANK, THE TRUSTEE AND THE BOARD EACH HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO ANY RELATED DOCUMENT OR THE TRANSACTIONS CONTEMPLATED THEREBY. THE BOARD FURTHER AGREES THAT, IN THE EVENT OF LITIGATION, IT WILL NOT PERSONALLY OR THROUGH ITS AGENTS OR ATTORNEYS SEEK TO REPUDIATE THE VALIDITY OF THIS SECTION 8.04, AND IT ACKNOWLEDGES THAT IT FREELY AND VOLUNTARILY ENTERED INTO THIS AGREEMENT TO WAIVE TRIAL BY JURY IN ORDER TO INDUCE THE BANK TO ENTER INTO THIS AGREEMENT.

Section 8.05 Extension of Bank Purchase Period. The Stated Expiration Date may be extended from time to time, at the request of the Board (in the form of Exhibit C attached hereto) made no earlier than ninety (90) days prior to the Stated Expiration Date, by agreement in writing between the Board and the Bank (the period from the preceding Stated Expiration Date to such new Stated Expiration Date being herein sometimes called the "Extended Bank Purchase Period"). The Extended Bank Purchase Period may itself be extended in a like manner for additional periods. The Bank has no obligation to agree to any Extended Bank Purchase Period. If the Bank, in its sole and absolute discretion, determines to extend any such period, the Bank shall give written notice of the election to extend to the Board, the Trustee and the Remarketing Agent at least sixty (60) days prior to the expiration of the then Stated Expiration Date. At the time of any extension, the Bank may, in its sole and absolute discretion, renegotiate terms and conditions of this Agreement, including the commitment fees and the Bank Rate.

Notwithstanding anything in this paragraph to the contrary, if the Bank fails to give notice of an election to extend, this Agreement shall expire at the end of the Bank Purchase Period or Extended Bank Purchase Period then in effect.

Section 8.06 Right of Set-Off. The Bank shall, upon the occurrence of any Event of Default, have the right to appropriate and apply to the payment of any and all obligations of the Board under this Agreement any and all balances, credits, deposits, accounts or moneys of the Board then or thereafter with the Bank. The Bank agrees to notify the Board promptly of any actual exercise by the Bank of right of set-off pursuant to this Section; *provided* that the failure of the Bank to provide such notice shall not limit or negate the Bank's right of set-off.

Section 8.07 Notice. Any notice, demand, direction, request or other instrument authorized or required by this Agreement to be given to or filed with the Trustee, the Remarketing Agent, the Bank or the Board, shall be deemed or have been sufficiently given or filed for all purposes, if any, when delivered by hand or when sent by registered mail, return receipt requested, postage prepaid, and if given by telecopy shall be deemed given when transmitted (receipt confirmed):

If to the Trustee:

The Bank of New York Mellon Trust Company, N.A.
2 North LaSalle, Suite 1020
Chicago, Illinois 60602
Attention: Corporate Trust Department
Telephone: (312) 827-8629
Telecopy: (312) 827-8522

If to the Bank:

JPMorgan Chase Bank, National Association
270 Park Avenue
New York, New York 10017
Mail Code: NY1-K934
Attention: David Weinstein, Executive Director,
Tax-Exempt Capital Markets - Credit
Origination
Telephone: (212) 270-4948
Telecopy: (212) 270-4251

with a copy to:

JPMorgan Chase Bank, National Association
Loan and Agency Services
1111 Fannin, 10th Floor
Houston, Texas 77002
Attention: Account Manager
Telephone: (713) 750-2218 / 2503

Telecopy: (713) 750-2782

If to the Remarketing Agent:

J.P. Morgan Securities Inc.
270 Park Avenue, 6th Floor
New York, New York 10017
Attention: Peter McCarthy or Brian Gonor
Telephone: (212) 834-7224
Telecopy: (917) 456-3554

If to the Board:

The Board of Trustees of the University of Illinois
c/o Comptroller, University of Illinois
506 South Wright Street
349 Henry Administration Building, MC-352
Urbana, Illinois 61801
Telephone: (217) 244-8108
Telecopy: (217) 333-1566

Section 8.08 Obligations Absolute. The obligations of the Board under this Agreement shall be absolute, unconditional and irrevocable, and shall be paid and performed strictly in accordance with the terms of this Agreement, under all circumstances whatsoever, including, without limitation, the following circumstances:

- (a) any lack of validity or enforceability of the Related Documents;
- (b) any amendment or waiver of or any consent to or departure from all or any of the Related Documents;
- (c) any exchange, release or non-perfection of any collateral or any release or amendment or waiver of or consent to departure from any guaranty and insurance documents;
- (d) the existence of any claim, set-off, defense, or other right which the Board may have at any time against the Trustee, the Remarketing Agent, the Bank (other than the defense of the payment to the Bank in accordance with the terms of this Agreement) or any other Person, whether in connection with this Agreement, the Related Documents or any unrelated transactions;
- (e) any certificate, notice or any other document presented under this Agreement proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect whatsoever; or
- (f) any other circumstance, or happening whatsoever, whether or not similar to any of the foregoing.

Section 8.09 Holidays. Except as otherwise provided herein, whenever any payment or action to be made or taken hereunder shall be stated to be due on a day which is not a Business Day, such payment or action shall be made or taken on the next following Business Day, and such extension of time shall be included in computing interest or fees, if any, in connection with such payment or action.

Section 8.10 Survival. All representations, warranties, covenants and agreements of the Board contained in this Agreement as amended or supplemented from time to time or made in writing in connection herewith shall survive the execution and delivery hereof and the purchase of Certificates by the Bank hereunder and shall continue in full force and effect until payment in full of all payment obligations of the Board hereunder, it being understood that the agreements of the Board found in Sections 2.06, 2.07, 3.01(b), and 8.12 shall survive the termination of this Agreement and payment in full of such obligations.

Section 8.11 Liability of the Bank. The Board and the Trustee agree that the Bank shall have no liability or responsibility for the acts or omissions of each of the Remarketing Agent and the Trustee in respect of its use of this Agreement or any amounts made available by the Bank hereunder. The Bank shall have no responsibility for, nor incur any liability in respect of, any act, or any failure to act, by the Trustee which results in the failure of the Trustee to effect the purchase of Tendered Certificates for the account of the Bank with funds provided by the Bank pursuant to Section 2.02 or to comply with the applicable provisions of the Indenture. Neither the Bank nor any of its directors, officers or employees shall be liable or responsible for: (a) the use which may be made of this Agreement or any amounts made available by the Bank hereunder or for any acts or omissions of the Trustee or the Remarketing Agent in connection therewith; (b) the validity, sufficiency or genuineness of documents, or of any endorsement(s) thereon even if such documents should in fact prove to be in any or all respect invalid, insufficient, fraudulent or forged; or (c) any other circumstances whatsoever in making or failing to make payment under this Agreement, other than, in the case of the Bank, the Bank's gross negligence or willful failure to purchase Tendered Certificates when required under the terms and conditions of this Agreement. In no event shall the Bank be liable to any Person for special or consequential damages, including; without limitation, such damages suffered by reason of the Bank's failure to purchase Tendered Certificates when required under the terms and conditions of this Agreement.

Section 8.12 Certain Costs; Indemnification.

(a) The Board agrees to pay to the Bank (i) on the date of execution of this Agreement, all reasonable costs and expenses incurred by the Bank and its counsel in connection with the preparation, execution and delivery of this Agreement and any other documents and instruments that may be delivered in connection therewith, and (ii) all costs, charges and expenses (including reasonable fees and expenses of counsel for the Bank, and out-of-pocket expenses of the Bank) otherwise arising in connection with this Agreement and the Related Documents, including, without limitation, in connection with any amendment or waiver with respect to this Agreement, the Certificates and the other Related Documents and any stamp and other taxes and fees payable or determined to be payable in connection with the execution and delivery of this Agreement and any other documents or instruments that may be delivered in connection therewith.

(b) To the extent permitted by applicable law, the Board agrees to indemnify and hold the Bank harmless from and against, and to pay promptly, on demand, any and all claims (subject to the Board's right to contest such claim on behalf of the Bank), damages, losses, liabilities, costs and expenses whatsoever which the Bank may incur or suffer by reason of or in connection with (i) the execution and delivery or performance of this Agreement or any other documents which may be delivered in connection with this Agreement, (ii) the disclosure in the Official Statement or any other offering document used in connection with the offering, sale, remarketing or resale of the Certificates, other than information regarding the Bank set forth therein which is expressly provided by the Bank for inclusion therein, or (iii) any breach by the Board of any warranty, covenant, term or condition in, or the occurrence of any default under, this Agreement or any other Related Document, including, without limitation, the reasonable fees and expenses of counsel for the Bank or any consultant to the Bank with respect thereto and with respect to advising the Bank as to its rights and responsibilities under this Agreement and all reasonable fees and expenses, if any, in connection with the enforcement or defense of the rights of the Bank in connection with this Agreement or any of the Related Documents, or the collection of any monies due under this Agreement or such other documents which may be delivered in connection with this Agreement or any of the Related Documents; except, only if, and to the extent that any such claim, damage, loss, liability, cost or expense shall be caused by the Bank's gross negligence or willful misconduct as determined by a court of competent jurisdiction. Promptly after receipt by the Bank or notice of the commencement, or threatened commencement, of any action subject to the indemnities contained in this Section 8.12, the Bank shall promptly notify the Board thereof, *provided* that failure to give such notice shall not relieve the Board from any liability to the Bank hereunder.

(c) The obligations of the Board under this Section 8.12 shall survive payment of all obligations by the Board to the Bank owed under this Agreement.

Section 8.13 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall constitute an original but all of which, when taken together shall constitute one and the same instrument.

Section 8.14 USA PATRIOT Act. The Bank, to the extent that it is subject to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Patriot Act"), hereby notifies the Board that pursuant to the requirements of the Patriot Act, it is required to obtain, verify and record information that identifies the Board, which information includes the name and address of the Board and other information that will allow the Bank to identify the Board in accordance with the Patriot Act.

[signature page immediately follows]

IN WITNESS WHEREOF, the parties hereto, by their officers thereunto duly authorized, have executed and delivered this Agreement, effective as of the day and year first above written.

THE BOARD OF TRUSTEES OF THE
UNIVERSITY OF ILLINOIS

By: _____
Name:
Title:

JPMORGAN CHASE BANK, NATIONAL
ASSOCIATION, as the Bank

By: _____
Name: David Weinstein
Title: Executive Director

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as the Trustee

By: _____
Name:
Title:

NOTICE OF BANK PURCHASE
(Liquidity Purchase)

The undersigned, a duly authorized officer of _____, as Trustee (the "Trustee"), hereby certifies to JPMorgan Chase Bank, National Association (the "Bank"), in accordance with the Standby Certificate Purchase Agreement (the "Standby Purchase Agreement"), dated as of June 1, 2009, among the Board, the Trustee and the Bank (all capitalized terms herein having the meanings given them in the Standby Purchase Agreement), that:

1. Notice of tender of Eligible Certificates for purchase pursuant to Section 3.08 of the Second Supplemental Indenture has been received.

2. Insufficient money is available for such purchase pursuant to Section 3.12 of the Second Supplemental Indenture.

3. [(a) The total principal amount of the Eligible Certificates for which there is not sufficient moneys referred to above is \$_____, which amount does not exceed the Available Principal Commitment.]

[(b) Accrued, but unpaid, interest on such Eligible Certificates (other than Defaulted Interest), computed in accordance with the terms of the Certificates and the Second Supplemental Indenture, as of the date of delivery hereof to the Bank is \$_____, which amount does not exceed the Available Interest Commitment.]¹

4. The Eligible Certificates referred to above are hereby tendered to the Bank for purchase pursuant to the Standby Purchase Agreement on the date hereof for an aggregate purchase price of \$_____,² which amount does not exceed the Available Commitment.

5. Upon completion of purchase, the Trustee will [register such Certificates, or if a Certificate for which notice of tender for purchase pursuant to Section 3.12(e) of the Second Supplemental Indenture has been given is not delivered, to issue a new Certificate in replacement of the undelivered Certificate, in the name of the Bank, or if directed in writing by the Bank, its nominee or designee on the Certificate Register] [cause the beneficial ownership of such Certificates to be credited to the account of the Bank, or if directed in writing by the Bank, its nominee or designee with the Depository and register such Certificates in the name of the Bank, or its nominee or designee on the Certificate register] [, and will promptly deliver such Certificates to the Custodian or as the Bank may otherwise direct in writing, and prior to such delivery, will hold such Certificates in trust for the benefit of the Bank].

¹ If the Bonds are to be purchased on an Interest Payment Date therefor, this amount will exclude the interest payable on such date. If the exclusion results in no interest, delete (b).

² Insert the sum of principal and accrued interest shown in paragraphs 3(a) and (b).

6. The Bank Purchase Date is _____, _____ and the wire instructions for payment of the Purchase Price are as follows: [insert payment instructions].

7. To the best of the Trustee's knowledge, no Immediate Termination Event or Suspension Event has occurred.

IN WITNESS WHEREOF, the Trustee has executed and delivered this certificate as of the _____ day of _____, _____.

_____, as Trustee

By: _____

Name: _____

Title: _____

NOTICE OF BANK PURCHASE
(Mandatory Purchase)

The undersigned, a duly authorized officer of _____, as Trustee (the "Trustee"), hereby certifies to JPMorgan Chase Bank, National Association (the "Bank"), in accordance with the Standby Certificate Purchase Agreement (the "Standby Purchase Agreement"), dated as of June 1, 2009, among the Board, the Trustee and the Bank (all capitalized terms herein having the meanings given them in the Standby Purchase Agreement), that:

1. Eligible Certificates have been tendered or deemed tendered for mandatory purchase pursuant to Section [3.09(a)(i)][3.09(a)(ii)][3.09(a)(iii)][3.09(a)(v)]¹ of the Second Supplemental Indenture.

2. Insufficient moneys are available for such purchase pursuant to Section 3.12 of the Second Supplemental Indenture.

3. [(a) The total principal amount of the Eligible Certificates referred to above is \$ _____, which amount does not exceed the Available Principal Commitment.]

[(b) Accrued, but unpaid interest on such Eligible Certificates (other than Defaulted Interest), computed in accordance with the terms of the Certificates and the Second Supplemental Indenture, as of the date of delivery hereof to the Bank is \$ _____, which amount does not exceed the Available Interest Commitment.]²

4. The Eligible Certificates referred to above are being delivered to the Bank for purchase pursuant to the Standby Purchase Agreement on the date hereof for an aggregate purchase price of \$ _____,³ which amount does not exceed the Available Commitment.

5. Upon completion of purchase, the Trustee will [register such Certificates, or if a Certificate for which notice of tender for purchase pursuant to Section [3.09(a)(i)][3.09(a)(ii)][3.09(a)(iii)][3.09(a)(v)]⁴ of the Second Supplemental Indenture has been given is not delivered, to issue a new Certificate in replacement of the undelivered Certificate, in the name of the Bank, or if directed in writing by the Bank, its nominee or designee on the Certificate Register] [cause the beneficial ownership of such Certificates to be credited to the account of the Bank, or if directed in writing by the Bank, its nominee or designee with the

¹ Trustee to insert applicable section.

² If the Bonds are to be purchased on an Interest Payment Date therefor, this amount will exclude the interest payable on such date. If exclusion results in no interest, delete (b).

³ Insert the sum of principal and accrued interest shown in paragraphs 3(a) and (b).

⁴ Trustee to insert applicable section.

Depository and register such Certificates in the name of the Bank, or its nominee or designee on the Certificate register] [, and will promptly deliver such Certificates to the Custodian or as the Bank may otherwise direct in writing, and prior to such delivery, will hold such Certificates in trust for the benefit of the Bank].

6. The Bank Purchase Date is _____, _____ and the wire instructions for payment of the Purchase Price are as follows: [insert payment instructions].

7. To the best of the Trustee's knowledge, no Immediate Termination Event or Suspension Event has occurred.

IN WITNESS WHEREOF, the Trustee has executed and delivered this certificate as of the _____ day of _____, _____.

_____, as Trustee

By: _____
Name: _____
Title: _____

FORM OF REQUEST FOR EXTENSION OF STATED EXPIRATION DATE

[DATE]

JPMorgan Chase Bank, National Association
270 Park Avenue
New York, New York 10017
Mail Code: NY1-K934
Attention: David Weinstein, Executive Director,
Tax-Exempt Capital Markets - Credit
Origination
Telephone No.: (212) 270-4948
Facsimile No.: (212) 270-4251

Re: Request for Extension of Stated Expiration Date

Ladies and Gentlemen:

Reference is hereby made to that Standby Certificate Purchase Agreement (the "Agreement"), dated as of June 1, 2009, among The Board of Trustees of the University of Illinois (the "Board"), _____, as Trustee (the "Trustee"), and JPMorgan Chase Bank, National Association (the "Bank"). All capitalized terms contained herein which are not specifically defined shall be deemed to have the definition set forth in the Agreement. The Board hereby requests, pursuant to Section 8.05 of the Agreement, that the Stated Expiration Date for the Bank Purchase Period be extended by [IDENTIFY APPROPRIATE PERIOD]. Pursuant to Section 8.05 of the Agreement, we have enclosed along with this request the following information:

1. The outstanding principal amount of the Certificates;
2. The nature of any and all Events of Default and all Potential Defaults; and
3. Any other pertinent information previously requested by the Bank.

The Bank is required to notify in writing the Trustee, the Board and the Remarketing Agent of the Bank's decision with respect to this request for extension. If the Bank fails to notify in writing such parties of the Bank's decision prior to the then Stated Expiration Date, the Bank shall be deemed to have rejected such request.

Very truly yours,

THE BOARD OF TRUSTEES OF THE
UNIVERSITY OF ILLINOIS

By: _____

Name: _____

Title: _____

FORM OF CUSTODY AGREEMENT

This CUSTODY AGREEMENT dated as of June 1, 2009, by and between The Bank of New York Mellon Trust Company, N.A., as custodian (the "Custodian") and JPMorgan Chase Bank, National Association (the "Bank").

WHEREAS, The Board of Trustees of the University of Illinois (the "Board"), The Bank of New York Mellon Trust Company, N.A., as Trustee (the "Trustee"), and the Bank have entered into that certain Standby Certificate Purchase Agreement dated as of June 1, 2009 (the "Agreement"), pursuant to which the Bank has agreed to purchase in certain circumstances the \$75,000,000 Variable Rate Demand Certificates of Participation (Refunding), Series 2009B (the "Certificates") issued pursuant to the hereinafter defined Indenture; and

WHEREAS, the Certificates were issued pursuant to the Indenture of Trust dated as of June 1, 2009 (the "Original Indenture") as amended and supplemented by the First Supplemental Indenture of Trust dated as of June 1, 2009 (the "First Supplemental Indenture") and the Second Supplemental Indenture of Trust dated as of June 1, 2009 (the "Second Supplemental Indenture"; the Original Indenture as so amended and supplemented and as further amended and supplemented from time to time in accordance with the terms thereof and hereof, is herein referred to as the "Indenture"); and

WHEREAS, the Second Supplemental Indenture requires that the Certificates delivered by the holders thereof to the Trustee pursuant to the Second Supplemental Indenture be purchased under certain circumstances by the Bank under the Agreement; and

WHEREAS, it is a condition to the effectiveness of the obligations of the Bank under the Agreement that the Custodian shall have entered into this Custody Agreement with the Bank; and

WHEREAS, the Custodian has agreed to act as custodian and agent for the Bank, as herein provided;

NOW THEREFORE, in consideration of the mutual covenants recited herein, and other good and valuable consideration, receipt of which is hereby acknowledged, it is hereby agreed as follows:

- (a) The Bank appoints the Custodian as its agent and bailee for the purpose of receiving Bank Certificates (as defined in the Agreement) under the Agreement and holding such Bank Certificates for and on behalf of the Bank. Bank Certificates shall be held and registered as provided in Section 2.02 of the Agreement. The Custodian hereby agrees to hold the Bank Certificates for such purpose, as the Bank's agent and bailee. As used herein, the term "Bank Certificates" means, unless the context otherwise requires, the beneficial

ownership of such Bank Certificates during any period that Bank Certificates are maintained as book entry certificates.

- (b) Except at the written direction of the Bank, the Custodian shall not pledge, hypothecate, transfer or release possession of such Bank Certificates held by or registered in the name of the Custodian on behalf of the Bank to any Person or in any manner not in accordance with this Custody Agreement and shall not enter into any other agreement, other than the Agreement or the Indenture, regarding possession of the Bank Certificates without the prior written consent of the Bank. The Custodian will not release Bank Certificates to the purchaser of such Bank Certificates unless the Bank has delivered to the Custodian, in addition to its written direction contemplated above in this paragraph, written notice (which may be by telex, answerback received) that a portion of the Available Principal Commitment (as defined in the Agreement) in an amount equal to the principal amount of such Bank Certificates has been reinstated.
- (c) Upon written notice to the Bank, and release and delivery to the Bank or its designee of any Bank Certificates then held by the Custodian on behalf of the Bank pursuant to this Custody Agreement, the Custodian shall have the right to terminate its obligations with respect to such Bank Certificates under this Custody Agreement. The Bank shall have the option to terminate this Custody Agreement at any time upon written notice to the Custodian and, upon such termination, the Custodian will release and deliver to the Bank or its designee any Bank Certificates then held by the Custodian hereunder. The Bank may also from time to time request that the Custodian release and deliver to the Bank all or a portion of the Bank Certificates then held by the Custodian on behalf of the Bank without termination of this Custody Agreement, and upon receipt of any such request in writing, the Custodian will release and deliver such Bank Certificates to the Bank or its designee then held by the Custodian.
- (d) In acting under this Custody Agreement the Custodian shall not be liable to the Bank except for gross negligence or willful misconduct in the performance of its obligations hereunder.
- (e) The Custodian's duties are only such as are specifically provided herein, and the Custodian shall incur no fiduciary or other liability whatsoever to the Bank or any other Person, except to the extent the Bank incurs any loss or liability due to the Custodian's gross negligence or willful misconduct. Anything in this Custody Agreement to the contrary notwithstanding, in no event shall the Custodian be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Custodian has been advised of such loss or damage and regardless of the form of action. The Custodian may consult with counsel and shall be fully protected in any action taken, suffered or omitted in good faith in accordance with such advice. The Custodian may rely conclusively and shall be fully protected in acting upon any written instructions given to it hereunder and believed by it to have been properly executed.

- (f) The Custodian may resign at any time by giving written notice thereof to the Bank. Such resignation shall not become effective until a successor Custodian shall have been appointed by the Bank and shall have accepted such appointment in writing. The resigning Custodian may, at the expense of the Board, petition any court of competent jurisdiction, including without limitation the Supreme Court of the State of New York, for the appointment of a successor Custodian.
- (g) This Custody Agreement cannot be amended or modified except in a writing signed by the Bank and the Custodian.
- (h) This Custody Agreement shall inure to the benefit of and shall be binding upon the Custodian and the Bank, and their respective successors and assigns.
- (i) This is the Custody Agreement referred to in the Agreement, and shall be governed by the law of the State of New York.
- (j) This Custody Agreement may be executed in counterparts which, taken together, shall constitute a single document.

[signature page immediately follows]

IN WITNESS WHEREOF, the parties have hereunder set their hands, all as of the date first above written.

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as the Custodian

By: _____
Name:
Title:

JPMORGAN CHASE BANK, NATIONAL ASSOCIATION, as the Bank

By: _____
Name: David Weinstein
Title: Executive Director

ACCEPTED AND AGREED TO:

THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ILLINOIS

By: _____
Name:
Title: