

INSTALLMENT PURCHASE CONTRACT

between

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

and

THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ILLINOIS

Dated as of December 1, 2014

relating to

CERTIFICATES OF PARTICIPATION (REFUNDING),
TAXABLE SERIES 2014A

INSTALLMENT PURCHASE CONTRACT

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INSTALLMENT PURCHASE CONTRACT

THIS INSTALLMENT PURCHASE CONTRACT (the "*Purchase Contract*"), dated as of December 1, 2014, between THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ILLINOIS, a body corporate and politic of the State of Illinois (the "*Board*") and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association duly organized and existing under the laws of the United States of America, not individually but as trustee (the "*Trustee*") under the Indenture of Trust dated as of June 1, 2009 (the "*Indenture*") from the Board to the Trustee;

W I T N E S S E T H:

WHEREAS, pursuant to the Acquisition Agreement (as defined herein) the Trustee has agreed to purchase or cause to be purchased from the Board certain real and personal property described in *Exhibit B* hereto (the "*Improvements*"); and

WHEREAS, the Trustee has proposed to sell the Improvements to the Board under an installment purchase arrangement, and the Board is authorized pursuant to the laws of the State to enter into installment purchase contracts for such purposes; and

WHEREAS, this Purchase Contract supplements and replaces the Installment Purchase Contract dated as of June 1, 2009 (the "*2009 Installment Purchase Contract*"), by and between the Board and the Trustee with respect to the Improvements;

NOW, THEREFORE, in consideration of the above premises and of the mutual covenants hereinafter contained and for other good and valuable consideration, the parties hereto agree as follows:

ARTICLE I

Definitions and Exhibits

Section 1.1 Definitions. Unless the context otherwise requires, the capitalized terms used but not defined in this Purchase Contract shall have the meanings specified in the Indenture. References in this Purchase Contract to "*Articles*" or "*Sections*" refer to this Purchase Contract unless another document is identified.

Section 1.2 Exhibits. The following Exhibits are attached to, and by reference made a part of, this Purchase Contract:

Exhibit A: The schedule of the principal portion of the Installment Payments to be paid by the Board hereunder with respect to the Improvements.

Exhibit B: The description of the Improvements.

ARTICLE II

Representations, Covenants and Warranties

Section 2.1 Representations, Covenants and Warranties of the Board. The Board represents, covenants and warrants to the Trustee as follows:

(a) *Authorization.* The Constitution and the laws of the State authorize the Board to enter into this Purchase Contract, the Acquisition Agreement and the Indenture (together, the “*Financing Agreements*”) and to enter into the transactions contemplated by, and to carry out its obligations under, the Financing Agreements, and the Board has duly authorized and executed the Financing Agreements.

(b) *No Violations.* Neither the execution, delivery and performance of the Financing Agreements, nor the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated by the Financing Agreements, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Board is now a party or by which the Board or any of its property is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrance upon any of the property or assets of the Board, or upon the Improvements, except Permitted Encumbrances.

(c) *Execution and Delivery.* The Board has duly authorized, executed and delivered this Purchase Contract in accordance with the laws of the State. This Purchase Contract is a valid and binding agreement of the Board in accordance with its terms.

(d) *Budget.* The Board covenants to include in each annual operating budget for the University of Illinois an amount of Legally Available Non-Appropriated Funds which will be sufficient to make the Installment Payments and Additional Payments when due in each fiscal year.

(e) *Additional Debt.* The Board will incur no obligations secured by a lien or payment priority on the Board’s appropriation superior to the rights of the Owners of the Certificates.

(f) *No Impairment.* The Board agrees that once a final appropriation by the State of funds necessary to make Installment Payments and Additional Payments for each fiscal year has been made by the State, the Board will not take any actions which would impair its ability to make Installment Payments and Additional Payments under this Purchase Contract from such appropriations during such fiscal year and shall make such payments to the Trustee no later than the Business Day immediately preceding each payment date.

(g) *Hazardous Materials.* The Improvements shall be kept free of Hazardous Materials and will not be used to generate, manufacture, refine, transport, treat, store, handle, dispose of, transfer, produce or process Hazardous Materials, except in connection with the normal maintenance and operation of the Improvements. The Board

will not cause or permit, as a result of any intentional or unintentional act or omission on the part of the Board, the installation of Hazardous Materials in the Improvements or a release of Hazardous Materials onto the Improvements or suffer the presence of Hazardous Materials on the Improvements, except in connection with the normal maintenance and operation of the Improvements. The Board will comply with, and will ensure compliance by all lessees with, all applicable federal, State and local laws, ordinances, rules and regulations with respect to Hazardous Materials and will keep the Improvements free and clear of any liens imposed pursuant to such laws, ordinances, rules and regulations. If the Board receives any notice from any governmental agency or any lessee with regard to Hazardous Materials on, from or affecting the Improvements, the Board will immediately notify the Trustee. The Board will conduct and complete all investigations, studies, sampling and testing and all remedial, removal and other actions necessary to clean up and remove all Hazardous Materials, on, from or affecting the Improvements in accordance with all applicable federal, State and local laws, ordinances, rules, regulations and policies and to the satisfaction of the Trustee. For purposes of this subsection (g), the term "*Hazardous Materials*" includes, without limitation, any flammable explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic substances, or related materials, asbestos or any materials containing asbestos, or any other substance or material defined as constituting a similar hazard by any federal, State or local environmental law, ordinance, rule or regulation including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. sections 9601 *et seq.*), the Hazardous Materials Transportation Act, as amended (49 U.S.C. sections 1801 *et seq.*), the Resource Conservation and Recovery Act, as amended (42 U.S.C. sections 9601 *et seq.*), and the regulations adopted and publications promulgated pursuant thereto. The Board will require any lessees of the Improvements to execute contracts with the Board and the Trustee agreeing to comply with the provisions of this subsection (g).

(h) *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.

Section 2.2 Representations, Covenants and Warranties of the Trustee. The Trustee represents, covenants and warrants to the Board as follows:

(a) *Due Organization and Existence.* The Trustee (i) is a national banking association duly organized and existing under the laws of the United States and is qualified to do business in the State; (ii) has power to enter into this Purchase Contract, the Acquisition Agreement and the Indenture; (iii) is possessed of full power to own and hold, improve and equip the Improvements, and to lease and sell the same; and (iv) has duly authorized the execution and delivery of all of the aforesaid agreements.

(b) *No Encumbrances.* The Trustee will not pledge the Installment Payments or other amounts derived from the Improvements and from its other rights under this Purchase Contract, and will not transfer or encumber its interest in the Improvements, except as permitted under the terms of this Purchase Contract and the Indenture.

(c) *No Violations.* Neither the execution, delivery and performance of the Financing Agreements, nor the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated by the Financing Agreements, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Trustee is now a party or by which the Trustee or any of its property is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrance upon any of the property or assets of the Trustee, or upon the Improvements, except Permitted Encumbrances.

(d) *No Assignments.* Except as provided herein, the Trustee will not assign this Purchase Contract, its right to receive Installment Payments from the Board, or its duties and obligations hereunder to any other person, firm or corporation so as to impair or violate the representations, covenants and warranties contained in this Section 2.2.

(e) *Disclaimer.* The Board acknowledges that (i) the Improvements are simultaneously being acquired by the Trustee at the Board's request pursuant to the Acquisition Agreement specifically for the purpose of selling the Improvements back to the Board pursuant to the terms hereof; (ii) the Improvements will be purchased on the basis of specifications and requirements furnished by the Board; and (iii) the Trustee has not held itself out as having knowledge or skill particular to the Improvements or made any affirmations of fact regarding the Improvements.

ARTICLE III

Deposit of Moneys; Acquisition of the Improvements

Section 3.1 Deposit of Moneys. On the Closing Date, the Trustee will apply the net proceeds of sale of the Certificates to provide for the defeasance of the Prior 2009A Certificates and the payment of Delivery Costs.

Section 3.2 Acquisition of the Improvements. (a) The Trustee will undertake the Improvements in accordance with the applicable Improvements Documents to the extent and only to the extent that the Board discharges the Trustee's responsibilities under this Section 3.2. The Board will cause the Improvements to continue to be acquired and constructed solely as the Trustee's agent hereunder and will continue to undertake the Improvements in accordance with the applicable Improvements Documents. Each Improvement Contract has been, or shall be, awarded by the Board to a Contractor authorized to do business under the laws of the State, and each Improvement Contract has been, or will be, awarded after such public bidding and following such procedures as may be required by the applicable laws relating to the awarding of contracts of a similar nature by the Board.

(b) The Board, as agent of the Trustee for such purpose, agrees to continue to complete the Improvements in accordance with the construction and acquisition schedule prepared therefor as the same may be revised from time to time.

(c) If an Event of Default occurs prior to the delivery of the Completion Certificate required under Section 4.3 hereof, the moneys remaining in the Acquisition Fund shall be immediately transferred by the Board to the Trustee and shall be used as provided in the Indenture.

Section 3.3 Compliance with Handicap Codes. To the extent required by applicable law, the Improvements will be acquired and constructed in material compliance with applicable planning and design criteria so as to be accessible to, and functional for, the physically handicapped.

Section 3.4 Licenses for Improvements. In consideration of the Trustee's agreement to continue to undertake the Improvements in accordance with, and subject to the terms, conditions and limitations hereof, the Board hereby grants to the Trustee an irrevocable license (which shall be considered as coupled with an interest) to enter onto the sites of the Improvements (the "Sites") for the purposes of (a) continuing to acquire and construct the Improvements on the Sites and (b) ingress and egress to and from the Sites in connection with the acquisition and construction of the Improvements. The license granted hereby shall be subject to (i) all liens and encumbrances affecting the Sites from time to time, whether now existing or hereafter arising and (ii) the Board's absolute right to use and enjoyment with respect to the Sites, subject only to the terms, conditions and limitations of this Purchase Contract.

Section 3.5 Right to Inspect Improvements Documents. The Board shall have and keep on file and available for inspection by the Trustee, during normal business hours and following reasonable notice, copies of the Improvements Documents (except Improvements Documents that are in the possession of the Trustee), throughout the Term of this Purchase Contract, or as soon after the commencement of the Term of this Purchase Contract as such Improvements Documents become available to the Board. Neither the Improvements Documents nor any changes or amendments thereto shall (a) cause the Improvements to be used for any purpose prohibited by this Purchase Contract or by the Constitution and laws of the State or (b) adversely affect the ability of the Board to meet its obligations hereunder.

Section 3.6 Financing the Improvements. For the purpose of paying and refinancing Acquisition Costs and Delivery Costs, the Board hereby directs the Trustee to cause the Certificates to be executed and delivered pursuant to the Indenture and to cause the proceeds from the sale thereof to be deposited with the Trustee and applied as provided in Section 3.1 hereof. The description of the Improvements in *Exhibit B* may be supplemented or amended at any time by resolution of the Board, as set forth in Section 9.01 of the Indenture.

Section 3.7 Disbursements from the Acquisition Fund. The Trustee has, in the Indenture, authorized the Board to make payments from the Acquisition Fund to pay Acquisition Costs and Delivery Costs.

Section 3.8 Unexpended Proceeds. All excess moneys remaining in the Acquisition Fund and not required for payment of Delivery Costs and Acquisition Costs shall be used as described in Section 3.02(c) of the Indenture.

ARTICLE IV

Agreements to Sell and to Acquire the Improvements; Termination of this Purchase Contract; Installment Payments; Additional Payments; Title to the Improvements

Section 4.1 Sale and Acquisition. The Trustee hereby sells the Improvements to the Board, and the Board hereby acquires the Improvements from the Trustee, upon the terms and conditions set forth in this Purchase Contract.

Section 4.2 Term of Agreement; Termination; Renewal. (a) The Term of this Purchase Contract shall commence on December __, 2014, and continue until _____, 2027, unless terminated pursuant to Sections 4.2(b), 4.2(c) or 4.2(d) hereof (such date being the “*Expiration Date*”). If the Indenture shall be discharged by its terms prior to the Expiration Date, the Term of this Purchase Contract shall thereupon end.

(b) This Purchase Contract and the Board’s obligations to pay Installment Payments and Additional Payments hereunder shall be subject to termination 60 days after the Board certifies to the Trustee that the Board has determined that there are not sufficient Legally Available Non-Appropriated Funds to pay all of the Installment Payments coming due during the then current fiscal year.

(c) The Board may terminate this Purchase Contract on any date on or after _____, 20___. In order to exercise such option to terminate this Purchase Contract, the Board shall give written notice to the Trustee and the Bank, not less than 60 days prior to the date of termination, that it is exercising its option to terminate this Purchase Contract. If the Board exercises such option to terminate this Purchase Contract, Installment Payments due after the termination date are subject to mandatory prepayment in whole on the date of termination as set forth in Section 9.3(i), and, with respect to any Certificate Installment Payments being prepaid, the mandatory prepayment shall include any premium necessary to pay the redemption price for such Certificates pursuant to Section 4.02 of the Indenture.

(d) Failure of the Board to provide for the payments to the Trustee required by Section 4.4 hereof shall terminate all of the Board’s right, title and interest in this Purchase Contract and to all of the Improvements as provided in Section 8.2 hereof. Upon such termination of the Purchase Contract, the Board shall immediately turn over possession of the Improvements to the Trustee in accordance with Section 4.3 hereof.

(e) Upon the issuance of Parity Certificates pursuant to Section 2.08 of the Indenture, the Board and the Trustee shall execute a supplement to this Purchase Contract, if necessary pursuant to the Indenture, to include the Improvements relating to such Parity Certificates within the scope of the Purchase Contract. If permitted by applicable law, the Term of this Purchase Contract may be extended or renewed in connection with such supplement.

Section 4.3 Possession. Following the acquisition and construction of each major component of the Improvements by the Trustee, the Board will take possession of that

component of the Improvements and deliver a written certificate of possession and acceptance of such Improvements (the “*Completion Certificate*”) to the Trustee within 30 days after the acquisition and construction of that component of the Improvements has been completed. Subject to the provisions of Section 4.6 hereof, the Board agrees it will immediately surrender possession of the Improvements to the Trustee upon termination of this Purchase Contract as a result of an Event of Default or an Event of Non-Appropriation. To the extent permitted by law, the Board will hold the Trustee harmless from any costs, loss or damage arising from or occasioned by such surrender of possession of Improvements due to such termination.

Section 4.4 Installment Payments.

(a) *Obligation to Pay.* Subject to the provisions of Section 4.2 and Article IX hereof, the Board will pay to the Trustee, its successors and assigns, as payment for the purchase price of the Improvements, the total Certificate Installment Payments (consisting of components of principal and interest) in each fiscal year for the Improvements in the respective amounts specified in *Exhibit A* for principal and interest components.

No later than the Business Day before each Interest Payment Date, the Board shall deposit with the Trustee from the appropriations made to the Board, the full amount of funds necessary, when combined with Legally Available Non-Appropriated Funds, to make all Installment Payments coming due on such dates. Any amount held in the Installment Payment Fund on any Interest Payment Date (other than amounts required for payment of past due principal or interest with respect to any Certificates not presented for payment) shall be credited towards the Installment Payments then due and payable, and no Installment Payments need be made on any Interest Payment Date if the amounts then held in the Installment Payment Fund on such date are at least equal to the Installment Payments then required to be paid. The Board’s obligation to make Installment Payments hereunder shall not be subject to the Board’s acceptance, use and occupancy of the Improvements.

(b) *Effect of Prepayment.* If the Board prepays all remaining Installment Payments in full pursuant to Article IX hereof, the Board’s obligations under this Purchase Contract will thereupon cease and terminate, including but not limited to the Board’s obligation to pay Installment Payments under this Section. If the Board prepays a portion of the Installment Payments as provided in Article IX hereof, *Exhibit A* may be amended to reflect the remaining principal then due after said prepayment and, if applicable, the interest remaining to be paid on the remaining principal Installment Payments, provided that the Installment Payments set forth in *Exhibit A* as amended are sufficient to pay the outstanding Certificates when due.

(c) *Rate on Overdue Payments.* If the Board fails to make any of the Installment Payments required in this Section 4.4, the payment in default shall continue as an obligation of the Board until the amount in default shall have been fully paid, and the Board will pay the same with interest thereon at the rate borne by the Certificates to the extent permitted by law, from the date of default to the date of payment.

(d) *Fair Purchase Value.* The Installment Payments for Improvements for each payment period during the term of this Purchase Contract constitutes the total payment for such Improvements for such payment period, and will be paid by the Board in each payment period for the continued quiet use and enjoyment of such Improvements during each such period for which said payment is to be paid. The parties hereto have agreed and determined that the total Installment Payments for the Improvements represent the fair purchase value of such Improvements. In making such determination, consideration has been given to the appraised value of such Improvements, other obligations of the parties under this Purchase Contract, the uses and purposes which may be served by the Improvements and the Acquisition Costs and the benefits therefrom which will accrue to the Board and the general public.

(e) *Establishment of Trust.* The Board understands and agrees that all interests of the Trustee in and to the Improvements and the Installment Payments have been granted in trust, pursuant to the Indenture, for the benefit of the Owners of the Certificates, and the Board hereby assents to such assignment. The Board hereby agrees to pay to the Trustee at the Trustee's designated corporate trust operations office, or to the Trustee at such other place as the Trustee shall direct in writing, all payments payable by the Board pursuant to this Section 4.4 and all amounts payable by the Board pursuant to Article IX hereof.

Section 4.5 Quiet Enjoyment. During the Term of this Purchase Contract, the Trustee shall provide the Board with quiet use and enjoyment of the Improvements, and the Board shall during such Term peaceably and quietly have and hold and enjoy the Improvements, without suit, trouble or hindrance from the Trustee, except as expressly set forth in this Purchase Contract. The Trustee will, at the request of the Board and at the Board's cost, join in any legal action in which the Board asserts its right to such possession and enjoyment to the extent the Trustee may lawfully do so. Notwithstanding the foregoing, the Trustee shall have the right to inspect the Improvements as provided in Section 6.2 hereof.

Section 4.6 Title. During the Term of this Purchase Contract, the Board will hold title to the Improvements, subject to title immediately reverting in the Trustee upon the occurrence of an Event of Default under this Purchase Contract. Upon delivery of this Purchase Contract, title to the Improvements then in existence will automatically vest in the Board without action by the Trustee, and title to all Improvements acquired after the delivery of this Purchase Contract will automatically vest in the Board upon their acquisition by the Trustee without action by the Trustee.

Section 4.7 Additional Payments. In addition to the Installment Payments, the Board shall pay when due as Additional Payments all costs and expenses incurred by the Trustee to comply with the provisions of the Indenture, including without limitation compensation due to the Trustee, all costs and expenses of auditors, engineers, accountants and legal counsel, if necessary, but excluding Delivery Costs (which shall be paid by the Trustee from moneys deposited in the Acquisition Fund), and any amounts advanced by the Trustee under Sections 5.5 and 5.7 hereof.

ARTICLE V

Maintenance; Taxes; Insurance; and Other Matters

Section 5.1 Maintenance, Utilities, Taxes and Assessments. Throughout the Term of this Purchase Contract, as part of the consideration for the purchase of the Improvements, all improvement, repair and maintenance of the Improvements will be the responsibility of the Board. The Board will pay for or otherwise arrange for the payment of all utility services supplied to the Improvements, which may include, without limitation, janitor service, security, power, gas, telephone, light, heating, water and all other utility services, and will pay for or otherwise arrange for the payment of the cost of the repair and replacement of the Improvements resulting from ordinary wear and tear or want of care on the part of the Board or any assignee or lessee thereof. In exchange for the Installment Payments herein provided, the Trustee agrees to provide only the Improvements, as more specifically set forth in this Purchase Contract.

The Board shall also pay or cause to be paid all taxes and assessments of any type or nature, if any, charged to the Trustee or the Board affecting the Improvements or the respective interests or estates therein; *provided* that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the Board shall be obligated to pay only such installments as are required to be paid during the Term of this Purchase Contract as and when the same become due.

The Board or any lessee of the Board may, at the Board's or such lessee's expense and in its name, in good faith contest any such taxes, assessments, utility and other charges and, in the event of any such contest, the Board or such lessee may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom and shall provide the Trustee with full security against any loss or forfeiture which might arise from such contest and any appeal therefrom, unless the Trustee shall notify the Board or such lessee that, in the opinion of counsel, by nonpayment of any such items, the interest of the Trustee in the Improvements will be materially endangered or the Improvements or any part thereof will be subject to loss or forfeiture, in which event the Board or such lessee shall promptly pay such taxes, assessments or charges.

Section 5.2 Modification of Improvements. The Board and any lessee of the Board will, at their own expense, have the right to remodel any Improvements or to make additions, modifications and improvements to the Improvements. All such additions, modifications and improvements shall thereafter comprise part of the Improvements and be subject to the provisions of this Purchase Contract. Such additions, modifications and improvements shall not in any way damage any Improvements or cause them to be used for purposes other than those authorized under the provisions of State and federal law; and the Improvements, upon completion of any additions, modifications and improvements made thereto pursuant to this Section, shall be of a value which is not substantially less than the value of such Improvements immediately prior to the making of such additions, modifications and improvements. The Board will not permit any mechanic's or other lien to be established or remain against the Improvements for labor or materials furnished in connection with any remodeling, additions, modifications, improvements, repairs, renewals or replacements made by the Board or any lessee or assignee pursuant to this Section; *provided* that if any such lien is established and the Board

shall first notify or cause to be notified the Trustee of the Board's or any lessee's intention to do so, the Board or any lessee may in good faith contest any lien filed or established against the Improvements, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom and shall provide the Trustee with full security against any loss or forfeiture which might arise from the nonpayment of any such item, in form satisfactory to the Trustee. The Trustee will cooperate fully in any such contest, upon the request and at the expense of the Board or such lessee.

Section 5.3 General Liability Insurance. The Board shall maintain or cause to be maintained, throughout the Term of this Purchase Contract, a program of liability insurance and/or self-insurance as authorized under the laws of the State to assume such risks, and of such types and in such amounts as are customary for similar institutions carrying on similar activities. Such liability insurance may be maintained as part of or in conjunction with any other liability insurance coverage carried or required to be carried by the Board. All liability policies shall name the Trustee as additional insureds or the equivalent under a program of self-insurance. A certificate of insurance shall be delivered to the Trustee upon issuance of the Certificates and annually thereafter within 30 days of purchase or renewal.

Section 5.4 Property Insurance. The Board shall maintain property insurance with a commercial insurer rated "B+" or better by Best or in the two highest rating categories of S&P and Moody's, but only for those structures which are currently used by the Board and in which the Improvements are located. Such property insurance shall be in an amount equal to the replacement cost of such structures. All such policies shall name the Trustee as a loss payee to the extent its interest applies. A certificate of insurance shall be delivered to the Trustee upon issuance of the Certificates and annually thereafter within 30 days of purchase or renewal.

Upon any damage to or destruction of any portion of the Improvements, the original cost of which, in the aggregate, exceeds \$250,000, the Board shall take one of the following actions, in the sole discretion of the Board Representative:

- (a) restore, repair or replace such damaged or destroyed Improvements to their original condition;
- (b) amend *Exhibit B* hereto to add additional Improvements having at least the same original cost as such damaged or destroyed Improvements; or
- (c) secure the payment of the portion of Installment Payments relating to such damaged or destroyed Improvements by a deposit with the Trustee pursuant to Section 9.1 hereof of an amount which, upon investment together with investment earnings, will be sufficient to pay a portion of the unpaid Installment Payments, including the principal and interest components thereof and any premium. Such portion of the principal component of the unpaid Installment Payments in each year shall be determined by the Board Representative by multiplying the amount of the principal component of the unpaid Installment Payments due in each year by the ratio of (i) the original cost of such damaged or destroyed Improvements paid from the proceeds of the Certificates to (ii) the proceeds of the Certificates, rounded up to the nearest \$5,000 of principal amount in each year.

Section 5.5 Advances. If the Board fails to perform any of its obligations under this Article the Trustee may, but shall not be obligated to, take such action as may be necessary to cure such failure, including the advancement of money, and the Board will repay as an Additional Payment all of such advances as soon as possible, with interest from the date of the advance to the date of repayment at the rate per annum announced by the Trustee from time to time as its “*prime rate*” (or if it does not exist, a similar rate).

Section 5.6 Installation of Board’s Equipment. The Board and any lessee may at any time and from time to time, in its sole discretion and at its own expense, install or permit to be installed other items of equipment or other personal property in or upon the Improvements. All such items will remain the sole property of the Board or the lessee, in which the Trustee shall not have any interest, and may be modified or removed by such party at any time provided that such party shall repair and restore any and all damage to the Improvements resulting from the installation, modification or removal of any such items. Nothing in this Purchase Contract shall prevent the Board and any lessee from purchasing or leasing items to be installed pursuant to this Section under a lease or conditional sale agreement, or subject to a trustee’s lien or security agreement, as security for the unpaid portion of the purchase price thereof, *provided* that no such lien or security interest shall attach to any part of the Improvements.

Section 5.7 Liens. The Board shall not, directly or indirectly, create, incur, assume or suffer to exist any pledge, lien, charge, encumbrance or claim on or with respect to the Improvements, other than the respective rights of the Trustee and the Board as herein provided and Permitted Encumbrances. Except as expressly provided in this Article, the Board shall promptly, at its own expense, take such action as may be necessary to duly discharge, contest or remove any such pledge, lien, charge, encumbrance or claim, for which it is responsible, if the same shall arise at any time. The Board shall reimburse the Trustee for any expense incurred by it in order to discharge or remove any such pledge, lien, charge, encumbrance or claim.

ARTICLE VI

Disclaimer of Warranties; Access

Section 6.1 Disclaimer of Warranties. THE TRUSTEE MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY THE BOARD OF THE IMPROVEMENTS OR ANY ITEM THEREOF, OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE IMPROVEMENTS OR ANY ITEM THEREOF. IN NO EVENT SHALL THE TRUSTEE BE LIABLE FOR INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES, IN CONNECTION WITH OR ARISING OUT OF THIS PURCHASE CONTRACT, THE ACQUISITION AGREEMENT, OR THE INDENTURE FOR THE EXISTENCE, FURNISHING, FUNCTIONING OR BOARD’S USE OF THE IMPROVEMENTS.

Section 6.2 Access to the Improvements. The Board agrees that the Trustee and any Trustee Representative, and the Trustee’s successors or assigns, shall have the right at all

reasonable times to examine and inspect the Improvements. The Board further agrees that the Trustee, any such Representative, and the Trustee's successors or assigns shall have such rights of access to the Improvements as may be reasonably necessary to cause the proper maintenance of the Improvements if the Board fails to perform its obligations hereunder.

ARTICLE VII

Assignment, Leasing and Amendment

Section 7.1 Assignment and Leasing by the Board. This Purchase Contract may not be assigned by the Board. The Improvements may be leased in whole or in part by the Board, but only with the written consent of the Trustee, which consent shall not be unreasonably withheld, and subject to all of the following conditions:

- (i) this Purchase Contract and the obligation of the Board to make Installment Payments and Additional Payments must remain obligations of the Board;
- (ii) the Board shall, within 30 days after the delivery thereof, furnish or cause to be furnished to the Trustee a true and complete copy of such lease;
- (iii) no such lease by the Board shall cause any of the Improvements to be used for a purpose other than a governmental or proprietary function authorized under the provisions of the Constitution and laws of the State; and
- (iv) the Board must furnish the Trustee with a Favorable Opinion of Special Counsel, with respect to any such lease.

Section 7.2 Amendment of this Purchase Contract. Neither the Trustee nor the Board will alter, modify or cancel, or agree or consent to alter, modify or cancel this Purchase Contract, excepting only such alteration or modification as may be permitted by Article IX of the Indenture or amendments to *Exhibit B* contemplated by Section 5.4(b) hereof.

ARTICLE VIII

Events of Default and Remedies

Section 8.1 Events of Default Defined. The following shall be "*events of default*" under this Purchase Contract and the terms "*events of default*" and "*default*" shall mean, whenever they are used in this Purchase Contract, with respect to the Improvements, any one or more of the following events:

- (i) Failure by the Board to pay any Installment Payment or other payment required to be paid hereunder, including, without limitation, any mandatory prepayment required pursuant to Section 9.3 hereof at the time specified herein.

(ii) Failure by the Board to observe and perform any covenant, condition or agreement on its part to be observed or performed under the Indenture or this Purchase Contract, other than as referred to in clause (i) of this Section, for a period of 30 days after written notice specifying such failure and requesting that it be remedied has been given to the Board by the Trustee or the Owners of not less than 25% in aggregate principal amount of Certificates then Outstanding; *provided, however*, if the failure stated in the notice can be corrected, but not within the applicable period, the Trustee or such Owners shall not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the Board within the applicable period and diligently pursued until the default is corrected.

(iii) The filing by the Board of a voluntary petition in bankruptcy, or failure by the Board promptly to lift any execution, garnishment or attachment, or adjudication of the Board as a bankrupt, or assignment by the Board for the benefit of creditors, or the entry by the Board into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the Board in any proceedings instituted under the provisions of Title 11 of the United States Code, as amended, or under any similar acts which may subsequently be enacted.

Section 8.2 Remedies on Default. Whenever any event of default referred to in Section 8.1 hereof shall have happened and be continuing, it shall be lawful for the Trustee to exercise any and all remedies available pursuant to law or granted pursuant to this Purchase Contract, including, but not limited to, the right to sue the Board for any amounts appropriated by the General Assembly of the State for the payment of Installment Payments and Additional Payments but not paid by the Board to the Trustee. Each and every covenant hereof to be kept and performed by the Board is expressly made a condition and upon the breach thereof the Trustee may, as provided below, exercise any and all rights of entry and reentry upon the Improvements and also, at its option, with or without such entry, may terminate this Purchase Contract; *provided*, that no such termination shall be effected either by operation of law or acts of the parties hereto, except only in the manner herein expressly provided. In the event of such default:

(a) If the Trustee does not elect to terminate this Purchase Contract in the manner hereinafter provided for in subparagraph (b) below, the Board hereby irrevocably appoints the Trustee as its agent and attorney-in-fact to relet its interests in the Improvements in the event of default by the Board in the performance of any covenants herein contained to be performed by the Board and to remove all Improvements consisting of personal property wherever situated and to place such property in storage or other suitable place in the State of Illinois, for the account of and at the expense of the Board, and, to the extent permitted by law, the Board hereby exempts and agrees to save harmless the Trustee from any costs, loss or damage whatsoever arising or occasioned by any such entry upon and reletting of the Improvements and the removal and storage of such personal property by the Trustee or its duly authorized agents in accordance with the provisions herein contained. The Board hereby waives any and all claims for damages caused or which may be caused by the Trustee in taking possession of the Improvements as herein provided and all claims for damages that may result from the destruction of or injury to the Improvements and all claims for damages to or loss of any personal property

belonging to the Board that may be in or upon the Improvements. The Board agrees that the terms of this Purchase Contract constitute full and sufficient notice of the right of the Trustee to relet the Improvements in the event of such reentry without effecting a surrender of this Purchase Contract, and further agrees that no acts of the Trustee in effecting such reletting shall constitute a surrender or termination of this Purchase Contract irrespective of the term for which such reletting is made or the terms and conditions of such reletting, or otherwise, but that, on the contrary, in the event of such default by the Board the right to terminate this Purchase Contract shall vest in the Trustee to be effected in the sole and exclusive manner hereinafter provided for in subparagraph (b) hereof.

(b) Upon the occurrence of an Event of Default hereunder, the Trustee at its option may terminate this Purchase Contract and may rent, lease or sell all or any portion of its interests in the Improvements. Any amounts received by the Trustee from such renting, leasing or sale shall be credited towards the Board's unpaid Installment Payments and Additional Payments and any excess shall be paid to the Board. The net proceeds of the sale, lease or other disposition of the Improvements shall be deposited in the Installment Payment Fund and applied to Installment Payments in order of payment date. Title to the Improvements is subject to immediate vesting in the Trustee upon the occurrence of an Event of Default. Neither notice to pay Installment Payments or Additional Payments due or to deliver up title to and possession of the Improvements given pursuant to law nor any proceeding in unlawful detainer taken by the Trustee shall of itself operate to terminate this Purchase Contract and no termination of this Purchase Contract on account of default by the Board shall be or become effective by operation of law, or otherwise, unless and until the Trustee shall have given written notice to the Board of the election on the part of the Trustee to terminate this Purchase Contract. The Board covenants and agrees that no surrender of the Improvements or any termination of this Purchase Contract shall be valid in any manner or for any purpose whatsoever unless stated or accepted by the Trustee by such written notice. Additionally, to the extent permitted by law, the Board hereby exempts and agrees to save harmless the Trustee from any costs, loss or damage whatsoever arising or occasioned by any removal of the personal property of the Board by the Trustee or the duly authorized agents thereof in accordance with the provisions contained in this Purchase Contract.

Section 8.3 No Remedy Exclusive. No remedy herein conferred upon or reserved to the Trustee is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Purchase Contract or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Trustee to exercise any remedy reserved to it in this Article it shall not be necessary for the Trustee to give any notice, other than such notice as may be required in this Article or by law.

Section 8.4 Agreement to Pay Attorneys' Fees and Expenses. If either party to this Purchase Contract should default under any of the provisions hereof and the nondefaulting party should employ attorneys or incur other expenses for the collection of moneys or the

enforcement of performance or observance of any obligation or agreement on the part of the defaulting party herein or therein contained, the defaulting party agrees that it will on demand therefor pay (in the case of the Board, to the extent permitted by law) to the nondefaulting party the reasonable fees of such attorneys and such other expenses so incurred by the nondefaulting party.

Section 8.5 No Additional Waiver Implied by One Waiver. If any agreement contained in this Purchase Contract should be breached by either party and the breach is subsequently waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

Section 8.6 Application of Proceeds. All proceeds received from the sale, release or other disposition of the Improvements under this Article VIII (after payment therefrom of all expenses incurred in the collection thereof), and all other amounts derived by the Trustee as a result of an event of default hereunder, shall be transferred to the Trustee promptly upon receipt thereof and shall be deposited by the Trustee in the Installment Payment Fund to be applied as provided in the Indenture.

Section 8.7 Exercise of Rights. Such rights and remedies as are given to the Trustee under this Article VIII have been granted in trust under the Indenture, to which grant the Board hereby consents. Such rights and remedies shall be exercised by the Trustee, and the Owners of the Certificates as provided in the Indenture.

ARTICLE IX

Prepayment of Installment Payments

Section 9.1 Security Deposit. Notwithstanding any other provision of this Purchase Contract, the Board may on any date secure the payment of all or any portion of Installment Payments by a deposit with the Trustee of (i) an amount which, in the judgment of the Trustee, is sufficient to pay all or any portion of unpaid Certificate Installment Payments, in accordance with the Installment Payment Schedule set forth in *Exhibit A*, or (ii) direct non-callable obligations of the United States of America, together with cash, if required, in such amount as will, in the opinion of an independent certified public accountant acceptable to the Trustee, together with interest to accrue thereon, be fully sufficient to pay all or any portion of unpaid Certificate Installment Payments on the related Interest Payment Dates. Prior to such deposit, the Board shall also deliver to the Trustee written notice from the Rating Agencies of the ratings on the Certificates to be effective after such deposit has been made. In the event of a deposit pursuant to this Section sufficient to pay, or provide for the payment of, all unpaid Installment Payments, all obligations of the Board under this Purchase Contract, and all security provided by this Purchase Contract for said obligations, shall cease and terminate, excepting only the obligations of the Board to make, or cause to be made, Installment Payments from the deposit made by the Board pursuant to this Section. Said deposit will be deemed to be and will constitute a special fund for the payment of Installment Payments in accordance with the provisions of this Purchase Contract.

Section 9.2 Purchase Option. Upon the determination by the Board described in Section 4.2(b) hereof, the Board may, or upon the termination of this Purchase Contract pursuant to Section 4.2(c) hereof, the Board shall, exercise its option to purchase all of the Improvements pursuant to Section 9.3 hereof by paying the Prepayment price of all Certificate Installment Payments to the date that this Purchase Contract is to be terminated. Such Prepayment shall be deposited by the Trustee in the Installment Payment Fund to be applied to the redemption of the Certificates pursuant to Section 4.01, 4.02 or 4.03 of the Indenture, as applicable. The Board shall give the Trustee notice of its intention to exercise its option not less than 45 days in advance of the date of exercise.

Section 9.3 Prepayments. The Certificate Installment Payments are subject to prepayment by the Board as follows:

(i) the Certificate Installment Payments due after the termination of this Purchase Contract are subject to mandatory prepayment, in whole, by the Board on any date that the Board exercises its option to terminate this Purchase Contract as provided in Section 4.2(c) hereof;

(ii) the Certificate Installment Payments are subject to optional prepayment by the Board in whole or in part, to provide for the optional redemption of the Certificates as provided in Section 4.04 of the Indenture and Section 3.03 of the Third Supplemental Indenture or, with respect to Parity Certificates, as provided in the supplemental indenture authorizing the issuance thereof;

(iii) the Certificate Installment Payments are subject to optional prepayment by the Board in whole on any date on which this Purchase Contract is terminated by the Board following a determination of the Board described in Section 4.2(b) hereof and the Board has exercised its option to make such prepayment as provided in Section 4.01 of the Indenture; and

(iv) a portion of the Certificate Installment Payments are subject to mandatory prepayment by the Board corresponding to the dates and the times set forth in Section 4.05 of the Indenture.

Section 9.4 Credit for Amounts on Deposit. In the event of a prepayment of the principal components of the Installment Payments in full under this Article IX, such that the Indenture is discharged by its terms as a result of such prepayment, all amounts then on deposit in the Installment Payment Fund or the Acquisition Fund not needed for the acquisition of the Improvements shall be credited towards the amounts then required to be so prepaid.

ARTICLE X

Miscellaneous

Section 10.1 Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed to have been received either (i) upon deposit in

the United States mail postage prepaid (ii) upon deposit with an overnight courier or (iii) upon the sending of a facsimile communication:

If to the Board: Comptroller
University of Illinois
349 Henry Administration Building, MC-352
506 South Wright Street
Urbana, Illinois 61801
Facsimile: (312) 996-9013
Telephone: (312) 996-8800

and Director of Capital Financing
University of Illinois
209 Henry Administration Building, MC-339
506 South Wright Street
Urbana, Illinois 61801
Facsimile: (217) 239-6722
Telephone: (217) 244-3400

If to the Trustee: The Bank of New York Mellon Trust Company, N.A.
2 North LaSalle Street, Suite 1020
Chicago, Illinois 60602
Attention: Corporate Trust
Facsimile: (312) 827-8522
Telephone: (312) 827-8626

The Board and the Trustee, by notice given hereunder, may designate different addresses to which subsequent notices, certificates or other communications will be sent.

Section 10.2 Statutory Statement.

THE BOARD OF TRUSTEES' OBLIGATION TO MAKE INSTALLMENT PAYMENTS DOES NOT CONSTITUTE A DEBT OF THE BOARD OR THE STATE OF ILLINOIS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION. THE INSTALLMENT PAYMENTS REQUIRED UNDER CERTIFICATES OF PARTICIPATION INCURRED BY THE UNIVERSITY ARE NOT SECURED BY THE FULL FAITH AND CREDIT OF THE STATE AND ARE NOT REQUIRED TO BE REPAYED, AND MAY NOT BE REPAYED, DIRECTLY OR INDIRECTLY, FROM TAX REVENUE.

Section 10.3 Binding Effect. This Purchase Contract shall inure to the benefit of and shall be binding upon the Trustee and the Board and their respective successors and assigns.

Section 10.4 Severability. If any provision of this Purchase Contract is held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 10.5 Net-net-net Installment Sale. This Purchase Contract will be deemed and construed to be a “*net-net-net installment sale*” and the Board hereby agrees that the Installment Payments shall be an absolute net return to the Trustee, free and clear of any expenses, charges or set-offs whatsoever, irrespective of any defense or any right of recoupment or counterclaim which the Board may have against the Trustee.

Section 10.6 Amendments; Further Assurances and Corrective Instruments. (a) This Purchase Contract may be supplemented or amended as permitted by Section 9.01 of the Indenture.

(b) The Trustee and the Board agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Improvements hereby acquired or intended so to be in order to carry out the expressed intention of this Purchase Contract.

Section 10.7 Execution in Counterparts. This Purchase Contract may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 10.8 Applicable Law. This Purchase Contract shall be governed by and construed in accordance with the internal laws of the State without regard to the conflicts of law provisions of Illinois law.

Section 10.9 Trustee and Board Representatives. Whenever under the provisions of this Purchase Contract the approval of the Trustee or the Board is required, or the Trustee or the Board is required to take some action at the request of the other, such approval or such request shall be given for the Trustee by a Trustee Representative and for the Board by a Board Representative, and any party hereto shall be authorized to rely upon any such approval or request.

Section 10.10 Captions. The captions or headings in this Purchase Contract are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Section of this Purchase Contract.

IN WITNESS WHEREOF, the Trustee has caused this Purchase Contract to be executed in its corporate name by its duly authorized officer; and the Board has caused this Purchase Contract to be executed in its name by its duly authorized officers, as of the date first above written.

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

By: _____
Authorized Officer

(SEAL)

ATTEST:

By: _____
Authorized Officer

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

By: _____
Comptroller

(SEAL)

ATTEST:

By: _____
Secretary

EXHIBIT B

DESCRIPTION OF IMPROVEMENTS

The Improvements consist of the construction of a facility and utility infrastructure for the petascale supercomputer to be located at the University of Illinois at the Urbana-Champaign Campus.

INSTALLMENT PURCHASE CONTRACT

between

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

and

THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ILLINOIS

Dated as of December 1, 2014

relating to

CERTIFICATES OF PARTICIPATION (REFUNDING),
SERIES 2014C

INSTALLMENT PURCHASE CONTRACT

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INSTALLMENT PURCHASE CONTRACT

THIS INSTALLMENT PURCHASE CONTRACT (the "*Purchase Contract*"), dated as of December 1, 2014, between THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ILLINOIS, a body corporate and politic of the State of Illinois (the "*Board*") and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association duly organized and existing under the laws of the United States of America, not individually but as trustee (the "*Trustee*") under the Indenture of Trust dated as of December 1, 2014 relating to the Certificates of Participation (Refunding) Series 2014C (the "*Indenture*") from the Board to the Trustee;

W I T N E S S E T H:

WHEREAS, pursuant to the Acquisition Agreement (as defined herein) the Trustee has agreed to purchase or cause to be purchased from the Board certain real and personal property described in *Exhibit B* hereto (the "*Improvements*"); and

WHEREAS, the Trustee has proposed to sell the Improvements to the Board under an installment purchase arrangement, and the Board is authorized pursuant to the laws of the State to enter into installment purchase contracts for such purposes; and

WHEREAS, this Purchase Contract supplements and replaces the Installment Purchase Contract dated as of May 15, 2006, by and between the Board and the Trustee with respect to the Improvements;

NOW, THEREFORE, in consideration of the above premises and of the mutual covenants hereinafter contained and for other good and valuable consideration, the parties hereto agree as follows:

ARTICLE I

Definitions and Exhibits

Section 1.1 Definitions. Unless the context otherwise requires, the capitalized terms used but not defined in this Purchase Contract shall have the meanings specified in the Indenture. References in this Purchase Contract to "*Articles*" or "*Sections*" refer to this Purchase Contract unless another document is identified.

Section 1.2 Exhibits. The following Exhibits are attached to, and by reference made a part of, this Purchase Contract:

Exhibit A: The schedule of the principal portion of the Installment Payments to be paid by the Board hereunder with respect to the Improvements.

Exhibit B: The description of the Improvements.

ARTICLE II

Representations, Covenants and Warranties

Section 2.1 Representations, Covenants and Warranties of the Board. The Board represents, covenants and warrants to the Trustee as follows:

(a) *Authorization.* The Constitution and the laws of the State authorize the Board to enter into this Purchase Contract, the Acquisition Agreement and the Indenture (together, the “*Financing Agreements*”) and to enter into the transactions contemplated by, and to carry out its obligations under, the Financing Agreements, and the Board has duly authorized and executed the Financing Agreements.

(b) *No Violations.* Neither the execution, delivery and performance of the Financing Agreements, nor the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated by the Financing Agreements, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Board is now a party or by which the Board or any of its property is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrance upon any of the property or assets of the Board, or upon the Improvements, except Permitted Encumbrances.

(c) *Execution and Delivery.* The Board has duly authorized, executed and delivered this Purchase Contract in accordance with the laws of the State. This Purchase Contract is a valid and binding agreement of the Board in accordance with its terms.

(d) *Budget.* The Board covenants to include in each annual operating budget for the University of Illinois an amount of Legally Available Non-Appropriated Funds which will be sufficient to make the Installment Payments and Additional Payments when due in each fiscal year.

(e) *Additional Debt.* The Board will incur no obligations secured by a lien or payment priority on the Board’s appropriation superior to the rights of the Owners of the Certificates.

(f) *No Impairment.* The Board agrees that once a final appropriation by the State of funds necessary to make Installment Payments and Additional Payments for each fiscal year has been made by the State, the Board will not take any actions which would impair its ability to make Installment Payments and Additional Payments under this Purchase Contract from such appropriations during such fiscal year and shall make such payments to the Trustee no later than the Business Day immediately preceding each payment date.

(g) *Hazardous Materials.* The Improvements shall be kept free of Hazardous Materials and will not be used to generate, manufacture, refine, transport, treat, store, handle, dispose of, transfer, produce or process Hazardous Materials, except in connection with the normal maintenance and operation of the Improvements. The Board

will not cause or permit, as a result of any intentional or unintentional act or omission on the part of the Board, the installation of Hazardous Materials in the Improvements or a release of Hazardous Materials onto the Improvements or suffer the presence of Hazardous Materials on the Improvements, except in connection with the normal maintenance and operation of the Improvements. The Board will comply with, and will ensure compliance by all lessees with, all applicable federal, State and local laws, ordinances, rules and regulations with respect to Hazardous Materials and will keep the Improvements free and clear of any liens imposed pursuant to such laws, ordinances, rules and regulations. If the Board receives any notice from any governmental agency or any lessee with regard to Hazardous Materials on, from or affecting the Improvements, the Board will immediately notify the Trustee. The Board will conduct and complete all investigations, studies, sampling and testing and all remedial, removal and other actions necessary to clean up and remove all Hazardous Materials, on, from or affecting the Improvements in accordance with all applicable federal, State and local laws, ordinances, rules, regulations and policies and to the satisfaction of the Trustee. For purposes of this subsection (g), the term "*Hazardous Materials*" includes, without limitation, any flammable explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic substances, or related materials, asbestos or any materials containing asbestos, or any other substance or material defined as constituting a similar hazard by any federal, State or local environmental law, ordinance, rule or regulation including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. sections 9601 *et seq.*), the Hazardous Materials Transportation Act, as amended (49 U.S.C. sections 1801 *et seq.*), the Resource Conservation and Recovery Act, as amended (42 U.S.C. sections 9601 *et seq.*), and the regulations adopted and publications promulgated pursuant thereto. The Board will require any lessees of the Improvements to execute contracts with the Board and the Trustee agreeing to comply with the provisions of this subsection (g).

(h) *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.

Section 2.2 Representations, Covenants and Warranties of the Trustee. The Trustee represents, covenants and warrants to the Board as follows:

(a) *Due Organization and Existence.* The Trustee (i) is a national banking association duly organized and existing under the laws of the United States and is qualified to do business in the State; (ii) has power to enter into this Purchase Contract, the Acquisition Agreement and the Indenture; (iii) is possessed of full power to own and hold, improve and equip the Improvements, and to lease and sell the same; and (iv) has duly authorized the execution and delivery of all of the aforesaid agreements.

(b) *No Encumbrances.* The Trustee will not pledge the Installment Payments or other amounts derived from the Improvements and from its other rights under this Purchase Contract, and will not transfer or encumber its interest in the Improvements, except as permitted under the terms of this Purchase Contract and the Indenture.

(c) *No Violations.* Neither the execution, delivery and performance of the Financing Agreements, nor the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated by the Financing Agreements, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Trustee is now a party or by which the Trustee or any of its property is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrance upon any of the property or assets of the Trustee, or upon the Improvements, except Permitted Encumbrances.

(d) *No Assignments.* Except as provided herein, the Trustee will not assign this Purchase Contract, its right to receive Installment Payments from the Board, or its duties and obligations hereunder to any other person, firm or corporation so as to impair or violate the representations, covenants and warranties contained in this Section 2.2.

(e) *Disclaimer.* The Board acknowledges that (i) the Improvements are simultaneously being acquired by the Trustee at the Board's request pursuant to the Acquisition Agreement specifically for the purpose of selling the Improvements back to the Board pursuant to the terms hereof; (ii) the Improvements will be purchased on the basis of specifications and requirements furnished by the Board; and (iii) the Trustee has not held itself out as having knowledge or skill particular to the Improvements or made any affirmations of fact regarding the Improvements.

ARTICLE III

Deposit of Moneys; Acquisition of the Improvements

Section 3.1 Deposit of Moneys. On the Closing Date, the Trustee will transfer the net proceeds of sale of the Certificates to the Prior Trustee to provide for the defeasance of the Prior 2006A Certificates on the date hereof and the Board will transfer or direct the Prior Trustee to transfer amounts (if any) on deposit in the Acquisition Fund for the Prior 2006A Certificates for deposit into the Acquisition Fund for the 2014C Certificates to pay (i) any remaining Acquisition Costs and (ii) the Delivery Costs.

Section 3.2 Acquisition of the Improvements. (a) The Trustee will undertake the Improvements in accordance with the applicable Improvements Documents to the extent and only to the extent that the Board discharges the Trustee's responsibilities under this Section 3.2. The Board will cause the Improvements to continue to be acquired and constructed solely as the Trustee's agent hereunder and will continue to undertake the Improvements in accordance with the applicable Improvements Documents. Each Improvement Contract has been, or shall be, awarded by the Board to a Contractor authorized to do business under the laws of the State, and each Improvement Contract has been, or will be, awarded after such public bidding and following such procedures as may be required by the applicable laws relating to the awarding of contracts of a similar nature by the Board.

(b) The Board, as agent of the Trustee for such purpose, agrees to continue to complete the Improvements in accordance with the construction and acquisition schedule prepared therefor as the same may be revised from time to time.

(c) If an Event of Default occurs prior to the delivery of the Completion Certificate required under Section 4.3 hereof, the moneys remaining in the Acquisition Fund shall be immediately transferred by the Board to the Trustee and shall be used as provided in the Indenture.

Section 3.3 Compliance with Handicap Codes. To the extent required by applicable law, the Improvements will be acquired and constructed in material compliance with applicable planning and design criteria so as to be accessible to, and functional for, the physically handicapped.

Section 3.4 Licenses for Improvements. In consideration of the Trustee's agreement to continue to undertake the Improvements in accordance with, and subject to the terms, conditions and limitations hereof, the Board hereby grants to the Trustee an irrevocable license (which shall be considered as coupled with an interest) to enter onto the sites of the Improvements (the "Sites") for the purposes of (a) continuing to acquire and construct the Improvements on the Sites and (b) ingress and egress to and from the Sites in connection with the acquisition and construction of the Improvements. The license granted hereby shall be subject to (i) all liens and encumbrances affecting the Sites from time to time, whether now existing or hereafter arising and (ii) the Board's absolute right to use and enjoyment with respect to the Sites, subject only to the terms, conditions and limitations of this Purchase Contract.

Section 3.5 Right to Inspect Improvements Documents. The Board shall have and keep on file and available for inspection by the Trustee, during normal business hours and following reasonable notice, copies of the Improvements Documents (except Improvements Documents that are in the possession of the Trustee), throughout the Term of this Purchase Contract, or as soon after the commencement of the Term of this Purchase Contract as such Improvements Documents become available to the Board. Neither the Improvements Documents nor any changes or amendments thereto shall (a) cause the Improvements to be used for any purpose prohibited by this Purchase Contract or by the Constitution and laws of the State or (b) adversely affect the ability of the Board to meet its obligations hereunder.

Section 3.6 Financing the Improvements. For the purpose of paying and refinancing Acquisition Costs and Delivery Costs, the Board hereby directs the Trustee to cause the Certificates to be executed and delivered pursuant to the Indenture and to cause the proceeds from the sale thereof to be deposited with the Trustee and applied as provided in Section 3.1 hereof. The description of the Improvements in *Exhibit B* may be supplemented or amended at any time by resolution of the Board, as set forth in Section 9.01 of the Indenture.

Section 3.7 Disbursements from the Acquisition Fund. The Trustee has, in the Indenture, authorized the Board to make payments from the Acquisition Fund to pay Acquisition Costs and Delivery Costs.

Section 3.8 Unexpended Proceeds. All excess moneys remaining in the Acquisition Fund and not required for payment of Delivery Costs and Acquisition Costs shall be used as described in Section 3.02(c) of the Indenture.

ARTICLE IV

Agreements to Sell and to Acquire the Improvements; Termination of this Purchase Contract; Installment Payments; Additional Payments; Title to the Improvements

Section 4.1 Sale and Acquisition. The Trustee hereby sells the Improvements to the Board, and the Board hereby acquires the Improvements from the Trustee, upon the terms and conditions set forth in this Purchase Contract.

Section 4.2 Term of Agreement; Termination; Renewal. (a) The Term of this Purchase Contract shall commence on _____, 2014, and continue until _____, 20__, unless terminated pursuant to Sections 4.2(b), 4.2(c) or 4.2(d) hereof prior thereto (such date, the “*Expiration Date*”). If the Indenture shall be discharged by its terms prior to the Expiration Date, the Term of this Purchase Contract shall thereupon end.

(b) This Purchase Contract and the Board’s obligations to pay Installment Payments and Additional Payments hereunder shall be subject to termination 60 days after the Board certifies to the Trustee that the Board has determined that there are not sufficient Legally Available Non-Appropriated Funds to pay all of the Installment Payments coming due during the then current fiscal year.

(c) The Board may terminate this Purchase Contract on any date on or after _____. In order to exercise such option to terminate this Purchase Contract, the Board shall give written notice to the Trustee and the Bank, not less than 60 days prior to the date of termination, that it is exercising its option to terminate this Purchase Contract. If the Board exercises such option to terminate this Purchase Contract, Installment Payments due after the termination date are subject to mandatory prepayment in whole on the date of termination as set forth in Section 9.3(i), and, with respect to any Certificate Installment Payments being prepaid, the mandatory prepayment shall include any premium necessary to pay the redemption price for such Certificates pursuant to Section 4.02 of the Indenture.

(d) Failure of the Board to provide for the payments to the Trustee required by Section 4.4 hereof shall terminate all of the Board’s right, title and interest in this Purchase Contract and to all of the Improvements as provided in Section 8.2 hereof. Upon such termination of the Purchase Contract, the Board shall immediately turn over possession of the Improvements to the Trustee in accordance with Section 4.3 hereof.

(e) Upon the issuance of Parity Certificates pursuant to Section 2.08 of the Indenture, the Board and the Trustee shall execute a supplement to this Purchase Contract, if necessary pursuant to the Indenture, to include the Improvements relating to such Parity Certificates within the scope of the Purchase Contract. If permitted by

applicable law, the Term of this Purchase Contract may be extended or renewed in connection with such supplement.

Section 4.3 Possession. Following the acquisition and construction of each major component of the Improvements by the Trustee, the Board will take possession of that component of the Improvements and deliver a written certificate of possession and acceptance of such Improvements (the “*Completion Certificate*”) to the Trustee within 30 days after the acquisition and construction of that component of the Improvements has been completed. Subject to the provisions of Section 4.6 hereof, the Board agrees it will immediately surrender possession of the Improvements to the Trustee upon termination of this Purchase Contract as a result of an Event of Default. To the extent permitted by law, the Board will hold the Trustee harmless from any costs, loss or damage arising from or occasioned by such surrender of possession of Improvements due to such termination.

Section 4.4 Installment Payments.

(a) *Obligation to Pay.* Subject to the provisions of Section 4.2 and Article IX hereof, the Board will pay to the Trustee, its successors and assigns, as payment for the purchase price of the Improvements, the total Certificate Installment Payments (consisting of components of principal and interest) in each fiscal year for the Improvements in the respective amounts specified in *Exhibit A* for principal and interest components.

No later than the Business Day before each Interest Payment Date, the Board shall deposit with the Trustee from the Legally Available Non-Appropriated Funds, the full amount of funds necessary, when combined with, to make all Installment Payments coming due on such dates. Any amount held in the Installment Payment Fund on any Interest Payment Date (other than amounts required for payment of past due principal or interest with respect to any Certificates not presented for payment) shall be credited towards the Installment Payments then due and payable, and no Installment Payments need be made on any Interest Payment Date if the amounts then held in the Installment Payment Fund on such date are at least equal to the Installment Payments then required to be paid. The Board’s obligation to make Installment Payments hereunder shall not be subject to the Board’s acceptance, use and occupancy of the Improvements.

(b) *Effect of Prepayment.* If the Board prepays all remaining Installment Payments in full pursuant to Article IX hereof, the Board’s obligations under this Purchase Contract will thereupon cease and terminate, including but not limited to the Board’s obligation to pay Installment Payments under this Section. If the Board prepays a portion of the Installment Payments as provided in Article IX hereof, *Exhibit A* may be amended to reflect the remaining principal then due after said prepayment and, if applicable, the interest remaining to be paid on the remaining principal Installment Payments, provided that the Installment Payments set forth in *Exhibit A* as amended are sufficient to pay the outstanding Certificates when due.

(c) *Rate on Overdue Payments.* If the Board fails to make any of the Installment Payments required in this Section 4.4, the payment in default shall continue

as an obligation of the Board until the amount in default shall have been fully paid, and the Board will pay the same with interest thereon at the rate borne by the Certificates to the extent permitted by law, from the date of default to the date of payment.

(d) *Fair Purchase Value.* The Installment Payments for Improvements for each payment period during the term of this Purchase Contract constitutes the total payment for such Improvements for such payment period, and will be paid by the Board in each payment period for the continued quiet use and enjoyment of such Improvements during each such period for which said payment is to be paid. The parties hereto have agreed and determined that the total Installment Payments for the Improvements represent the fair purchase value of such Improvements. In making such determination, consideration has been given to the appraised value of such Improvements, other obligations of the parties under this Purchase Contract, the uses and purposes which may be served by the Improvements and the Acquisition Costs and the benefits therefrom which will accrue to the Board and the general public.

(e) *Establishment of Trust.* The Board understands and agrees that all interests of the Trustee in and to the Improvements and the Installment Payments have been granted in trust, pursuant to the Indenture, for the benefit of the Owners of the Certificates, and the Board hereby assents to such assignment. The Board hereby agrees to pay to the Trustee at the Trustee's designated corporate trust operations office, or to the Trustee at such other place as the Trustee shall direct in writing, all payments payable by the Board pursuant to this Section 4.4 and all amounts payable by the Board pursuant to Article IX hereof.

Section 4.5 Quiet Enjoyment. During the Term of this Purchase Contract, the Trustee shall provide the Board with quiet use and enjoyment of the Improvements, and the Board shall during such Term peaceably and quietly have and hold and enjoy the Improvements, without suit, trouble or hindrance from the Trustee, except as expressly set forth in this Purchase Contract. The Trustee will, at the request of the Board and at the Board's cost, join in any legal action in which the Board asserts its right to such possession and enjoyment to the extent the Trustee may lawfully do so. Notwithstanding the foregoing, the Trustee shall have the right to inspect the Improvements as provided in Section 6.2 hereof.

Section 4.6 Title. During the Term of this Purchase Contract, the Board will hold title to the Improvements, subject to title immediately reverting in the Trustee upon the occurrence of an Event of Default under this Purchase Contract. Upon delivery of this Purchase Contract, title to the Improvements then in existence will automatically vest in the Board without action by the Trustee, and title to all Improvements acquired after the delivery of this Purchase Contract will automatically vest in the Board upon their acquisition by the Trustee without action by the Trustee.

Section 4.7 Additional Payments. In addition to the Installment Payments, the Board shall pay when due as Additional Payments all costs and expenses incurred by the Trustee to comply with the provisions of the Indenture, including without limitation compensation due to the Trustee, all costs and expenses of auditors, engineers, accountants and legal counsel, if necessary, but excluding Delivery Costs (which shall be paid by the Trustee from moneys

deposited in the Acquisition Fund), and any amounts advanced by the Trustee under Sections 5.5 and 5.7 hereof.

ARTICLE V

Maintenance; Taxes; Insurance; and Other Matters

Section 5.1 Maintenance, Utilities, Taxes and Assessments. Throughout the Term of this Purchase Contract, as part of the consideration for the purchase of the Improvements, all improvement, repair and maintenance of the Improvements will be the responsibility of the Board. The Board will pay for or otherwise arrange for the payment of all utility services supplied to the Improvements, which may include, without limitation, janitor service, security, power, gas, telephone, light, heating, water and all other utility services, and will pay for or otherwise arrange for the payment of the cost of the repair and replacement of the Improvements resulting from ordinary wear and tear or want of care on the part of the Board or any assignee or lessee thereof. In exchange for the Installment Payments herein provided, the Trustee agrees to provide only the Improvements, as more specifically set forth in this Purchase Contract.

The Board shall also pay or cause to be paid all taxes and assessments of any type or nature, if any, charged to the Trustee or the Board affecting the Improvements or the respective interests or estates therein; *provided* that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the Board shall be obligated to pay only such installments as are required to be paid during the Term of this Purchase Contract as and when the same become due.

The Board or any lessee of the Board may, at the Board's or such lessee's expense and in its name, in good faith contest any such taxes, assessments, utility and other charges and, in the event of any such contest, the Board or such lessee may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom and shall provide the Trustee with full security against any loss or forfeiture which might arise from such contest and any appeal therefrom, unless the Trustee shall notify the Board or such lessee that, in the opinion of counsel, by nonpayment of any such items, the interest of the Trustee in the Improvements will be materially endangered or the Improvements or any part thereof will be subject to loss or forfeiture, in which event the Board or such lessee shall promptly pay such taxes, assessments or charges.

Section 5.2 Modification of Improvements. The Board and any lessee of the Board will, at their own expense, have the right to remodel any Improvements or to make additions, modifications and improvements to the Improvements. All such additions, modifications and improvements shall thereafter comprise part of the Improvements and be subject to the provisions of this Purchase Contract. Such additions, modifications and improvements shall not in any way damage any Improvements or cause them to be used for purposes other than those authorized under the provisions of State and federal law; and the Improvements, upon completion of any additions, modifications and improvements made thereto pursuant to this Section, shall be of a value which is not substantially less than the value of such Improvements immediately prior to the making of such additions, modifications and improvements. The Board

will not permit any mechanic's or other lien to be established or remain against the Improvements for labor or materials furnished in connection with any remodeling, additions, modifications, improvements, repairs, renewals or replacements made by the Board or any lessee or assignee pursuant to this Section; *provided* that if any such lien is established and the Board shall first notify or cause to be notified the Trustee and the Trustee of the Board's or any lessee's intention to do so, the Board or any lessee may in good faith contest any lien filed or established against the Improvements, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom and shall provide the Trustee with full security against any loss or forfeiture which might arise from the nonpayment of any such item, in form satisfactory to the Trustee. The Trustee will cooperate fully in any such contest, upon the request and at the expense of the Board or such lessee.

Section 5.3 General Liability Insurance. The Board shall maintain or cause to be maintained, throughout the Term of this Purchase Contract, a program of liability insurance and/or self-insurance as authorized under the laws of the State to assume such risks, and of such types and in such amounts as are customary for similar institutions carrying on similar activities. Such liability insurance may be maintained as part of or in conjunction with any other liability insurance coverage carried or required to be carried by the Board. All liability policies shall name the Trustee as additional insureds or the equivalent under a program of self-insurance. A certificate of insurance shall be delivered to the Trustee upon issuance of the Certificates and annually thereafter within 30 days of purchase or renewal.

Section 5.4 Property Insurance. The Board shall maintain property insurance with a commercial insurer rated "B+" or better by Best or in the two highest rating categories of S&P and Moody's, but only for those structures which are currently used by the Board and in which the Improvements are located. Such property insurance shall be in an amount equal to the replacement cost of such structures. All such policies shall name the Trustee as a loss payee to the extent its interest applies. A certificate of insurance shall be delivered to the Trustee upon issuance of the Certificates and annually thereafter within 30 days of purchase or renewal.

Upon any damage to or destruction of any portion of the Improvements, the original cost of which, in the aggregate, exceeds \$250,000, the Board shall take one of the following actions, in the sole discretion of the Board Representative:

- (a) restore, repair or replace such damaged or destroyed Improvements to their original condition;
- (b) amend *Exhibit B* hereto to add additional Improvements having at least the same original cost as such damaged or destroyed Improvements; or
- (c) secure the payment of the portion of Installment Payments relating to such damaged or destroyed Improvements by a deposit with the Trustee pursuant to Section 9.1 hereof of an amount which, upon investment together with investment earnings, will be sufficient to pay a portion of the unpaid Installment Payments, including the principal and interest components thereof and any premium. Such portion of the principal component of the unpaid Installment Payments in each year shall be determined by the Board Representative by multiplying the amount of the principal component of the

unpaid Installment Payments due in each year by the ratio of (i) the original cost of such damaged or destroyed Improvements paid from the proceeds of the Certificates to (ii) the proceeds of the Certificates, rounded up to the nearest \$5,000 of principal amount in each year.

Section 5.5 Advances. If the Board fails to perform any of its obligations under this Article the Trustee may, but shall not be obligated to, take such action as may be necessary to cure such failure, including the advancement of money, and the Board will repay as an Additional Payment all of such advances as soon as possible, with interest from the date of the advance to the date of repayment at the rate per annum announced by the Trustee from time to time as its “*prime rate*” (or if it does not exist, a similar rate).

Section 5.6 Installation of Board’s Equipment. The Board and any lessee may at any time and from time to time, in its sole discretion and at its own expense, install or permit to be installed other items of equipment or other personal property in or upon the Improvements. All such items will remain the sole property of the Board or the lessee, in which the Trustee shall not have any interest, and may be modified or removed by such party at any time provided that such party shall repair and restore any and all damage to the Improvements resulting from the installation, modification or removal of any such items. Nothing in this Purchase Contract shall prevent the Board and any lessee from purchasing or leasing items to be installed pursuant to this Section under a lease or conditional sale agreement, or subject to a trustee’s lien or security agreement, as security for the unpaid portion of the purchase price thereof, *provided* that no such lien or security interest shall attach to any part of the Improvements.

Section 5.7 Liens. The Board shall not, directly or indirectly, create, incur, assume or suffer to exist any pledge, lien, charge, encumbrance or claim on or with respect to the Improvements, other than the respective rights of the Trustee and the Board as herein provided and Permitted Encumbrances. Except as expressly provided in this Article, the Board shall promptly, at its own expense, take such action as may be necessary to duly discharge, contest or remove any such pledge, lien, charge, encumbrance or claim, for which it is responsible, if the same shall arise at any time. The Board shall reimburse the Trustee for any expense incurred by it in order to discharge or remove any such pledge, lien, charge, encumbrance or claim.

ARTICLE VI

Disclaimer of Warranties; Access

Section 6.1 Disclaimer of Warranties. THE TRUSTEE MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY THE BOARD OF THE IMPROVEMENTS OR ANY ITEM THEREOF, OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE IMPROVEMENTS OR ANY ITEM THEREOF. IN NO EVENT SHALL THE TRUSTEE BE LIABLE FOR INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES, IN CONNECTION WITH OR ARISING OUT OF THIS PURCHASE CONTRACT, THE

ACQUISITION AGREEMENT, OR THE INDENTURE FOR THE EXISTENCE, FURNISHING, FUNCTIONING OR BOARD'S USE OF THE IMPROVEMENTS.

Section 6.2 Access to the Improvements. The Board agrees that the Trustee and any Trustee Representative, and the Trustee's successors or assigns, shall have the right at all reasonable times to examine and inspect the Improvements. The Board further agrees that the Trustee, any such Representative, and the Trustee's successors or assigns shall have such rights of access to the Improvements as may be reasonably necessary to cause the proper maintenance of the Improvements if the Board fails to perform its obligations hereunder.

ARTICLE VII

Assignment, Leasing and Amendment

Section 7.1 Assignment and Leasing by the Board. This Purchase Contract may not be assigned by the Board. The Improvements may be leased in whole or in part by the Board, but only with the written consent of the Trustee, which consent shall not be unreasonably withheld, and subject to all of the following conditions:

- (i) this Purchase Contract and the obligation of the Board to make Installment Payments and Additional Payments must remain obligations of the Board;
- (ii) the Board shall, within 30 days after the delivery thereof, furnish or cause to be furnished to the Trustee a true and complete copy of such lease;
- (iii) no such lease by the Board shall cause any of the Improvements to be used for a purpose other than a governmental or proprietary function authorized under the provisions of the Constitution and laws of the State; and
- (iv) the Board must furnish the Trustee with a Favorable Opinion of Special Counsel, with respect to any such lease.

Section 7.2 Amendment of this Purchase Contract. Neither the Trustee nor the Board will alter, modify or cancel, or agree or consent to alter, modify or cancel this Purchase Contract, excepting only such alteration or modification as may be permitted by Article IX of the Indenture or amendments to *Exhibit B* contemplated by Section 5.4(b) hereof.

ARTICLE VIII

Events of Default and Remedies

Section 8.1 Events of Default Defined. The following shall be "*events of default*" under this Purchase Contract and the terms "*events of default*" and "*default*" shall mean, whenever they are used in this Purchase Contract, with respect to the Improvements, any one or more of the following events:

(i) Failure by the Board to pay any Installment Payment or other payment required to be paid hereunder, including, without limitation, any mandatory prepayment required pursuant to Section 9.3 hereof at the time specified herein.

(ii) Failure by the Board to observe and perform any covenant, condition or agreement on its part to be observed or performed under the Indenture or this Purchase Contract, other than as referred to in clause (i) of this Section, for a period of 30 days after written notice specifying such failure and requesting that it be remedied has been given to the Board by the Trustee or the Owners of not less than 25% in aggregate principal amount of Certificates then Outstanding; *provided, however*, if the failure stated in the notice can be corrected, but not within the applicable period, the Trustee or such Owners shall not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the Board within the applicable period and diligently pursued until the default is corrected.

(iii) The filing by the Board of a voluntary petition in bankruptcy, or failure by the Board promptly to lift any execution, garnishment or attachment, or adjudication of the Board as a bankrupt, or assignment by the Board for the benefit of creditors, or the entry by the Board into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the Board in any proceedings instituted under the provisions of Title 11 of the United States Code, as amended, or under any similar acts which may subsequently be enacted.

Section 8.2 Remedies on Default. Whenever any event of default referred to in Section 8.1 hereof shall have happened and be continuing, it shall be lawful for the Trustee to exercise any and all remedies available pursuant to law or granted pursuant to this Purchase Contract. Each and every covenant hereof to be kept and performed by the Board is expressly made a condition and upon the breach thereof the Trustee may, as provided below, exercise any and all rights of entry and reentry upon the Improvements and also, at its option, with or without such entry, may terminate this Purchase Contract; *provided*, that no such termination shall be effected either by operation of law or acts of the parties hereto, except only in the manner herein expressly provided. In the event of such default:

(a) If the Trustee does not elect to terminate this Purchase Contract in the manner hereinafter provided for in subparagraph (b) below, the Board hereby irrevocably appoints the Trustee as its agent and attorney-in-fact to relet its interests in the Improvements in the event of default by the Board in the performance of any covenants herein contained to be performed by the Board and to remove all Improvements consisting of personal property wherever situated and to place such property in storage or other suitable place in the State of Illinois, for the account of and at the expense of the Board, and, to the extent permitted by law, the Board hereby exempts and agrees to save harmless the Trustee from any costs, loss or damage whatsoever arising or occasioned by any such entry upon and reletting of the Improvements and the removal and storage of such personal property by the Trustee or its duly authorized agents in accordance with the provisions herein contained. The Board hereby waives any and all claims for damages caused or which may be caused by the Trustee in taking possession of the Improvements as herein provided and all claims for damages that may result from the destruction of or

injury to the Improvements and all claims for damages to or loss of any personal property belonging to the Board that may be in or upon the Improvements. The Board agrees that the terms of this Purchase Contract constitute full and sufficient notice of the right of the Trustee to relet the Improvements in the event of such reentry without effecting a surrender of this Purchase Contract, and further agrees that no acts of the Trustee in effecting such reletting shall constitute a surrender or termination of this Purchase Contract irrespective of the term for which such reletting is made or the terms and conditions of such reletting, or otherwise, but that, on the contrary, in the event of such default by the Board the right to terminate this Purchase Contract shall vest in the Trustee to be effected in the sole and exclusive manner hereinafter provided for in subparagraph (b) hereof.

(b) Upon the occurrence of an Event of Default hereunder, the Trustee at its option may terminate this Purchase Contract and may rent, lease or sell all or any portion of its interests in the Improvements. Any amounts received by the Trustee from such renting, leasing or sale shall be credited towards the Board's unpaid Installment Payments and Additional Payments and any excess shall be paid to the Board. The net proceeds of the sale, lease or other disposition of the Improvements shall be deposited in the Installment Payment Fund and applied to Installment Payments in order of payment date. Title to the Improvements is subject to immediate vesting in the Trustee upon the occurrence of an Event of Default. Neither notice to pay Installment Payments or Additional Payments due or to deliver up title to and possession of the Improvements given pursuant to law nor any proceeding in unlawful detainer taken by the Trustee shall of itself operate to terminate this Purchase Contract and no termination of this Purchase Contract on account of default by the Board shall be or become effective by operation of law, or otherwise, unless and until the Trustee shall have given written notice to the Board of the election on the part of the Trustee to terminate this Purchase Contract. The Board covenants and agrees that no surrender of the Improvements or any termination of this Purchase Contract shall be valid in any manner or for any purpose whatsoever unless stated or accepted by the Trustee by such written notice. Additionally, to the extent permitted by law, the Board hereby exempts and agrees to save harmless the Trustee from any costs, loss or damage whatsoever arising or occasioned by any removal of the personal property of the Board by the Trustee or the duly authorized agents thereof in accordance with the provisions contained in this Purchase Contract.

Section 8.3 No Remedy Exclusive. No remedy herein conferred upon or reserved to the Trustee is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Purchase Contract or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Trustee to exercise any remedy reserved to it in this Article it shall not be necessary for the Trustee to give any notice, other than such notice as may be required in this Article or by law.

Section 8.4 Agreement to Pay Attorneys' Fees and Expenses. If either party to this Purchase Contract should default under any of the provisions hereof and the nondefaulting

party should employ attorneys or incur other expenses for the collection of moneys or the enforcement of performance or observance of any obligation or agreement on the part of the defaulting party herein or therein contained, the defaulting party agrees that it will on demand therefor pay (in the case of the Board, to the extent permitted by law) to the nondefaulting party the reasonable fees of such attorneys and such other expenses so incurred by the nondefaulting party.

Section 8.5 No Additional Waiver Implied by One Waiver. If any agreement contained in this Purchase Contract should be breached by either party and the breach is subsequently waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

Section 8.6 Application of Proceeds. All proceeds received from the sale, release or other disposition of the Improvements under this Article VIII (after payment therefrom of all expenses incurred in the collection thereof), and all other amounts derived by the Trustee as a result of an event of default hereunder, shall be transferred to the Trustee promptly upon receipt thereof and shall be deposited by the Trustee in the Installment Payment Fund to be applied as provided in the Indenture.

Section 8.7 Exercise of Rights. Such rights and remedies as are given to the Trustee under this Article VIII have been granted in trust under the Indenture, to which grant the Board hereby consents. Such rights and remedies shall be exercised by the Trustee, and the Owners of the Certificates as provided in the Indenture.

ARTICLE IX

Prepayment of Installment Payments

Section 9.1 Security Deposit. Notwithstanding any other provision of this Purchase Contract, the Board may on any date secure the payment of all or any portion of Installment Payments by a deposit with the Trustee of (i) an amount which, in the judgment of the Trustee, is sufficient to pay all or any portion of unpaid Certificate Installment Payments, in accordance with the Installment Payment Schedule set forth in *Exhibit A*, or (ii) direct non-callable obligations of the United States of America, together with cash, if required, in such amount as will, in the opinion of an independent certified public accountant acceptable to the Trustee, together with interest to accrue thereon, be fully sufficient to pay all or any portion of unpaid Certificate Installment Payments on the related Interest Payment Dates. [Prior to such deposit, the Board shall also deliver to the Trustee written notice from the Rating Agencies of the ratings on the Certificates to be effective after such deposit has been made.] In the event of a deposit pursuant to this Section sufficient to pay, or provide for the payment of, all unpaid Installment Payments, all obligations of the Board under this Purchase Contract, and all security provided by this Purchase Contract for said obligations, shall cease and terminate, excepting only the obligations of the Board to make, or cause to be made, Installment Payments from the deposit made by the Board pursuant to this Section. Said deposit will be deemed to be and will constitute a special fund for the payment of Installment Payments in accordance with the provisions of this Purchase Contract.

Section 9.2 Purchase Option. On or after the determination by the Board described in Section 4.2(b) hereof, the Board may, or upon the termination of this Purchase Contract pursuant to Section 4.2(c) hereof, the Board shall, exercise its option to purchase all of the Improvements pursuant to Section 9.3 hereof by paying the Prepayment price of all Certificate Installment Payments to the date that this Purchase Contract is to be terminated. Such Prepayment shall be deposited by the Trustee in the Installment Payment Fund to be applied to the redemption of the Certificates pursuant to Section 4.01, 4.02 or 4.03 of the Indenture, as applicable. The Board shall give the Trustee notice of its intention to exercise its option not less than 45 days in advance of the date of exercise.

Section 9.3 Prepayments. The Certificate Installment Payments are subject to prepayment by the Board as follows:

(i) the Certificate Installment Payments due after the termination of this Purchase Contract are subject to mandatory prepayment, in whole, by the Board on any date that the Board exercises its option to terminate this Purchase Contract as provided in Section 4.2(c) hereof;

(ii) the Certificate Installment Payments are subject to optional prepayment by the Board in whole or in part, to provide for the optional redemption of the Certificates as provided in Section 4.04 of the Indenture or, with respect to Parity Certificates, as provided in the supplemental indenture authorizing the issuance thereof;

(iii) the Certificate Installment Payments are subject to prepayment by the Board in whole on any date on which this Purchase Contract is terminated by the Board and the Board has exercised its option to make such prepayment as provided in Section 4.01 of the Indenture; and

[(iv) a portion of the Certificate Installment Payments are subject to mandatory prepayment by the Board corresponding to the dates and the times set forth in Section _____ of the Indenture.]

Section 9.4 Credit for Amounts on Deposit. In the event of a prepayment of the principal components of the Installment Payments in full under this Article IX, such that the Indenture is discharged by its terms as a result of such prepayment, all amounts then on deposit in the Installment Payment Fund or the Acquisition Fund not needed for the acquisition of the Improvements shall be credited towards the amounts then required to be so prepaid.

ARTICLE X

Miscellaneous

Section 10.1 Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed to have been received either (i) upon deposit in the United States mail postage prepaid (ii) upon deposit with an overnight courier or (iii) upon the sending of a facsimile communication:

If to the Board: Comptroller
University of Illinois
349 Henry Administration Building, MC-352
506 South Wright Street
Urbana, Illinois 61801
Facsimile: (312) 996-9013
Telephone: (312) 996-8800

and Director of Capital Financing
University of Illinois
209 Henry Administration Building, MC-339
506 South Wright Street
Urbana, Illinois 61801
Facsimile: (217) 239-6722
Telephone: (217) 244-3400

If to the Trustee: The Bank of New York Mellon Trust Company, N.A.
2 North LaSalle Street, Suite 1020
Chicago, Illinois 60602
Attention: Corporate Trust
Facsimile: (312) 827-8522
Telephone: (312) 827-8626

The Board and the Trustee, by notice given hereunder, may designate different addresses to which subsequent notices, certificates or other communications will be sent.

Section 10.2 Statutory Statement.

THE BOARD OF TRUSTEES' OBLIGATION TO MAKE INSTALLMENT PAYMENTS DOES NOT CONSTITUTE A DEBT OF THE BOARD OR THE STATE OF ILLINOIS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION. THE INSTALLMENT PAYMENTS REQUIRED UNDER CERTIFICATES OF PARTICIPATION INCURRED BY THE UNIVERSITY ARE NOT SECURED BY THE FULL FAITH AND CREDIT OF THE STATE AND ARE NOT REQUIRED TO BE REPAYED, AND MAY NOT BE REPAYED, DIRECTLY OR INDIRECTLY, FROM TAX REVENUE.

Section 10.3 Binding Effect. This Purchase Contract shall inure to the benefit of and shall be binding upon the Trustee and the Board and their respective successors and assigns.

Section 10.4 Severability. If any provision of this Purchase Contract is held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 10.5 Net-net-net Installment Sale. This Purchase Contract will be deemed and construed to be a "*net-net-net installment sale*" and the Board hereby agrees that the Installment Payments shall be an absolute net return to the Trustee, free and clear of any

expenses, charges or set-offs whatsoever, irrespective of any defense or any right of recoupment or counterclaim which the Board may have against the Trustee.

Section 10.6 Amendments; Further Assurances and Corrective Instruments. (a) This Purchase Contract may be supplemented or amended as permitted by Section 9.01 of the Indenture.

(b) The Trustee and the Board agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Improvements hereby acquired or intended so to be in order to carry out the expressed intention of this Purchase Contract.

Section 10.7 Execution in Counterparts. This Purchase Contract may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 10.8 Applicable Law. This Purchase Contract shall be governed by and construed in accordance with the internal laws of the State without regard to the conflicts of law provisions of Illinois law.

Section 10.9 Trustee and Board Representatives. Whenever under the provisions of this Purchase Contract the approval of the Trustee or the Board is required, or the Trustee or the Board is required to take some action at the request of the other, such approval or such request shall be given for the Trustee by a Trustee Representative and for the Board by a Board Representative, and any party hereto shall be authorized to rely upon any such approval or request.

Section 10.10 Captions. The captions or headings in this Purchase Contract are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Section of this Purchase Contract.

IN WITNESS WHEREOF, the Trustee has caused this Purchase Contract to be executed in its corporate name by its duly authorized officer; and the Board has caused this Purchase Contract to be executed in its name by its duly authorized officers, as of the date first above written.

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

By: _____
Authorized Officer

(SEAL)

ATTEST:

By: _____
Authorized Officer

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

By: _____
Comptroller

(SEAL)

ATTEST:

By: _____
Secretary

EXHIBIT A

SCHEDULE OF INSTALLMENT PAYMENTS (1)

The following shows the principal component and interest rate component of Installment Payments to be paid pursuant to the Purchase Contract:

<u>Payment Date</u>	<u>Principal (\$)</u>	<u>Interest (\$)</u>
April 1, 2015		
October 1, 2015		
April 1, 2016		
October 1, 2016		
April 1, 2017		
October 1, 2017		
April 1, 2018		
October 1, 2018		
April 1, 2019		
October 1, 2019		
April 1, 2020		
October 1, 2020		
April 1, 2021		
October 1, 2021		
April 1, 2022		
October 1, 2022		
April 1, 2023		
October 1, 2023		
April 1, 2024		
October 1, 2024		
April 1, 2025		
October 1, 2025		
April 1, 2026		
October 1, 2026		
April 1, 2027		
October 1, 2027		
	_____	_____
TOTAL	=====	=====

(1) All Certificate Installment Payments due after December 1, 2019 and after any subsequent expiration date are subject to mandatory prepayment, in whole, on December 1, 2019 and such subsequent expiration date, as applicable, if the Board fails to renew and extend this Purchase Contract as provided in Section 4.2(e) hereof. All Certificate Installment Payments due after termination of this Purchase Contract are subject to mandatory prepayment, in whole, on the date the Board exercises its option to terminate this Purchase Contract.

EXHIBIT B

DESCRIPTION OF IMPROVEMENTS

Exterior Enclosures. Exterior enclosure projects including replacing and maintaining roofs, windows, skylights, doors, windows, tuck pointing and waterproofing of facilities at the Chicago, Springfield and Urbana campuses.

Vertical Lift. Vertical lift projects include installing and maintaining elevators and escalators in facilities at the Chicago, Springfield and Urbana campuses.

Code Compliance. Code compliance includes life safety and various code compliance projects at the Chicago, Springfield and Urbana campuses.

Critical Infrastructure. Critical infrastructure projects air handling and HVAC units and controls, main electrical service units, domestic water systems and DDC control systems at the Chicago, Springfield and Urbana campuses.

Energy Conservation. Energy conservation projects at the Chicago, Springfield and Urbana campuses.

Business Instructional Facility. Construction of a new state-of-the-art instructional facility of approximately 153,900 gross square feet for the College of Business at the Urbana campus.

Other Available Projects. Any funds available after the completion of these projects would be used to for other University-wide Facilities Renewal Program projects approved by the Board.

INSTALLMENT PURCHASE CONTRACT

between

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

and

THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ILLINOIS

Dated as of December 1, 2014

relating to

CERTIFICATES OF PARTICIPATION (REFUNDING),
TAXABLE SERIES 2014B

INSTALLMENT PURCHASE CONTRACT

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INSTALLMENT PURCHASE CONTRACT

THIS INSTALLMENT PURCHASE CONTRACT (the “*Purchase Contract*”), dated as of December 1, 2014, between THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ILLINOIS, a body corporate and politic of the State of Illinois (the “*Board*”) and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association duly organized and existing under the laws of the United States of America, not individually but as trustee (the “*Trustee*”) under the Indenture of Trust dated as of December 1, 2014 relating to the Certificates of Participation (Refunding) Taxable Series 2014B (the “*Indenture*”) from the Board to the Trustee;

W I T N E S S E T H:

WHEREAS, pursuant to the Acquisition Agreement (as defined herein) the Trustee has agreed to purchase or cause to be purchased from the Board certain real and personal property described in *Exhibit B* hereto (the “*Improvements*”); and

WHEREAS, the Trustee has proposed to sell the Improvements to the Board under an installment purchase arrangement, and the Board is authorized pursuant to the laws of the State to enter into installment purchase contracts for such purposes; and

WHEREAS, this Purchase Contract supplements and replaces the Installment Purchase Contract dated as of February 15, 2005, by and between the Board and the Trustee with respect to the Improvements;

NOW, THEREFORE, in consideration of the above premises and of the mutual covenants hereinafter contained and for other good and valuable consideration, the parties hereto agree as follows:

ARTICLE I

Definitions and Exhibits

Section 1.1 Definitions. Unless the context otherwise requires, the capitalized terms used but not defined in this Purchase Contract shall have the meanings specified in the Indenture. References in this Purchase Contract to “*Articles*” or “*Sections*” refer to this Purchase Contract unless another document is identified.

Section 1.2 Exhibits. The following Exhibits are attached to, and by reference made a part of, this Purchase Contract:

Exhibit A: The schedule of the principal portion of the Installment Payments to be paid by the Board hereunder with respect to the Improvements.

Exhibit B: The description of the Improvements.

ARTICLE II

Representations, Covenants and Warranties

Section 2.1 Representations, Covenants and Warranties of the Board. The Board represents, covenants and warrants to the Trustee as follows:

(a) *Authorization.* The Constitution and the laws of the State authorize the Board to enter into this Purchase Contract, the Acquisition Agreement and the Indenture (together, the “*Financing Agreements*”) and to enter into the transactions contemplated by, and to carry out its obligations under, the Financing Agreements, and the Board has duly authorized and executed the Financing Agreements.

(b) *No Violations.* Neither the execution, delivery and performance of the Financing Agreements, nor the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated by the Financing Agreements, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Board is now a party or by which the Board or any of its property is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrance upon any of the property or assets of the Board, or upon the Improvements, except Permitted Encumbrances.

(c) *Execution and Delivery.* The Board has duly authorized, executed and delivered this Purchase Contract in accordance with the laws of the State. This Purchase Contract is a valid and binding agreement of the Board in accordance with its terms.

(d) *Budget.* The Board covenants to include in each annual operating budget for the University of Illinois an amount of Legally Available Non-Appropriated Funds which will be sufficient to make the Installment Payments and Additional Payments when due in each fiscal year.

(e) *Additional Debt.* The Board will incur no obligations secured by a lien or payment priority on the Board’s appropriation superior to the rights of the Owners of the Certificates.

(f) *No Impairment.* The Board agrees that once a final appropriation by the State of funds necessary to make Installment Payments and Additional Payments for each fiscal year has been made by the State, the Board will not take any actions which would impair its ability to make Installment Payments and Additional Payments under this Purchase Contract from such appropriations during such fiscal year and shall make such payments to the Trustee no later than the Business Day immediately preceding each payment date.

(g) *Hazardous Materials.* The Improvements shall be kept free of Hazardous Materials and will not be used to generate, manufacture, refine, transport, treat, store, handle, dispose of, transfer, produce or process Hazardous Materials, except in connection with the normal maintenance and operation of the Improvements. The Board

will not cause or permit, as a result of any intentional or unintentional act or omission on the part of the Board, the installation of Hazardous Materials in the Improvements or a release of Hazardous Materials onto the Improvements or suffer the presence of Hazardous Materials on the Improvements, except in connection with the normal maintenance and operation of the Improvements. The Board will comply with, and will ensure compliance by all lessees with, all applicable federal, State and local laws, ordinances, rules and regulations with respect to Hazardous Materials and will keep the Improvements free and clear of any liens imposed pursuant to such laws, ordinances, rules and regulations. If the Board receives any notice from any governmental agency or any lessee with regard to Hazardous Materials on, from or affecting the Improvements, the Board will immediately notify the Trustee. The Board will conduct and complete all investigations, studies, sampling and testing and all remedial, removal and other actions necessary to clean up and remove all Hazardous Materials, on, from or affecting the Improvements in accordance with all applicable federal, State and local laws, ordinances, rules, regulations and policies and to the satisfaction of the Trustee. For purposes of this subsection (g), the term "*Hazardous Materials*" includes, without limitation, any flammable explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic substances, or related materials, asbestos or any materials containing asbestos, or any other substance or material defined as constituting a similar hazard by any federal, State or local environmental law, ordinance, rule or regulation including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. sections 9601 *et seq.*), the Hazardous Materials Transportation Act, as amended (49 U.S.C. sections 1801 *et seq.*), the Resource Conservation and Recovery Act, as amended (42 U.S.C. sections 9601 *et seq.*), and the regulations adopted and publications promulgated pursuant thereto. The Board will require any lessees of the Improvements to execute contracts with the Board and the Trustee agreeing to comply with the provisions of this subsection (g).

(h) *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.

Section 2.2 Representations, Covenants and Warranties of the Trustee. The Trustee represents, covenants and warrants to the Board as follows:

(a) *Due Organization and Existence.* The Trustee (i) is a national banking association duly organized and existing under the laws of the United States and is qualified to do business in the State; (ii) has power to enter into this Purchase Contract, the Acquisition Agreement and the Indenture; (iii) is possessed of full power to own and hold, improve and equip the Improvements, and to lease and sell the same; and (iv) has duly authorized the execution and delivery of all of the aforesaid agreements.

(b) *No Encumbrances.* The Trustee will not pledge the Installment Payments or other amounts derived from the Improvements and from its other rights under this Purchase Contract, and will not transfer or encumber its interest in the Improvements, except as permitted under the terms of this Purchase Contract and the Indenture.

(c) *No Violations.* Neither the execution, delivery and performance of the Financing Agreements, nor the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated by the Financing Agreements, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Trustee is now a party or by which the Trustee or any of its property is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrance upon any of the property or assets of the Trustee, or upon the Improvements, except Permitted Encumbrances.

(d) *No Assignments.* Except as provided herein, the Trustee will not assign this Purchase Contract, its right to receive Installment Payments from the Board, or its duties and obligations hereunder to any other person, firm or corporation so as to impair or violate the representations, covenants and warranties contained in this Section 2.2.

(e) *Disclaimer.* The Board acknowledges that (i) the Improvements are simultaneously being acquired by the Trustee at the Board's request pursuant to the Acquisition Agreement specifically for the purpose of selling the Improvements back to the Board pursuant to the terms hereof; (ii) the Improvements will be purchased on the basis of specifications and requirements furnished by the Board; and (iii) the Trustee has not held itself out as having knowledge or skill particular to the Improvements or made any affirmations of fact regarding the Improvements.

ARTICLE III

Deposit of Moneys; Acquisition of the Improvements

Section 3.1 Deposit of Moneys. On the Closing Date, the Trustee will transfer the net proceeds of sale of the Certificates to the Prior Trustee to provide for the defeasance of the Prior Certificates on the date hereof and the Board will transfer or direct the Prior Trustee to transfer amounts (if any) on deposit in the Acquisition Fund for the Prior Certificates for deposit into the Acquisition Fund for the 2014B Certificates to pay Acquisition Costs and Delivery Costs.

Section 3.2 Acquisition of the Improvements. (a) The Trustee will undertake the Improvements in accordance with the applicable Improvements Documents to the extent and only to the extent that the Board discharges the Trustee's responsibilities under this Section 3.2. The Board will cause the Improvements to continue to be acquired and constructed solely as the Trustee's agent hereunder and will continue to undertake the Improvements in accordance with the applicable Improvements Documents. Each Improvement Contract has been, or shall be, awarded by the Board to a Contractor authorized to do business under the laws of the State, and each Improvement Contract has been, or will be, awarded after such public bidding and following such procedures as may be required by the applicable laws relating to the awarding of contracts of a similar nature by the Board.

(b) The Board, as agent of the Trustee for such purpose, agrees to continue to complete the Improvements in accordance with the construction and acquisition schedule prepared therefor as the same may be revised from time to time.

(c) If an Event of Default occurs prior to the delivery of the Completion Certificate required under Section 4.3 hereof, the moneys remaining in the Acquisition Fund shall be immediately transferred by the Board to the Trustee and shall be used as provided in the Indenture.

Section 3.3 Compliance with Handicap Codes. To the extent required by applicable law, the Improvements will be acquired and constructed in material compliance with applicable planning and design criteria so as to be accessible to, and functional for, the physically handicapped.

Section 3.4 Licenses for Improvements. In consideration of the Trustee's agreement to continue to undertake the Improvements in accordance with, and subject to the terms, conditions and limitations hereof, the Board hereby grants to the Trustee an irrevocable license (which shall be considered as coupled with an interest) to enter onto the sites of the Improvements (the "Sites") for the purposes of (a) continuing to acquire and construct the Improvements on the Sites and (b) ingress and egress to and from the Sites in connection with the acquisition and construction of the Improvements. The license granted hereby shall be subject to (i) all liens and encumbrances affecting the Sites from time to time, whether now existing or hereafter arising and (ii) the Board's absolute right to use and enjoyment with respect to the Sites, subject only to the terms, conditions and limitations of this Purchase Contract.

Section 3.5 Right to Inspect Improvements Documents. The Board shall have and keep on file and available for inspection by the Trustee, during normal business hours and following reasonable notice, copies of the Improvements Documents (except Improvements Documents that are in the possession of the Trustee), throughout the Term of this Purchase Contract, or as soon after the commencement of the Term of this Purchase Contract as such Improvements Documents become available to the Board. Neither the Improvements Documents nor any changes or amendments thereto shall (a) cause the Improvements to be used for any purpose prohibited by this Purchase Contract or by the Constitution and laws of the State or (b) adversely affect the ability of the Board to meet its obligations hereunder.

Section 3.6 Financing the Improvements. For the purpose of paying and refinancing Acquisition Costs and Delivery Costs, the Board hereby directs the Trustee to cause the Certificates to be executed and delivered pursuant to the Indenture and to cause the proceeds from the sale thereof to be deposited with the Trustee and applied as provided in Section 3.1 hereof. The description of the Improvements in *Exhibit B* may be supplemented or amended at any time by resolution of the Board, as set forth in Section 9.01 of the Indenture.

Section 3.7 Disbursements from the Acquisition Fund. The Trustee has, in the Indenture, authorized the Board to make payments from the Acquisition Fund to pay Acquisition Costs and Delivery Costs.

Section 3.8 Unexpended Proceeds. All excess moneys remaining in the Acquisition Fund and not required for payment of Delivery Costs and Acquisition Costs shall be used as described in Section 3.02(c) of the Indenture.

ARTICLE IV

Agreements to Sell and to Acquire the Improvements; Termination of this Purchase Contract; Installment Payments; Additional Payments; Title to the Improvements

Section 4.1 Sale and Acquisition. The Trustee hereby sells the Improvements to the Board, and the Board hereby acquires the Improvements from the Trustee, upon the terms and conditions set forth in this Purchase Contract.

Section 4.2 Term of Agreement; Termination; Renewal. (a) The Term of this Purchase Contract shall commence on the date hereof, and continue until _____, 20__, unless terminated pursuant to Sections 4.2(b), 4.2(c) or 4.2(d) hereof prior thereto (such date, the “*Expiration Date*”). If the Indenture shall be discharged by its terms prior to the Expiration Date, the Term of this Purchase Contract shall thereupon end.

(b) This Purchase Contract and the Board’s obligations to pay Installment Payments and Additional Payments hereunder shall be subject to termination 60 days after the Board certifies to the Trustee that the Board has determined that there are not sufficient Legally Available Non-Appropriated Funds to pay all of the Installment Payments coming due during the then current fiscal year.

(c) The Board may terminate this Purchase Contract on any date on or after _____. In order to exercise such option to terminate this Purchase Contract, the Board shall give written notice to the Trustee and the Bank, not less than 60 days prior to the date of termination, that it is exercising its option to terminate this Purchase Contract. If the Board exercises such option to terminate this Purchase Contract, Installment Payments due after the termination date are subject to mandatory prepayment in whole on the date of termination as set forth in Section 9.3(i), and, with respect to any Certificate Installment Payments being prepaid, the mandatory prepayment shall include any premium necessary to pay the redemption price for such Certificates pursuant to Section 4.02 of the Indenture.

(d) Failure of the Board to provide for the payments to the Trustee required by Section 4.4 hereof shall terminate all of the Board’s right, title and interest in this Purchase Contract and to all of the Improvements as provided in Section 8.2 hereof. Upon such termination of the Purchase Contract, the Board shall immediately turn over possession of the Improvements to the Trustee in accordance with Section 4.3 hereof.

(e) Upon the issuance of Parity Certificates pursuant to Section 2.08 of the Indenture, the Board and the Trustee shall execute a supplement to this Purchase Contract, if necessary pursuant to the Indenture, to include the Improvements relating to such Parity Certificates within the scope of the Purchase Contract. If permitted by

applicable law, the Term of this Purchase Contract may be extended or renewed in connection with such supplement.

Section 4.3 Possession. Following the acquisition and construction of each major component of the Improvements by the Trustee, the Board will take possession of that component of the Improvements and deliver a written certificate of possession and acceptance of such Improvements (the “*Completion Certificate*”) to the Trustee within 30 days after the acquisition and construction of that component of the Improvements has been completed. Subject to the provisions of Section 4.6 hereof, the Board agrees it will immediately surrender possession of the Improvements to the Trustee upon termination of this Purchase Contract as a result of an Event of Default or an Event of Non-Appropriation. To the extent permitted by law, the Board will hold the Trustee harmless from any costs, loss or damage arising from or occasioned by such surrender of possession of Improvements due to such termination.

Section 4.4 Installment Payments.

(a) *Obligation to Pay.* Subject to the provisions of Section 4.2 and Article IX hereof, the Board will pay to the Trustee, its successors and assigns, as payment for the purchase price of the Improvements, the total Certificate Installment Payments (consisting of components of principal and interest) in each fiscal year for the Improvements in the respective amounts specified in *Exhibit A* for principal and interest components.

No later than the Business Day before each Interest Payment Date, the Board shall deposit with the Trustee from the appropriations made to the Board, the full amount of funds necessary, when combined with Legally Available Non-Appropriated Funds, to make all Installment Payments coming due on such dates. Any amount held in the Installment Payment Fund on any Interest Payment Date (other than amounts required for payment of past due principal or interest with respect to any Certificates not presented for payment) shall be credited towards the Installment Payments then due and payable, and no Installment Payments need be made on any Interest Payment Date if the amounts then held in the Installment Payment Fund on such date are at least equal to the Installment Payments then required to be paid. The Board’s obligation to make Installment Payments hereunder shall not be subject to the Board’s acceptance, use and occupancy of the Improvements.

(b) *Effect of Prepayment.* If the Board prepays all remaining Installment Payments in full pursuant to Article IX hereof, the Board’s obligations under this Purchase Contract will thereupon cease and terminate, including but not limited to the Board’s obligation to pay Installment Payments under this Section. If the Board prepays a portion of the Installment Payments as provided in Article IX hereof, *Exhibit A* may be amended to reflect the remaining principal then due after said prepayment and, if applicable, the interest remaining to be paid on the remaining principal Installment Payments, provided that the Installment Payments set forth in *Exhibit A* as amended are sufficient to pay the outstanding Certificates when due.

(c) *Rate on Overdue Payments.* If the Board fails to make any of the Installment Payments required in this Section 4.4, the payment in default shall continue

as an obligation of the Board until the amount in default shall have been fully paid, and the Board will pay the same with interest thereon at the rate borne by the Certificates to the extent permitted by law, from the date of default to the date of payment.

(d) *Fair Purchase Value.* The Installment Payments for Improvements for each payment period during the term of this Purchase Contract constitutes the total payment for such Improvements for such payment period, and will be paid by the Board in each payment period for the continued quiet use and enjoyment of such Improvements during each such period for which said payment is to be paid. The parties hereto have agreed and determined that the total Installment Payments for the Improvements represent the fair purchase value of such Improvements. In making such determination, consideration has been given to the appraised value of such Improvements, other obligations of the parties under this Purchase Contract, the uses and purposes which may be served by the Improvements and the Acquisition Costs and the benefits therefrom which will accrue to the Board and the general public.

(e) *Establishment of Trust.* The Board understands and agrees that all interests of the Trustee in and to the Improvements and the Installment Payments have been granted in trust, pursuant to the Indenture, for the benefit of the Owners of the Certificates, and the Board hereby assents to such assignment. The Board hereby agrees to pay to the Trustee at the Trustee's designated corporate trust operations office, or to the Trustee at such other place as the Trustee shall direct in writing, all payments payable by the Board pursuant to this Section 4.4 and all amounts payable by the Board pursuant to Article IX hereof.

Section 4.5 Quiet Enjoyment. During the Term of this Purchase Contract, the Trustee shall provide the Board with quiet use and enjoyment of the Improvements, and the Board shall during such Term peaceably and quietly have and hold and enjoy the Improvements, without suit, trouble or hindrance from the Trustee, except as expressly set forth in this Purchase Contract. The Trustee will, at the request of the Board and at the Board's cost, join in any legal action in which the Board asserts its right to such possession and enjoyment to the extent the Trustee may lawfully do so. Notwithstanding the foregoing, the Trustee shall have the right to inspect the Improvements as provided in Section 6.2 hereof.

Section 4.6 Title. During the Term of this Purchase Contract, the Board will hold title to the Improvements, subject to title immediately reverting in the Trustee upon the occurrence of an Event of Default under this Purchase Contract. Upon delivery of this Purchase Contract, title to the Improvements then in existence will automatically vest in the Board without action by the Trustee, and title to all Improvements acquired after the delivery of this Purchase Contract will automatically vest in the Board upon their acquisition by the Trustee without action by the Trustee.

Section 4.7 Additional Payments. In addition to the Installment Payments, the Board shall pay when due as Additional Payments all costs and expenses incurred by the Trustee to comply with the provisions of the Indenture, including without limitation compensation due to the Trustee, all costs and expenses of auditors, engineers, accountants and legal counsel, if necessary, but excluding Delivery Costs (which shall be paid by the Trustee from moneys

deposited in the Acquisition Fund), and any amounts advanced by the Trustee under Sections 5.5 and 5.7 hereof.

ARTICLE V

Maintenance; Taxes; Insurance; and Other Matters

Section 5.1 Maintenance, Utilities, Taxes and Assessments. Throughout the Term of this Purchase Contract, as part of the consideration for the purchase of the Improvements, all improvement, repair and maintenance of the Improvements will be the responsibility of the Board. The Board will pay for or otherwise arrange for the payment of all utility services supplied to the Improvements, which may include, without limitation, janitor service, security, power, gas, telephone, light, heating, water and all other utility services, and will pay for or otherwise arrange for the payment of the cost of the repair and replacement of the Improvements resulting from ordinary wear and tear or want of care on the part of the Board or any assignee or lessee thereof. In exchange for the Installment Payments herein provided, the Trustee agrees to provide only the Improvements, as more specifically set forth in this Purchase Contract.

The Board shall also pay or cause to be paid all taxes and assessments of any type or nature, if any, charged to the Trustee or the Board affecting the Improvements or the respective interests or estates therein; *provided* that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the Board shall be obligated to pay only such installments as are required to be paid during the Term of this Purchase Contract as and when the same become due.

The Board or any lessee of the Board may, at the Board's or such lessee's expense and in its name, in good faith contest any such taxes, assessments, utility and other charges and, in the event of any such contest, the Board or such lessee may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom and shall provide the Trustee with full security against any loss or forfeiture which might arise from such contest and any appeal therefrom, unless the Trustee shall notify the Board or such lessee that, in the opinion of counsel, by nonpayment of any such items, the interest of the Trustee in the Improvements will be materially endangered or the Improvements or any part thereof will be subject to loss or forfeiture, in which event the Board or such lessee shall promptly pay such taxes, assessments or charges.

Section 5.2 Modification of Improvements. The Board and any lessee of the Board will, at their own expense, have the right to remodel any Improvements or to make additions, modifications and improvements to the Improvements. All such additions, modifications and improvements shall thereafter comprise part of the Improvements and be subject to the provisions of this Purchase Contract. Such additions, modifications and improvements shall not in any way damage any Improvements or cause them to be used for purposes other than those authorized under the provisions of State and federal law; and the Improvements, upon completion of any additions, modifications and improvements made thereto pursuant to this Section, shall be of a value which is not substantially less than the value of such Improvements immediately prior to the making of such additions, modifications and improvements. The Board

will not permit any mechanic's or other lien to be established or remain against the Improvements for labor or materials furnished in connection with any remodeling, additions, modifications, improvements, repairs, renewals or replacements made by the Board or any lessee or assignee pursuant to this Section; *provided* that if any such lien is established and the Board shall first notify or cause to be notified the Trustee and the Trustee of the Board's or any lessee's intention to do so, the Board or any lessee may in good faith contest any lien filed or established against the Improvements, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom and shall provide the Trustee with full security against any loss or forfeiture which might arise from the nonpayment of any such item, in form satisfactory to the Trustee. The Trustee will cooperate fully in any such contest, upon the request and at the expense of the Board or such lessee.

Section 5.3 General Liability Insurance. The Board shall maintain or cause to be maintained, throughout the Term of this Purchase Contract, a program of liability insurance and/or self-insurance as authorized under the laws of the State to assume such risks, and of such types and in such amounts as are customary for similar institutions carrying on similar activities. Such liability insurance may be maintained as part of or in conjunction with any other liability insurance coverage carried or required to be carried by the Board. All liability policies shall name the Trustee as additional insureds or the equivalent under a program of self-insurance. A certificate of insurance shall be delivered to the Trustee upon issuance of the Certificates and annually thereafter within 30 days of purchase or renewal.

Section 5.4 Property Insurance. The Board shall maintain property insurance with a commercial insurer rated "B+" or better by Best or in the two highest rating categories of S&P and Moody's, but only for those structures which are currently used by the Board and in which the Improvements are located. Such property insurance shall be in an amount equal to the replacement cost of such structures. All such policies shall name the Trustee as a loss payee to the extent its interest applies. A certificate of insurance shall be delivered to the Trustee upon issuance of the Certificates and annually thereafter within 30 days of purchase or renewal.

Upon any damage to or destruction of any portion of the Improvements, the original cost of which, in the aggregate, exceeds \$250,000, the Board shall take one of the following actions, in the sole discretion of the Board Representative:

- (a) restore, repair or replace such damaged or destroyed Improvements to their original condition;
- (b) amend *Exhibit B* hereto to add additional Improvements having at least the same original cost as such damaged or destroyed Improvements; or
- (c) secure the payment of the portion of Installment Payments relating to such damaged or destroyed Improvements by a deposit with the Trustee pursuant to Section 9.1 hereof of an amount which, upon investment together with investment earnings, will be sufficient to pay a portion of the unpaid Installment Payments, including the principal and interest components thereof and any premium. Such portion of the principal component of the unpaid Installment Payments in each year shall be determined by the Board Representative by multiplying the amount of the principal component of the

unpaid Installment Payments due in each year by the ratio of (i) the original cost of such damaged or destroyed Improvements paid from the proceeds of the Certificates to (ii) the proceeds of the Certificates, rounded up to the nearest \$5,000 of principal amount in each year.

Section 5.5 Advances. If the Board fails to perform any of its obligations under this Article the Trustee may, but shall not be obligated to, take such action as may be necessary to cure such failure, including the advancement of money, and the Board will repay as an Additional Payment all of such advances as soon as possible, with interest from the date of the advance to the date of repayment at the rate per annum announced by the Trustee from time to time as its “*prime rate*” (or if it does not exist, a similar rate).

Section 5.6 Installation of Board’s Equipment. The Board and any lessee may at any time and from time to time, in its sole discretion and at its own expense, install or permit to be installed other items of equipment or other personal property in or upon the Improvements. All such items will remain the sole property of the Board or the lessee, in which the Trustee shall not have any interest, and may be modified or removed by such party at any time provided that such party shall repair and restore any and all damage to the Improvements resulting from the installation, modification or removal of any such items. Nothing in this Purchase Contract shall prevent the Board and any lessee from purchasing or leasing items to be installed pursuant to this Section under a lease or conditional sale agreement, or subject to a trustee’s lien or security agreement, as security for the unpaid portion of the purchase price thereof, *provided* that no such lien or security interest shall attach to any part of the Improvements.

Section 5.7 Liens. The Board shall not, directly or indirectly, create, incur, assume or suffer to exist any pledge, lien, charge, encumbrance or claim on or with respect to the Improvements, other than the respective rights of the Trustee and the Board as herein provided and Permitted Encumbrances. Except as expressly provided in this Article, the Board shall promptly, at its own expense, take such action as may be necessary to duly discharge, contest or remove any such pledge, lien, charge, encumbrance or claim, for which it is responsible, if the same shall arise at any time. The Board shall reimburse the Trustee for any expense incurred by it in order to discharge or remove any such pledge, lien, charge, encumbrance or claim.

ARTICLE VI

Disclaimer of Warranties; Access

Section 6.1 Disclaimer of Warranties. THE TRUSTEE MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY THE BOARD OF THE IMPROVEMENTS OR ANY ITEM THEREOF, OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE IMPROVEMENTS OR ANY ITEM THEREOF. IN NO EVENT SHALL THE TRUSTEE BE LIABLE FOR INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES, IN CONNECTION WITH OR ARISING OUT OF THIS PURCHASE CONTRACT, THE

ACQUISITION AGREEMENT, OR THE INDENTURE FOR THE EXISTENCE, FURNISHING, FUNCTIONING OR BOARD'S USE OF THE IMPROVEMENTS.

Section 6.2 Access to the Improvements. The Board agrees that the Trustee and any Trustee Representative, and the Trustee's successors or assigns, shall have the right at all reasonable times to examine and inspect the Improvements. The Board further agrees that the Trustee, any such Representative, and the Trustee's successors or assigns shall have such rights of access to the Improvements as may be reasonably necessary to cause the proper maintenance of the Improvements if the Board fails to perform its obligations hereunder.

ARTICLE VII

Assignment, Leasing and Amendment

Section 7.1 Assignment and Leasing by the Board. This Purchase Contract may not be assigned by the Board. The Improvements may be leased in whole or in part by the Board, but only with the written consent of the Trustee, which consent shall not be unreasonably withheld, and subject to all of the following conditions:

- (i) this Purchase Contract and the obligation of the Board to make Installment Payments and Additional Payments must remain obligations of the Board;
- (ii) the Board shall, within 30 days after the delivery thereof, furnish or cause to be furnished to the Trustee a true and complete copy of such lease;
- (iii) no such lease by the Board shall cause any of the Improvements to be used for a purpose other than a governmental or proprietary function authorized under the provisions of the Constitution and laws of the State; and
- (iv) the Board must furnish the Trustee with a Favorable Opinion of Special Counsel, with respect to any such lease.

Section 7.2 Amendment of this Purchase Contract. Neither the Trustee nor the Board will alter, modify or cancel, or agree or consent to alter, modify or cancel this Purchase Contract, excepting only such alteration or modification as may be permitted by Article IX of the Indenture or amendments to *Exhibit B* contemplated by Section 5.4(b) hereof.

ARTICLE VIII

Events of Default and Remedies

Section 8.1 Events of Default Defined. The following shall be "*events of default*" under this Purchase Contract and the terms "*events of default*" and "*default*" shall mean, whenever they are used in this Purchase Contract, with respect to the Improvements, any one or more of the following events:

(i) Failure by the Board to pay any Installment Payment or other payment required to be paid hereunder, including, without limitation, any mandatory prepayment required pursuant to Section 9.3 hereof at the time specified herein.

(ii) Failure by the Board to observe and perform any covenant, condition or agreement on its part to be observed or performed under the Indenture or this Purchase Contract, other than as referred to in clause (i) of this Section, for a period of 30 days after written notice specifying such failure and requesting that it be remedied has been given to the Board by the Trustee or the Owners of not less than 25% in aggregate principal amount of Certificates then Outstanding; *provided, however*, if the failure stated in the notice can be corrected, but not within the applicable period, the Trustee or such Owners shall not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the Board within the applicable period and diligently pursued until the default is corrected.

(iii) The filing by the Board of a voluntary petition in bankruptcy, or failure by the Board promptly to lift any execution, garnishment or attachment, or adjudication of the Board as a bankrupt, or assignment by the Board for the benefit of creditors, or the entry by the Board into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the Board in any proceedings instituted under the provisions of Title 11 of the United States Code, as amended, or under any similar acts which may subsequently be enacted.

Section 8.2 Remedies on Default. Whenever any event of default referred to in Section 8.1 hereof shall have happened and be continuing, it shall be lawful for the Trustee to exercise any and all remedies available pursuant to law or granted pursuant to this Purchase Contract, including, but not limited to, the right to sue the Board for any amounts appropriated by the General Assembly of the State for the payment of Installment Payments and Additional Payments but not paid by the Board to the Trustee. Each and every covenant hereof to be kept and performed by the Board is expressly made a condition and upon the breach thereof the Trustee may, as provided below, exercise any and all rights of entry and reentry upon the Improvements and also, at its option, with or without such entry, may terminate this Purchase Contract; *provided*, that no such termination shall be effected either by operation of law or acts of the parties hereto, except only in the manner herein expressly provided. In the event of such default:

(a) If the Trustee does not elect to terminate this Purchase Contract in the manner hereinafter provided for in subparagraph (b) below, the Board hereby irrevocably appoints the Trustee as its agent and attorney-in-fact to relet its interests in the Improvements in the event of default by the Board in the performance of any covenants herein contained to be performed by the Board and to remove all Improvements consisting of personal property wherever situated and to place such property in storage or other suitable place in the State of Illinois, for the account of and at the expense of the Board, and, to the extent permitted by law, the Board hereby exempts and agrees to save harmless the Trustee from any costs, loss or damage whatsoever arising or occasioned by any such entry upon and reletting of the Improvements and the removal and storage of such personal property by the Trustee or its duly authorized agents in accordance with the

provisions herein contained. The Board hereby waives any and all claims for damages caused or which may be caused by the Trustee in taking possession of the Improvements as herein provided and all claims for damages that may result from the destruction of or injury to the Improvements and all claims for damages to or loss of any personal property belonging to the Board that may be in or upon the Improvements. The Board agrees that the terms of this Purchase Contract constitute full and sufficient notice of the right of the Trustee to relet the Improvements in the event of such reentry without effecting a surrender of this Purchase Contract, and further agrees that no acts of the Trustee in effecting such reletting shall constitute a surrender or termination of this Purchase Contract irrespective of the term for which such reletting is made or the terms and conditions of such reletting, or otherwise, but that, on the contrary, in the event of such default by the Board the right to terminate this Purchase Contract shall vest in the Trustee to be effected in the sole and exclusive manner hereinafter provided for in subparagraph (b) hereof.

(b) Upon the occurrence of an Event of Default hereunder, the Trustee at its option may terminate this Purchase Contract and may rent, lease or sell all or any portion of its interests in the Improvements. Any amounts received by the Trustee from such renting, leasing or sale shall be credited towards the Board's unpaid Installment Payments and Additional Payments and any excess shall be paid to the Board. The net proceeds of the sale, lease or other disposition of the Improvements shall be deposited in the Installment Payment Fund and applied to Installment Payments in order of payment date. Title to the Improvements is subject to immediate vesting in the Trustee upon the occurrence of an Event of Default. Neither notice to pay Installment Payments or Additional Payments due or to deliver up title to and possession of the Improvements given pursuant to law nor any proceeding in unlawful detainer taken by the Trustee shall of itself operate to terminate this Purchase Contract and no termination of this Purchase Contract on account of default by the Board shall be or become effective by operation of law, or otherwise, unless and until the Trustee shall have given written notice to the Board of the election on the part of the Trustee to terminate this Purchase Contract. The Board covenants and agrees that no surrender of the Improvements or any termination of this Purchase Contract shall be valid in any manner or for any purpose whatsoever unless stated or accepted by the Trustee by such written notice. Additionally, to the extent permitted by law, the Board hereby exempts and agrees to save harmless the Trustee from any costs, loss or damage whatsoever arising or occasioned by any removal of the personal property of the Board by the Trustee or the duly authorized agents thereof in accordance with the provisions contained in this Purchase Contract.

Section 8.3 No Remedy Exclusive. No remedy herein conferred upon or reserved to the Trustee is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Purchase Contract or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Trustee to exercise any remedy reserved to it in this Article it shall not be necessary for the Trustee to give any notice, other than such notice as may be required in this Article or by law.

Section 8.4 Agreement to Pay Attorneys' Fees and Expenses. If either party to this Purchase Contract should default under any of the provisions hereof and the nondefaulting party should employ attorneys or incur other expenses for the collection of moneys or the enforcement of performance or observance of any obligation or agreement on the part of the defaulting party herein or therein contained, the defaulting party agrees that it will on demand therefor pay (in the case of the Board, to the extent permitted by law) to the nondefaulting party the reasonable fees of such attorneys and such other expenses so incurred by the nondefaulting party.

Section 8.5 No Additional Waiver Implied by One Waiver. If any agreement contained in this Purchase Contract should be breached by either party and the breach is subsequently waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

Section 8.6 Application of Proceeds. All proceeds received from the sale, release or other disposition of the Improvements under this Article VIII (after payment therefrom of all expenses incurred in the collection thereof), and all other amounts derived by the Trustee as a result of an event of default hereunder, shall be transferred to the Trustee promptly upon receipt thereof and shall be deposited by the Trustee in the Installment Payment Fund to be applied as provided in the Indenture.

Section 8.7 Exercise of Rights. Such rights and remedies as are given to the Trustee under this Article VIII have been granted in trust under the Indenture, to which grant the Board hereby consents. Such rights and remedies shall be exercised by the Trustee, and the Owners of the Certificates as provided in the Indenture.

ARTICLE IX

Prepayment of Installment Payments

Section 9.1 Security Deposit. Notwithstanding any other provision of this Purchase Contract, the Board may on any date secure the payment of all or any portion of Installment Payments by a deposit with the Trustee of (i) an amount which, in the judgment of the Trustee, is sufficient to pay all or any portion of unpaid Certificate Installment Payments, in accordance with the Installment Payment Schedule set forth in *Exhibit A*, or (ii) direct non-callable obligations of the United States of America, together with cash, if required, in such amount as will, in the opinion of an independent certified public accountant acceptable to the Trustee, together with interest to accrue thereon, be fully sufficient to pay all or any portion of unpaid Certificate Installment Payments on the related Interest Payment Dates. Prior to such deposit, the Board shall also deliver to the Trustee written notice from the Rating Agencies of the ratings on the Certificates to be effective after such deposit has been made. In the event of a deposit pursuant to this Section sufficient to pay, or provide for the payment of, all unpaid Installment Payments, all obligations of the Board under this Purchase Contract, and all security provided by this Purchase Contract for said obligations, shall cease and terminate, excepting only the obligations of the Board to make, or cause to be made, Installment Payments from the deposit made by the Board pursuant to this Section. Said deposit will be deemed to be and will

constitute a special fund for the payment of Installment Payments in accordance with the provisions of this Purchase Contract.

Section 9.2 Purchase Option. On or after the determination by the Board described in Section 4.2(b) hereof, the Board may, or upon the termination of this Purchase Contract pursuant to Section 4.2(c) hereof, the Board shall, exercise its option to purchase all of the Improvements pursuant to Section 9.3 hereof by paying the Prepayment price of all Certificate Installment Payments to the date that this Purchase Contract is to be terminated. Such Prepayment shall be deposited by the Trustee in the Installment Payment Fund to be applied to the redemption of the Certificates pursuant to Section 4.01, 4.02 or 4.03 of the Indenture, as applicable. The Board shall give the Trustee notice of its intention to exercise its option not less than 45 days in advance of the date of exercise.

Section 9.3 Prepayments. The Certificate Installment Payments are subject to prepayment by the Board as follows:

(i) the Certificate Installment Payments due after the termination of this Purchase Contract are subject to mandatory prepayment, in whole, by the Board on any date that the Board exercises its option to terminate this Purchase Contract as provided in Section 4.2(c) hereof;

(ii) the Certificate Installment Payments are subject to optional prepayment by the Board in whole or in part, to provide for the optional redemption of the Certificates as provided in Section 4.03 of the Indenture or, with respect to Parity Certificates, as provided in the supplemental indenture authorizing the issuance thereof;

[(iii) a portion of the Certificate Installment Payments are subject to mandatory prepayment by the Board corresponding to the dates and the times set forth in Section _____ of the Indenture.]

Section 9.4 Credit for Amounts on Deposit. In the event of a prepayment of the principal components of the Installment Payments in full under this Article IX, such that the Indenture is discharged by its terms as a result of such prepayment, all amounts then on deposit in the Installment Payment Fund or the Acquisition Fund not needed for the acquisition of the Improvements shall be credited towards the amounts then required to be so prepaid.

ARTICLE X

Miscellaneous

Section 10.1 Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed to have been received either (i) upon deposit in the United States mail postage prepaid (ii) upon deposit with an overnight courier or (iii) upon the sending of a facsimile communication:

If to the Board: Comptroller
University of Illinois
349 Henry Administration Building, MC-352
506 South Wright Street
Urbana, Illinois 61801
Facsimile: (312) 996-9013
Telephone: (312) 996-8800

and Director of Capital Financing
University of Illinois
209 Henry Administration Building, MC-339
506 South Wright Street
Urbana, Illinois 61801
Facsimile: (217) 239-6722
Telephone: (217) 244-3400

If to the Trustee: The Bank of New York Mellon Trust Company, N.A.
2 North LaSalle Street, Suite 1020
Chicago, Illinois 60602
Attention: Corporate Trust
Facsimile: (312) 827-8522
Telephone: (312) 827-8626

The Board and the Trustee, by notice given hereunder, may designate different addresses to which subsequent notices, certificates or other communications will be sent.

Section 10.2 Statutory Statement.

THE BOARD OF TRUSTEES' OBLIGATION TO MAKE INSTALLMENT PAYMENTS DOES NOT CONSTITUTE A DEBT OF THE BOARD OR THE STATE OF ILLINOIS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION. THE INSTALLMENT PAYMENTS REQUIRED UNDER CERTIFICATES OF PARTICIPATION INCURRED BY THE UNIVERSITY ARE NOT SECURED BY THE FULL FAITH AND CREDIT OF THE STATE AND ARE NOT REQUIRED TO BE REPAYED, AND MAY NOT BE REPAYED, DIRECTLY OR INDIRECTLY, FROM TAX REVENUE.

Section 10.3 Binding Effect. This Purchase Contract shall inure to the benefit of and shall be binding upon the Trustee and the Board and their respective successors and assigns.

Section 10.4 Severability. If any provision of this Purchase Contract is held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 10.5 Net-net-net Installment Sale. This Purchase Contract will be deemed and construed to be a "*net-net-net installment sale*" and the Board hereby agrees that the Installment Payments shall be an absolute net return to the Trustee, free and clear of any

expenses, charges or set-offs whatsoever, irrespective of any defense or any right of recoupment or counterclaim which the Board may have against the Trustee.

Section 10.6 Amendments; Further Assurances and Corrective Instruments. (a) This Purchase Contract may be supplemented or amended as permitted by Section 9.01 of the Indenture.

(b) The Trustee and the Board agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Improvements hereby acquired or intended so to be in order to carry out the expressed intention of this Purchase Contract.

Section 10.7 Execution in Counterparts. This Purchase Contract may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 10.8 Applicable Law. This Purchase Contract shall be governed by and construed in accordance with the internal laws of the State without regard to the conflicts of law provisions of Illinois law.

Section 10.9 Trustee and Board Representatives. Whenever under the provisions of this Purchase Contract the approval of the Trustee or the Board is required, or the Trustee or the Board is required to take some action at the request of the other, such approval or such request shall be given for the Trustee by a Trustee Representative and for the Board by a Board Representative, and any party hereto shall be authorized to rely upon any such approval or request.

Section 10.10 Captions. The captions or headings in this Purchase Contract are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Section of this Purchase Contract.

IN WITNESS WHEREOF, the Trustee has caused this Purchase Contract to be executed in its corporate name by its duly authorized officer; and the Board has caused this Purchase Contract to be executed in its name by its duly authorized officers, as of the date first above written.

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

By: _____
Authorized Officer

(SEAL)

ATTEST:

By: _____
Authorized Officer

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

By: _____
Comptroller

(SEAL)

ATTEST:

By: _____
Secretary

EXHIBIT B

DESCRIPTION OF IMPROVEMENTS

The construction of a new College of Medicine Research Building at the Chicago campus, as well as the demolition of buildings and structures currently on the site of the new building, and modifications to adjacent buildings to facilitate the construction of, and connection to, the new building.