<u>NEW ISSUE</u> **– BOOK-ENTRY ONLY** **RATINGS: See "RATINGS"**

*Interest on the Series of March 2014 Bonds is includible in gross income of the owners thereof for federal income tax purposes. Interest on the Series of March 2014 Bonds is not exempt from present State of Illinois income taxes. See "*TAX TREATMENT*" herein for a more complete discussion.*

$402,000,000
STATE OF ILLINOIS
BUILD ILLINOIS BONDS
(Sales Tax Revenue Bonds), Taxable Series of March 2014

Dated: Date of Issue **Due:** As shown on the inside cover

The Build Illinois Bonds (Sales Tax Revenue Bonds), Taxable Series of March 2014 (the "Series of March 2014 Bonds") of the State of Illinois (the "State") are issuable only as fully registered, book-entry bonds in denominations of $5,000 or any integral multiple thereof and, when issued, will be registered under a global book-entry system in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). The Series of March 2014 Bonds will bear interest at the rates shown on the inside cover of this Official Statement. Interest on the Series of March 2014 Bonds will be payable June 15 and December 15 of each year, commencing June 15, 2014. Details of payment of the Series of March 2014 Bonds are described herein.

The Series of March 2014 Bonds are subject to redemption prior to maturity as set forth herein.

The Series of March 2014 Bonds are being issued to finance projects under the Illinois Jobs Now! capital program and to pay costs of issuance of the Series of March 2014 Bonds.

The Series of March 2014 Bonds are direct, limited obligations of the State payable solely from the tax revenues and other moneys pledged for the benefit of the Build Illinois Bonds (Sales Tax Revenue Bonds) of the State, as described herein. The Series of March 2014 Bonds are not general obligations of the State and are not secured by a pledge of the full faith and credit of the State. The holders of the Series of March 2014 Bonds may not require the levy or imposition of any taxes or the application of other State revenues or funds to the payment of the Series of March 2014 Bonds except for the tax revenues and other moneys pledged to such Bonds.

The Series of March 2014 Bonds are offered when, as and if issued by the State and received by the Purchaser, subject to the approval of legality by Chapman and Cutler LLP, Chicago, Illinois, and Charity & Associates, P.C., Chicago, Illinois, Co-Bond Counsel, and certain other conditions. Chapman and Cutler LLP, Chicago, Illinois, will also act as Disclosure Counsel to the State. It is expected that the beneficial interests in the Series of March 2014 Bonds will be available for delivery through the facilities of DTC on or about March 25, 2014.

Certain information in the Preliminary Official Statement has been updated in this Official Statement. See "INFORMATION UPDATED FROM THE PRELIMINARY OFFICIAL STATEMENT" on the inside cover of this Official Statement.

Dated: March 11, 2014

$402,000,000

STATE OF ILLINOIS
BUILD ILLINOIS BONDS
(Sales Tax Revenue Bonds),
Taxable Series of March 2014

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS, PRICES AND CUSIP NUMBERS

Due June 15	Principal Amount	Interest Rate	Yield	Price	CUSIP*
2015	$16,750,000	0.30%	0.30%	100.00	452227 JD4
2016	16,750,000	0.62%	0.62%	100.00	452227 JE2
2017	16,750,000	1.17%	1.17%	100.00	452227 JF9
2018	16,750,000	1.72%	1.72%	100.00	452227 JG7
2019	16,750,000	2.23%	2.23%	100.00	452227 JH5
2020	16,750,000	2.63%	2.63%	100.00	452227 JJ1
2021	16,750,000	3.01%	3.01%	100.00	452227 JK8
2022	16,750,000	3.31%	3.31%	100.00	452227 JL6
2023	16,750,000	3.49%	3.49%	100.00	452227 JM4

$251,250,000** 4.62% Term Bond due June 15, 2038, Yield 4.62%, Price 100.00, CUSIP* 452227 JN2

INFORMATION UPDATED FROM THE PRELIMINARY OFFICIAL STATEMENT

THE FOLLOWING INFORMATION HAS BEEN UPDATED IN THIS OFFICIAL STATEMENT FROM THE PRELIMINARY OFFICIAL STATEMENT:

- The second paragraph under "LITIGATION—Pension Reform Litigation" has been has been updated to note the consolidation of four cases in the Circuit Court of Sangamon County and to include a reference to an additional case that was filed on March 6, 2014.

- The State's Comprehensive Annual Financial Report for Fiscal Year 2013 was released on March 12, 2014 and has been submitted to the Municipal Securities Rulemaking Board under its Electronic Municipal Market Access system.

** Subject to mandatory redemption, as described under "THE OFFERING—REDEMPTION - *Mandatory Sinking Fund Redemption*."

STATE OF ILLINOIS

$402,000,000

STATE OF ILLINOIS
BUILD ILLINOIS BONDS
(SALES TAX REVENUE BONDS),
TAXABLE SERIES OF MARCH 2014

Pat Quinn, Governor

Jerome Stermer
Acting Director of the Governor's Office of Management and Budget

John Sinsheimer
Director of Capital Markets

Jessica Akey
Manager of Capital Markets

No dealer, broker, salesperson, or other person has been authorized by the State of Illinois (the "State") or the purchaser to give any information or to make any representations other than those contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the State. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series of March 2014 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information and expressions of opinion set forth herein have been furnished by the State and include information from other sources which the State believes to be reliable. Such information and expressions of opinion are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change since the date thereof.

IN CONNECTION WITH THE OFFERING OF THE SERIES OF MARCH 2014 BONDS, THE PURCHASER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE SERIES OF MARCH 2014 BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE PURCHASER MAY OFFER AND SELL THE SERIES OF MARCH 2014 BONDS TO CERTAIN DEALERS AND DEALER BANKS AND BANKS ACTING AS AGENTS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER PAGE HEREOF AND SUCH PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE PURCHASER.

In making an investment decision, investors must rely on their own examination of the terms of the offering, including the merits and risks involved. These securities have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this document. Any representation to the contrary is a criminal offense.

References in this Official Statement to statutes, laws, rules, regulations, resolutions, agreements, reports and documents do not purport to be comprehensive or definitive, and all such references are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. This Official Statement is submitted in connection with the sale of the Series of March 2014 Bonds referred to herein and may not be reproduced or used, in whole or in part for any other purposes.

FORWARD-LOOKING STATEMENTS

This Official Statement contains disclosures which contain "forward-looking statements." Forward-looking statements include all statements that do not relate solely to historical or current fact, and can be identified by use of words like "may," "believe," "will," "expect," "project," "estimate," "anticipate," "plan," or "continue." These forward-looking statements are based on the current plans and expectations of the State and are subject to a number of known and unknown uncertainties and risks, many of which are beyond its control, that could significantly affect current plans and expectations and the State's future financial position including but not limited to changes in general economic conditions, demographic trends and federal programs which may affect the transfer of funds from the federal government to the State. As a consequence, current plans, anticipated actions and future financial positions may differ from those expressed in any forward-looking statements made by the State herein. Investors are cautioned not to unduly rely on such forward-looking statements when evaluating the information presented in this Official Statement.

SUMMARY OF TERMS OF THE SERIES OF MARCH 2014 BONDS

THIS SUMMARY IS SUBJECT IN ALL RESPECTS TO MORE COMPLETE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT TO WHICH THIS SUMMARY IS ATTACHED. THE OFFERING OF THE SERIES OF MARCH 2014 BONDS TO ANY PERSON IS MADE ONLY BY MEANS OF THE ENTIRE OFFICIAL STATEMENT. CAPITALIZED TERMS NOT DEFINED HEREIN ARE DEFINED IN APPENDIX C.

The Issue	$402,000,000 Build Illinois Bonds (Sales Tax Revenue Bonds), Taxable Series of March 2014 (the "Series of March 2014 Bonds"). The Series of March 2014 Bonds will be dated the date of their original issue with delivery anticipated on March 25, 2014. The Series of March 2014 Bonds mature or become subject to mandatory sinking fund redemption in the principal amount of $16,750,000 on June 15 in each of the years 2015 through 2038.
The Issuer	State of Illinois (the "State").
Build Illinois	The Build Illinois program, initiated in 1985, expands the State's overall efforts in economic development through the funding of projects for infrastructure, educational and vocational facilities, protection of the State's environment and natural resources, and the provision of incentives for business location and expansion in Illinois.
Interest	Payable semi-annually on June 15 and December 15, commencing June 15, 2014. Payment of the installments of interest will be made to the registered owners of the Series of March 2014 Bonds as shown on the bond register at the close of business on the first day of the month of the interest payment date.
Form of Bonds; Denominations; Book-Entry System	The Series of March 2014 Bonds will be issued as fully registered book-entry bonds in the denomination of $5,000 or any integral multiple of that amount. The Series of March 2014 Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), and will be held under DTC's global book-entry system.
Use of Proceeds	The Series of March 2014 Bonds are being issued to finance projects under the Illinois Jobs Now! capital program and to pay costs of issuance of the Series of March 2014 Bonds. See "THE OFFERING—APPLICATION OF BOND PROCEEDS."
Optional Redemption	The Series of March 2014 Bonds are subject to redemption prior to maturity at the option of the State on any Business Day, in whole or in part, in integral multiples of $5,000, at a redemption price equal to the Make-Whole Redemption Price. See "THE OFFERING—REDEMPTION - *Optional Redemption.*"

Mandatory Redemption

The Series of March 2014 Bonds maturing on June 15, 2038, are subject to mandatory sinking fund redemption prior to maturity as provided herein. See "THE OFFERING—REDEMPTION - *Mandatory Sinking Fund Redemption.*"

Security for the Series of March 2014 Bonds

The Bonds (as herein defined and which include the Series of March 2014 Bonds) are direct limited obligations of the State, payable solely from and secured by an irrevocable, first priority lien on moneys on deposit in the Build Illinois Bond Retirement and Interest Fund, a separate fund in the State Treasury (the "Retirement and Interest Fund"), and certain other moneys and securities held by the Trustee under the provisions of the Indenture.

Moneys deposited by the State into the Retirement and Interest Fund are derived from two sources: (1) the "State Share of Sales Tax Revenues" (as defined in APPENDIX C) and certain tax revenues and other moneys which are required by law to be deposited into the Build Illinois Fund and subsequently transferred to the Retirement and Interest Fund, and (2) certain tax revenues and other moneys, if available, which are required by law to be transferred from the Capital Projects Fund to the Retirement and Interest Fund for the payment of Bonds issued pursuant to the Illinois Jobs Now! Legislation described under "SECURITY FOR THE SERIES OF MARCH 2014 BONDS—REVENUES - *Illinois Jobs Now! Legislation; Capital Projects Fund*." The State Share of Sales Tax Revenues constitutes the primary source of moneys which are ultimately transferred from the Build Illinois Bond Account of the Build Illinois Fund to the Retirement and Interest Fund for payment of debt service on the Bonds. See "SECURITY FOR SERIES OF MARCH 2014 BONDS."

Revenues from Capital Projects Fund: Illinois Jobs Now! Bonds

Public Act 96-36 increased the authorization for the issuance of Bonds by $810 million and provided that with respect to all Bonds issued pursuant to such increased authorization, required transfers to the Retirement and Interest Fund are to be made, first to the extent available, from amounts in the Capital Projects Fund, and if such amounts are insufficient, from the Build Illinois Bond Account of the Build Illinois Fund. Subsequently, Public Act 96-1554 and Public Act 98-94 increased the authorization for the issuance of such Bonds in aggregate by $1,630,500,000 to its current level of $6,246,009,000. The Series of March 2014 Bonds are being issued pursuant to such authorization and therefore will be payable from available amounts transferred from the Capital Projects Fund to the Retirement and Interest Fund as well as from the State Share of Sales Tax Revenues. See "SECURITY FOR THE SERIES OF MARCH 2014 BONDS."

Irrevocable and Continuing Appropriation

The Act and the Indenture require the State to appropriate for each Fiscal Year an amount equal to the Required Bond Transfer for such Fiscal Year. The Act further provides that, in the event such appropriation is not made, the Act constitutes an irrevocable and continuing appropriation of such amount and constitutes the irrevocable and continuing authority and direction to the Treasurer of the State and the Comptroller of the State to make the necessary transfers and deposits, as directed by the Governor, and to make the payments as required by the Act. See "SECURITY FOR THE SERIES OF MARCH 2014 BONDS—PLEDGE AND STATE COVENANT."

Additional Senior Bonds

The maximum Net Debt Service Requirement on all Outstanding Senior Bonds and any proposed additional Senior Bonds may not exceed five percent of the State Share of Sales Tax Revenues for the then most recently completed Fiscal Year. As of the date of issuance of any Series of Senior Bonds, the State Share of Sales Tax Revenues for the then most recently completed Fiscal Year must provide not less than 20 times the maximum Net Debt Service Requirement for all Outstanding Senior Bonds and for such Series. See "SECURITY FOR THE SERIES OF MARCH 2014 BONDS—ISSUANCE OF ADDITIONAL BONDS."

Additional Junior Obligations

The greatest amount in any Fiscal Year of the aggregate of the Net Debt Service Requirement on all Outstanding Senior Bonds and the Junior Annual Debt Service on all Outstanding Junior Obligations and any proposed additional Junior Obligations may not exceed 9.8 percent of the State Share of Sales Tax Revenues received by the State for the most recently completed Fiscal Year. As of the date of issuance of any series of Junior Obligations, the State Share of Sales Tax Revenues for the most recently completed Fiscal Year must provide not less than 10.2 times the greatest amount in any Fiscal Year of the aggregate of the Net Debt Service Requirement for all Outstanding Senior Bonds, the Junior Annual Debt Service on all Outstanding Junior Obligations and for such additional Series of Junior Obligations. See "SECURITY FOR THE SERIES OF MARCH 2014 BONDS—ISSUANCE OF ADDITIONAL JUNIOR OBLIGATIONS."

Debt Service Reserve Fund

The Indenture requires the State to certify before the issuance of any Senior Bonds that the Debt Service Reserve Requirement (equal to 50 percent of maximum Aggregate Debt Service) will be met within 24 months from the date of issuance of such Senior Bonds. This certification will be provided in connection with the issuance of the Series of March 2014 Bonds. As of the date of issuance of the Series of March 2014 Bonds, the Debt Service Reserve Fund will be fully funded with respect to all previously issued and outstanding Senior Bonds.

Tax Treatment of Interest	Interest on the Series of March 2014 Bonds is includible in gross income of the owners thereof for federal income tax purposes. Interest on the Series of March 2014 Bonds is not exempt from present State of Illinois income taxes. See "TAX TREATMENT" for a more complete discussion.
Ratings	Standard & Poor's Ratings Services has assigned a rating of AAA with a Stable Outlook to the Series of March 2014 Bonds and Fitch Ratings Inc. has assigned a rating of AA+ with a Stable Outlook to the Series of March 2014 Bonds. See "RATINGS."
Miscellaneous	Additional information regarding the Series of March 2014 Bonds and this Official Statement is available by contacting the Governor's Office of Management and Budget, 100 W. Randolph Street, Suite 15-100, Chicago, Illinois 60601; telephone: (312)-814-7279.

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APPENDICES

$402,000,000

STATE OF ILLINOIS
BUILD ILLINOIS BONDS
(SALES TAX REVENUE BONDS),
TAXABLE SERIES OF MARCH 2014

INTRODUCTION

This Official Statement (which includes the appendices) provides certain information in connection with the issuance by the State of Illinois (the "State") of its Build Illinois Bonds (Sales Tax Revenue Bonds), Taxable Series of March 2014 (the "Series of March 2014 Bonds"), in the aggregate principal amount of $402,000,000. The State is issuing the Series of March 2014 Bonds pursuant to the Build Illinois Act (30 ILCS 425/1 *et seq.*) (the "Act"), and pursuant to the Master Trust Indenture entered into by and between the State and U.S. Bank National Association, Chicago, Illinois as successor trustee (the "Trustee"), dated as of September 15, 1985, as amended and supplemented to date (the "Master Indenture"), and the Fifty-First Supplemental Indenture, dated as of March 1, 2014, by and between the State and the Trustee with respect to the Series of March 2014 Bonds (the "Fifty-First Supplemental Indenture"). The Master Indenture and the Fifty-First Supplemental Indenture are herein collectively called the "Indenture." The Series of March 2014 Bonds are authorized by the Act and the Indenture to be issued by the State for the Build Illinois program.

The Series of March 2014 Bonds and all additional bonds previously and hereafter issued pursuant to the Act and the Indenture which are secured equally and ratably with the Series of March 2014 Bonds are herein called "Senior Bonds." The State has also previously issued two series of Junior Obligations under the Indenture. Deposits of funds received by the Trustee under the Indenture for the Junior Obligations are subject to certain prior deposits for the benefit of the Senior Bonds, including deposits to the Debt Service Reserve Fund. All Senior Bonds, all Junior Obligations and all additional bonds and other obligations previously and hereafter issued pursuant to the Act and the Indenture are herein called "Bonds." The Series of March 2014 Bonds will be the forty-ninth series of Senior Bonds and the fifty-first series of Bonds issued under the Act. Prior to the issuance of the Series of March 2014 Bonds, $1,829,235,344 of Senior Bonds and $969,685,000 of Junior Obligations were outstanding on February 1, 2014. For additional information on outstanding Bonds, see APPENDIX D - OUTSTANDING BONDS -- BUILD ILLINOIS (SALES TAX REVENUE BONDS).

The Indenture constitutes a contract between the State and the holders of all Bonds. Certain 1985 amendments to "An Act in relation to State Finance", approved June 10, 1919, as amended (the "Finance Act"), and to the laws imposing the State's Sales Taxes (the "Sales Tax Acts") relating to the payment of and security for the Bonds are also included in the Act. All references to the Act and the Indenture are qualified in their entirety by reference to the complete texts thereof, copies of which are available from the State. All references to the Series of March 2014 Bonds are qualified in their entirety by reference to the definitive form thereof and the information with respect thereto contained in the Indenture.

Certain capitalized terms used in this Official Statement and the Indenture are defined in APPENDIX C - CERTAIN DEFINITIONS and unless otherwise indicated shall have the respective meanings set forth therein.

THE STATE

The State of Illinois, with a population of approximately 12.9 million persons, is a state of diversified economic strength. Measured by per capita personal income, the State ranks third among the ten most populous states and sixteenth overall. See Table A-7 included in APPENDIX A - CERTAIN INFORMATION REGARDING THE STATE OF ILLINOIS. The State ranks third among all states in total cash receipts from agriculture (see Table A-4 included in APPENDIX A - CERTAIN INFORMATION REGARDING THE STATE OF ILLINOIS), while also ranking among the top states in several measures of manufacturing. The City of Chicago serves as the transportation center of the Midwest and the headquarters of many of the nation's major corporations and financial institutions. Certain additional information regarding the State, including economic, statistical and financial data, is included in APPENDIX A - CERTAIN INFORMATION REGARDING THE STATE OF ILLINOIS. Adverse changes in general economic conditions could impact the future rate of growth reflected in such data, including the growth and volume of retail sales and Sales Tax revenues, which are the primary security for the Bonds.

The State is formally organized according to executive, legislative and judicial functions. The Governor is the chief executive of the State and is generally responsible for the administration of the Executive Branch of the State other than the offices of other constitutionally-elected officials. The other constitutionally elected officials of the Executive Branch include the Lieutenant Governor, the Attorney General, the Secretary of State, the Illinois State Comptroller (the "Comptroller") and the Illinois State Treasurer (the "Treasurer"). The Auditor General is a constitutional officer appointed and confirmed by the Senate.

The Illinois Constitution provides that all elected officials of the Executive Branch hold office for four-year terms. The State's current elected constitutional officials are Governor Pat Quinn, Lieutenant Governor Sheila Simon, Attorney General Lisa Madigan, Secretary of State Jesse White, Comptroller Judy Baar Topinka and Treasurer Dan Rutherford. Pursuant to the Illinois Constitution, these officials were elected at a general election in November 2010, and took office on January 10, 2011. The elected constitutional officers are each elected to serve a four-year term.

The legislative power of the State is vested in the General Assembly, which is composed of the Senate and the House of Representatives. Both the Senate and the House of Representatives meet in annual sessions to enact, amend or repeal laws and to adopt appropriation bills. Pursuant to Illinois law, the election of all members of the Senate and House of Representatives was held in November, 2012. Members of the House of Representatives were elected to serve two-year terms, while members of the Senate were elected to serve either two-year or four-year terms as described in the Illinois Constitution.

The Judicial Branch is composed of the Supreme Court, the Appellate Courts and the Circuit Courts. Pursuant to Illinois law, judicial elections were held in November, 2012.

BUILD ILLINOIS

The Build Illinois program, created by the Act in 1985, expands the State's overall efforts in economic development through the funding of projects within the following categories: construction, reconstruction, modernization, and extension of the State's infrastructure; development and improvement of educational, scientific, technical and vocational programs and facilities and expansion of health and human services in the State; protection, preservation, restoration, and conservation of the State's environmental and natural resources; and provision of incentives for the location and expansion of businesses in Illinois resulting in increased employment.

The current authorization level for Build Illinois Bonds is \$6,246,009,000. The table below shows the statutory authorization for all Bonds (other than refunding Bonds), as of February 1, 2014. This table does not include the Series of March 2014 Bonds.

Build Illinois Bonds
(As of February 1, 2014)

Purpose of Bonds	Amount Authorized	Authorization Used	Authorization Available
Public Infrastructure and Transportation	$3,222,800,000	$2,982,845,443	$239,954,557
Economic Development	849,000,000	332,854,428	$516,145,572
Education	1,944,058,100	1,463,966,243	$480,091,857
Environmental Protection	230,150,900	197,417,569	$32,733,331
Total	$6,246,009,000	$4,977,083,684	$1,268,925,316

Note: Totals may not sum due to rounding.

In addition to the $6,246,009,000 of Bonds authorized under the Act for project financing, Bonds may be issued for the purpose of refunding or advance refunding any Bonds previously issued under the Act.

The Act places certain restrictions on the issuance of Bonds. At least 25% of the Bonds issued within a fiscal year must be sold pursuant to notice of sale and public bid, and Bonds must be issued with principal or mandatory redemption amounts in equal amounts and for a term not to exceed 25 years, with the first maturity issued occurring within the fiscal year in which the Bonds are issued or within the next succeeding fiscal year. The Act also requires the Governor's Office of Management and Budget (the "GOMB") to comply with the Business Enterprise for Minorities, Females, and Persons with Disabilities Act (30 ILCS 575/1, *et seq.*) with respect to procuring services for the issuance of Bonds.

The Act further provides that no refunding Bonds may be offered for sale unless the net present value savings to be achieved by the issuance of the refunding Bonds is three percent or more of the principal amount of the refunding Bonds to be issued.

For other limitations on the issuance of additional Bonds, see "SECURITY FOR THE SERIES OF MARCH 2014 BONDS—ADDITIONAL LIMITATIONS ON ISSUANCE OF ADDITIONAL BONDS."

The State is authorized to use unexpended Bond proceeds to redeem (in accordance with the redemption provisions for each Series of Bonds), purchase, advance refund, or defease outstanding Bonds.

THE OFFERING

DESCRIPTION OF THE SERIES OF MARCH 2014 BONDS

The Series of March 2014 Bonds will be dated the date of their original issue and will bear interest from their date payable as described below semiannually on June 15 and December 15 of each year, commencing June 15, 2014, at the rates per annum specified by the successful bidder as set forth on the inside of the front cover of this Official Statement. Interest on the Series of March 2014 Bonds will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

Purchases of the Series of March 2014 Bonds will be made in denominations of $5,000 principal amount or any integral multiple thereof, and will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Series of March 2014 Bonds. Principal of, premium, if any, and interest on the Series of March 2014 Bonds will be paid by the Trustee, as bond registrar and paying agent for the Series of March 2014 Bonds (the "Bond Registrar"), to DTC or its nominee, which will in turn remit such payment to its participants for subsequent disbursement to the beneficial owners of the Series of March 2014 Bonds. See APPENDIX E - GLOBAL BOOK-ENTRY SYSTEM.

DEBT SERVICE SCHEDULE

The following table sets forth for each Fiscal Year the annual debt service requirements (rounded to the nearest dollar) for the Series of March 2014 Bonds:

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
2014	--	$ 3,267,367	$ 3,267,367
2015	$ 16,750,000	14,703,150	31,453,150
2016	16,750,000	14,652,900	31,402,900
2017	16,750,000	14,549,050	31,299,050
2018	16,750,000	14,353,075	31,103,075
2019	16,750,000	14,064,975	30,814,975
2020	16,750,000	13,691,450	30,441,450
2021	16,750,000	13,250,925	30,000,925
2022	16,750,000	12,746,750	29,496,750
2023	16,750,000	12,192,325	28,942,325
2024	16,750,000	11,607,750	28,357,750
2025	16,750,000	10,833,900	27,583,900
2026	16,750,000	10,060,050	26,810,050
2027	16,750,000	9,286,200	26,036,200
2028	16,750,000	8,512,350	25,262,350
2029	16,750,000	7,738,500	24,488,500
2030	16,750,000	6,964,650	23,714,650
2031	16,750,000	6,190,800	22,940,800
2032	16,750,000	5,416,950	22,166,950
2033	16,750,000	4,643,100	21,393,100
2034	16,750,000	3,869,250	20,619,250
2035	16,750,000	3,095,400	19,845,400
2036	16,750,000	2,321,550	19,071,550
2037	16,750,000	1,547,700	18,297,700
2038	16,750,000	773,850	17,523,850
Total:	$402,000,000	$220,333,967	$622,333,967

REDEMPTION

Optional Redemption

The Series of March 2014 Bonds are subject to redemption prior to maturity at the option of the State on any Business Day, in whole or in part, and if in part, selected as described under " - *Redemption Procedure*" below, in integral multiples of $5,000, at a redemption price equal to the Make-Whole Redemption Price. The State shall retain an independent accounting firm or an independent municipal advisor to determine the Make-Whole Redemption Price and perform all actions and make all calculations required to determine the Make-Whole Redemption Price. The Trustee and the State may conclusively rely on such accounting firm's or municipal advisor's calculations in connection with and determination of the Make-Whole Redemption Price, and neither the Trustee nor the State will have any liability for their reliance. The determination of the Make-Whole Redemption Price by such accounting firm or municipal advisor shall be conclusive and binding on the Trustee, the State and the owners of the Series of March 2014 Bonds.

The "Make-Whole Redemption Price" is the greater of (i) 100% of the principal amount of the Series of March 2014 Bonds to be redeemed or (ii) the sum of the present values of the remaining scheduled payments of principal and interest to the maturity date of the Series of March 2014 Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the Series of March 2014 Bonds are to be redeemed, discounted to the date on which the Series of March 2014 Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate (as defined below) plus 25 basis points and accrued and unpaid interest on the Series of March 2014 Bonds to be redeemed on the redemption date.

The "Treasury Rate" is, as of any redemption date, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days prior to the redemption date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to the maturity date of the Series of March 2014 Bonds to be redeemed; *provided, however,* that if the period from the redemption date to such maturity date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used. For purposes of this calculation, a "Business Day" means any day other than a Saturday or Sunday or legal holiday or a day on which banking institutions in the State are authorized by law or executive order to close.

Mandatory Sinking Fund Redemption

The Series of March 2014 Bonds maturing on June 15, 2038 (the "Term Bonds"), will be subject to mandatory sinking fund redemption, in part and selected as described under " - *Redemption Procedure*" below, on June 15 of the years and at a redemption price of par plus accrued interest to the date of redemption in the respective principal amounts shown for such years in the table below.

Series of March 2014 Bonds 2038 Term Bonds

YEAR	PRINCIPAL AMOUNT TO BE REDEEMED
2024	$16,750,000
2025	16,750,000
2026	16,750,000
2027	16,750,000
2028	16,750,000
2029	16,750,000
2030	16,750,000
2031	16,750,000
2032	16,750,000
2033	16,750,000
2034	16,750,000
2035	16,750,000
2036	16,750,000
2037	16,750,000
2038 (maturity)	16,750,000

The Term Bonds shall be subject to mandatory sinking fund redemption from mandatory sinking fund payments that are required to be made in each designated year prior to maturity in amounts sufficient to redeem the principal amount of such Term Bonds shown for such years in the above table.

The State may provide for the purchase of all or a portion of the Term Bonds subject to mandatory redemption, from its lawfully available funds, on or prior to the 60th day preceding any date of mandatory redemption, at a price not in excess of the principal amount of the Term Bonds to be so purchased on such mandatory redemption date. Any

Term Bonds so purchased will be cancelled and credited against the mandatory sinking fund payments due on such mandatory redemption date.

Redemption Procedure

The Series of March 2014 Bonds will be redeemed only in the principal amount of $5,000 and integral multiples thereof. While the Series of March 2014 Bonds are registered in the Book-Entry Only System and so long as DTC or a successor securities depository is the sole registered owner of such Bonds, if less than all of the Series of March 2014 Bonds are to be redeemed prior to maturity, the Trustee shall instruct DTC to provide for the pro-rata redemption following its procedures as a Pro-Rata Pass-Through Distribution of Principal or, if DTC procedures do not allow for pro-rata pass-through distribution of principal, the Series of March 2014 Bonds to be redeemed shall be selected on a pro-rata basis; *provided* that, so long as such Series of March 2014 Bonds are registered in the Book-Entry Only System, the selection for redemption of such Series of March 2014 Bonds will be made in accordance with the operational arrangements of DTC then in effect. See APPENDIX E - GLOBAL BOOK-ENTRY SYSTEM.

It is the State's intent that redemption allocations of Series of March 2014 Bonds made by DTC be made on a pro-rata pass-through distribution of principal basis as described above. However, the State cannot provide any assurance that DTC, DTC's Participants or any other intermediary will allocate the redemption of Series of March 2014 Bonds on such basis, nor will the State be responsible for any failure of DTC, DTC's Participants or any other intermediary to do so. If the DTC operational arrangements do not allow for the redemption of Series of March 2014 Bonds on a pro-rata pass-through distribution of principal basis, then the Series of March 2014 Bonds to be redeemed will be selected for redemption on a pro-rata basis.

In connection with any repayment of principal of the Series of March 2014 Bonds, including payments of scheduled mandatory sinking fund payments, the Bond Registrar will direct DTC to make a pass-through distribution of principal to the holders of the Series of March 2014 Bonds.

For purposes of calculation of the "pro rata pass-through distribution of principal," "pro rata" means, for any amount of principal or interest to be paid, the application of a fraction to such amounts where (a) the numerator of which is equal to the amount due to the respective registered owners on a payment date, and (b) the denominator of which is equal to the total original par amount of the Series of March 2014 Bonds of the maturity to be redeemed.

The procedure for the selection for partial redemption of Series of March 2014 Bonds that are not in book-entry only form is set forth in the Fifty-First Supplemental Indenture.

Whenever any Term Bond is redeemed prior to maturity or purchased and cancelled by the State, the principal amount of such Term Bond so redeemed or cancelled shall be credited against the unsatisfied balance of future sinking fund installments and final maturity amount established with respect to such Term Bond in such order as shall be directed in a certificate of the Governor or the Director filed with the Trustee prior to the mailing of the notice of redemption.

Notice of any redemption of Series of March 2014 Bonds will be sent by certified or first-class mail not less than 30 nor more than 60 days prior to the date fixed for redemption to the registered owner of each Series of March 2014 Bond (or portion thereof) to be redeemed at the address shown on the registration books of the State maintained by the Bond Registrar, or at such other address as is furnished in writing by such registered owner to the Bond Registrar. In addition to the notice described in the preceding sentence, the Bond Registrar shall notify the registered owners of the Series of March 2014 Bonds to be redeemed of the Make-Whole Redemption Price not later than the Business Day preceding the applicable redemption date.

Failure to give the notice of redemption required above as to any Series of March 2014 Bond, or any defect therein as to any Series of March 2014 Bond, will not affect the validity of the proceedings for the redemption of any other Series of March 2014 Bond. Any notice given as described above shall be conclusively presumed to have been given whether or not actually received by the appropriate addressee. With respect to an optional redemption of any Series of March 2014 Bonds, such notice may, at the option of the State, provide that said redemption is conditioned upon the receipt by the Bond Registrar on or prior to the date fixed for redemption of moneys sufficient to pay the applicable redemption price. If such moneys are not so received by the redemption date, such redemption notice will be of no force and effect, the State will not redeem such Series of March 2014 Bonds, the applicable redemption price will not be due and payable and the Bond Registrar will give notice, in the same manner in which the notice of redemption was given, that such moneys were not so received and that such Series of March 2014 Bonds will not be redeemed. Unless the notice of redemption is made conditional as described above, on or prior to any redemption date, the Treasurer shall provide for deposit with the Bond Registrar of an amount of money sufficient to pay the redemption price of all the Series of March 2014 Bonds or portions of Series of March 2014 Bonds which are to be redeemed on that date.

When notice of redemption and the redemption price have been given as hereinabove provided, the Series of March 2014 Bonds or portions of Series of March 2014 Bonds so to be redeemed shall on the date fixed for redemption become due and payable at the redemption price therein specified, and from and after such date, *provided* that funds are on deposit therefor, such Series of March 2014 Bonds or portions of Series of March 2014 Bonds shall cease to bear interest.

PLAN OF FINANCE

The net proceeds of the sale of the Series of March 2014 Bonds will be used to provide funds to finance projects under the Illinois Jobs Now! capital program and to pay costs of issuance of the Series of March 2014 Bonds. See "—APPLICATION OF BOND PROCEEDS" below.

APPLICATION OF BOND PROCEEDS

Pursuant to the Act, proceeds from the sale of Bonds will be deposited in the Build Illinois Bond Fund, a separate fund in the State Treasury. Bond proceeds may be expended only pursuant to appropriation by the General Assembly. Investment income on the Build Illinois Bond Fund, to the extent not needed for debt service on the Bonds, is deposited in the State's General Revenue Fund.

The State estimates that the proceeds of the sale of the Series of March 2014 Bonds will be applied approximately as set forth below:

Sources:	**Amounts**
Principal Amount Issued	$402,000,000.00
Total Sources	$402,000,000.00
Uses:	
Project Costs	$400,761,672.37
Purchaser's Discount	958,327.63
Costs of Issuance	280,000.00
Total Uses	$402,000,000.00

SECURITY FOR THE SERIES OF MARCH 2014 BONDS

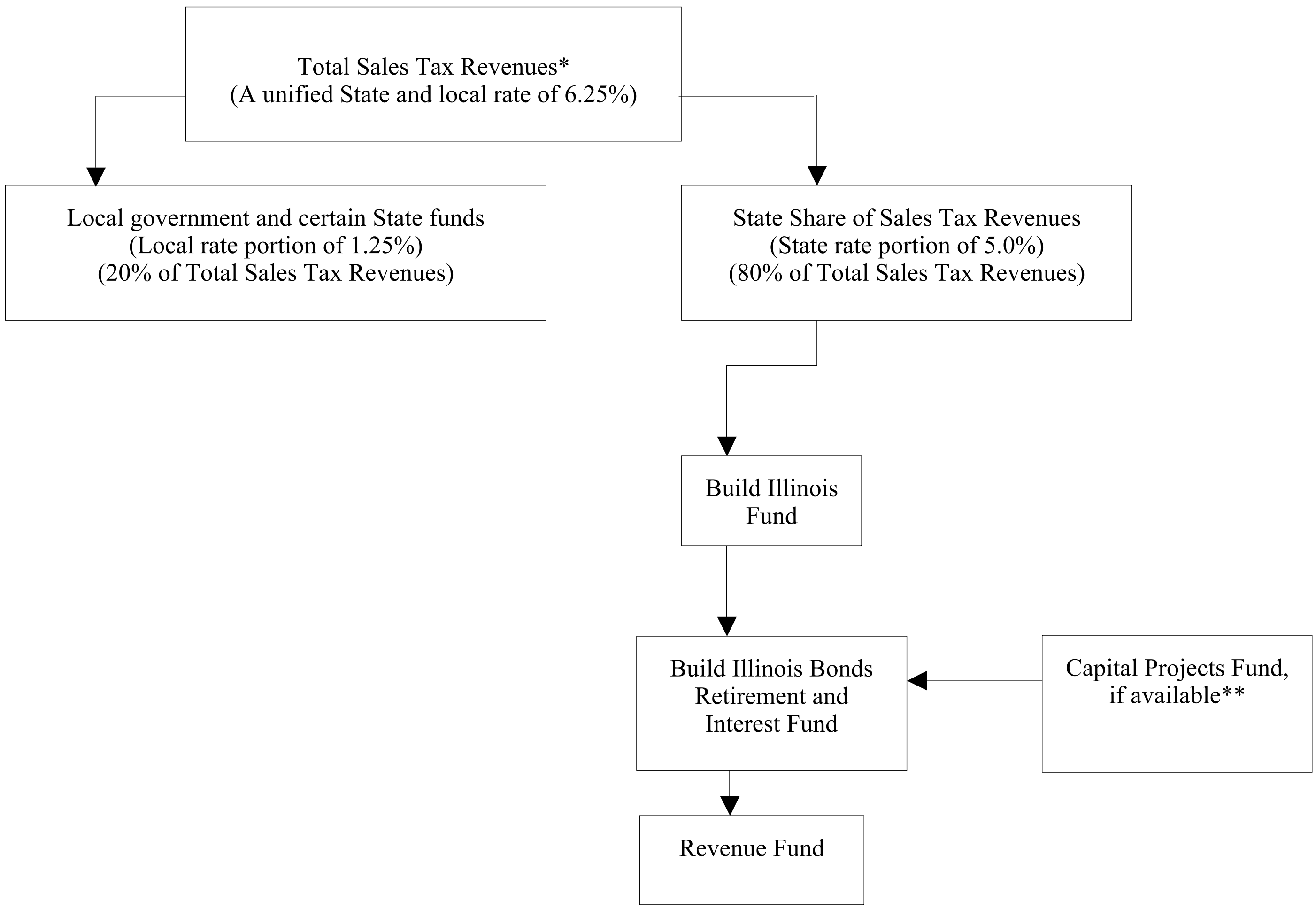
The Bonds, including the Series of March 2014 Bonds, are direct, limited obligations of the State payable solely from and secured by an irrevocable, first priority pledge of and lien on moneys on deposit in the Build Illinois Bond Retirement and Interest Fund, a separate fund in the State Treasury (the "Retirement and Interest Fund"), and certain other moneys and securities held by the Trustee under the Indenture.

Moneys deposited by the State into the Retirement and Interest Fund are derived from two sources. The State has pledged to the payment of the Bonds, the State Share of Sales Tax Revenues which by law are required to be deposited into the Build Illinois Fund for the purposes of making the monthly transfers to the Retirement and Interest Fund as required by the Act. Also, certain tax revenues and moneys, if available, are required by law to be deposited into the Capital Projects Fund for the purposes of making transfers to, and payments from, the Retirement and Interest Fund for the payments of Bonds, including the Series of March 2014 Bonds, issued pursuant to the Illinois Jobs Now! Legislation described below under "—REVENUES - *Illinois Jobs Now! Legislation; Capital Projects Fund*."

The Bonds are secured by moneys on deposit in the Retirement and Interest Fund and moneys on deposit in the funds and accounts maintained under the Indenture to secure the Bonds. Funds transferred to the Trustee from the Retirement and Interest Fund are required by the Indenture to be deposited first, to pay debt service on Senior Bonds, second, to pay Program Expenses, third, to remedy any deficiencies in the Debt Service Reserve Fund maintained for the benefit of the Senior Bonds and then to pay debt service on Junior Obligations. The Junior Obligations are further secured by a security interest in the General Account and the Junior Obligation Debt Service Fund, including the moneys, securities and funds held therein. See "—INDENTURE FLOW OF FUNDS" under this caption.

The State's Sales Tax revenues constitute the primary source of payment of debt service on the Bonds, including the Series of March 2014 Bonds. As described below under "—REVENUES - *Sales Tax*," 20 percent of the Sales Tax receipts collected under the Sales Tax Acts is distributed to local governments and certain State funds and the remaining 80 percent of such receipts as collected are subject to a first and prior claim and charge in support of the Bonds until each monthly transfer to the Retirement and Interest Fund has been made as required by the Act. The "State Share of Sales Tax Revenues" includes only the State's 80 percent portion of total collected Sales Tax Revenues. The State Share of Sales Tax Revenues aggregated $7,810 million for Fiscal Year 2013 and $4,851 million in the first seven months of Fiscal Year 2014.

The chart below describes the Revenues available for payment of debt service on the Series of March 2014 Bonds.



The Act and the Indenture require that, on a monthly basis, an amount of State Share of Sales Tax Revenues, equal to the greater of (a) 1/12 of 150 percent of an amount equal to the aggregate of the Aggregate Debt Service on Senior Bonds, Junior Annual Debt Service on Junior Obligations plus amounts required to be deposited into the funds and accounts established by the Indenture, less amounts representing capitalized interest (the "Certified Annual Debt Service Requirement") or (b) the Tax Act Amount (as hereinafter defined) (but in any Fiscal Year not in excess of the greater of the Certified Annual Debt Service Requirement or the Tax Act Amount), be transferred to the Trustee for deposit into the Revenue Fund established by the Indenture. As described in APPENDIX G - SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Disbursements from the Revenue Fund, the Trustee is required to transfer amounts in the Revenue Fund to the funds and accounts shown below at the times and the amounts described under such caption.

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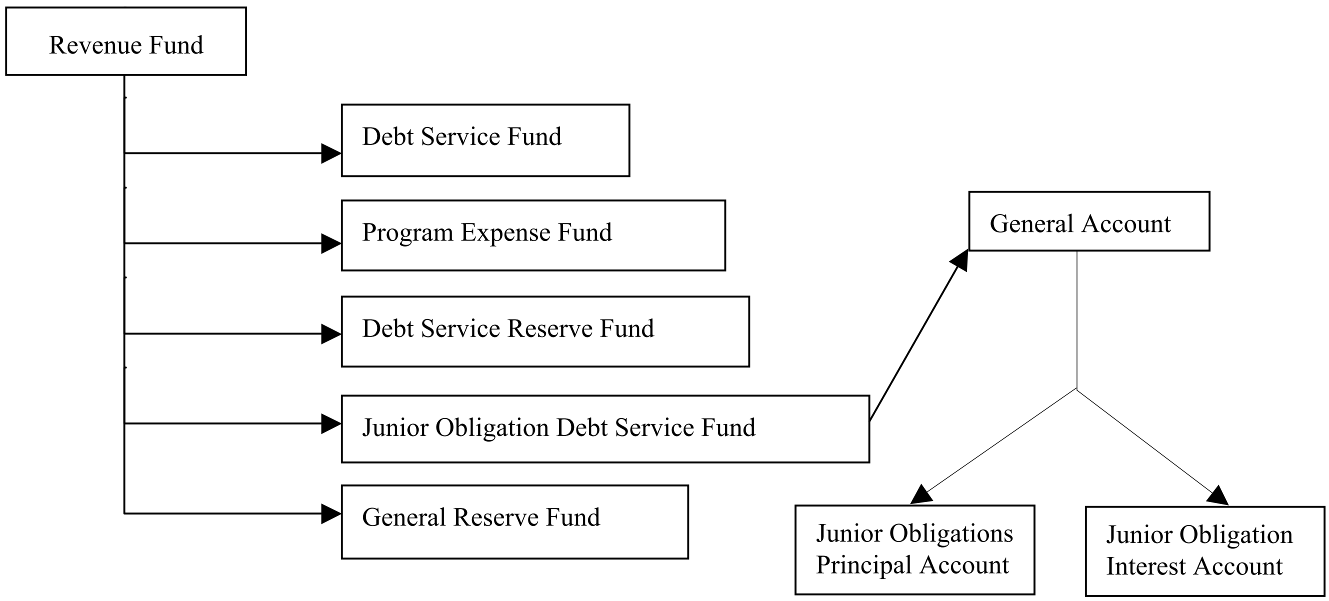
* Excluding the 5.25% incremental portion of the Sales Taxes from the sale of candy, grooming and hygiene products, and soft drinks currently taxed at 6.25%, as increased from the pre-September 1, 2009, rate of 1.00%, which incremental portion is deposited into the Capital Projects Fund for the payment of Bonds, including the Series of March 2014 Bonds, issued pursuant to the Illinois Jobs Now! Legislation. See "—REVENUES - *Illinois Jobs Now! Legislation; Capital Projects Fund*."

** For payment of Bonds issued pursuant to Illinois Jobs Now! Legislation.



REVENUES

Sales Tax. The Sales Tax revenues ("Sales Tax" or "Sales Taxes") consist of the receipts of four separate taxes imposed and collected by the State in connection with retail sales of certain tangible personal property and the transfer of tangible personal property incident to a sale of service. The four taxes are (i) the Retailer's Occupation Tax imposed on persons engaged in the business of selling tangible personal property at retail within the State (this tax is the primary source of Sales Tax revenues); (ii) the Use Tax imposed on the privilege of using tangible personal property in the State; (iii) the Service Occupation Tax imposed on the cost of tangible personal property sold as an incident to service by persons engaged in the business of selling services in the State; and (iv) the Service Use Tax imposed on the privilege of using tangible personal property acquired incidental to a purchase of services. Only one of the four Sales Taxes listed above is imposed on each transaction subject to taxation. The Sales Tax is currently imposed (with certain exceptions) on the gross receipts from the retail sale or the cost price of tangible personal property transferred by the service person and is collected by the seller from the purchaser, except that use taxes imposed on out-of-State purchases may be remitted directly to the State by purchasers. Sales Tax payments are collected by the Illinois Department of Revenue.

The Sales Tax Acts currently impose Sales Taxes at a unified State and local rate of 6.25 percent, consisting of a 5.0 percent State rate portion (representing 80 percent of collections) and a 1.25 percent local rate portion (representing 20 percent of collections). The State Share of Sales Tax Revenues is included in the Revenues subject to a first and prior claim and charge for the payment of the Bonds.

Illinois Jobs Now! Legislation; Capital Projects Fund. In July 2009, legislation referred to as "Illinois Jobs Now! Legislation" was enacted into law. The Illinois Jobs Now! Legislation established a $31 billion economic development plan known as Illinois Jobs Now! to be funded from a combination of State bonds and federal and local funds. As part of Illinois Jobs Now!, State funding is to be to provided either on a pay-as-you-go basis, from federal sources or from the following sources to support a $31 billion, multi-year capital program: increases in motor vehicles fees and fines; increasing the rate of taxation on sales of candy and grooming and hygiene products from 1.00 percent to the general merchandise rate of 6.25 percent; expanding the definition of soft drink so beverages that were not previously considered soft drinks are now also taxed at the rate of 6.25 percent; increasing taxes on wine, spirits and certain beer products; licensing video gaming terminals; and imposing a tax on net income earned from video gaming; and making certain changes in the conduct of the Illinois Lottery designed to generate additional net income to the State.

The Illinois Jobs Now! Legislation also established the Capital Projects Fund as a separate fund in the State Treasury and provided that portions of the funds generated by the revenue sources described in the preceding paragraph be deposited in the Capital Projects Fund and used, subject to appropriation, only for capital projects and the payment of debt service on bonds issued for capital projects, which includes certain of the Bonds as well as the State's General Obligation Bonds authorized to be paid from amounts in the Capital Projects Fund. All tax revenues and other moneys required by law to be deposited in the Capital Projects Fund (including the portion of the Sales Taxes from the sale of candy, grooming and hygiene products, and soft drinks that had been taxed at a rate of 1.00% prior to September 1, 2009 but that is now taxed at 6.25 percent) shall be paid therein upon receipt. Public Act 96-36 increased the authorization for the issuance of Bonds by $810 million and provided that with respect to all Bonds issued pursuant to such increased authorization, required transfers to the Retirement and Interest Fund are to be made to the extent available, first from amounts in the Capital Projects Fund, and if such amounts are insufficient, from the Build Illinois Bond Account described below under "—BUILD ILLINOIS FUND." Subsequently, Public Act 96-1554 and Public Act 98-94 increased the authorization for the issuance of Bonds in aggregate by $1,630,500,000 to its current level of $6,246,009,000. The Series of March 2014 Bonds are being issued under increased authorization provided by the Illinois Jobs Now! Legislation.

Other Revenues. Amounts equal to 20 percent of the receipts from the 6.25 percent Use Tax and Service Use Tax and 100 percent of the receipts from a 1.00 percent local Use Tax and Service Use Tax on food and drugs are deposited monthly into the State and Local Sales Tax Reform Fund (the "Reform Fund") in the State Treasury. $259.9 million, $275.1 million, and $287.0 million was deposited in the Reform Fund for Fiscal Years 2011, 2012 and 2013, respectively and $188.5 million has been deposited for the first eight months of Fiscal Year 2014. Moneys deposited in the Reform Fund are expended or transferred for various State and local governmental purposes in specified percentages or amounts, including monthly transfers to the Build Illinois Fund for the purpose of making transfers to the Retirement and Interest Fund. The specified monthly transfers to the Build Illinois Fund (the "Reform Fund Amounts") began in Fiscal Year 1994 and continue through Fiscal Year 2025 at $3.15 million.

The Reform Fund Amounts are collectively referred to herein as "Other Revenues." There is no assurance that any of these Other Revenues will be available to pay debt service on the Bonds.

BUILD ILLINOIS FUND

The Act creates the Build Illinois Fund which is a separate fund in the State Treasury. Pursuant to the Act and the Indenture, all tax revenues and other moneys required by law to be deposited in the Build Illinois Fund shall be paid therein upon receipt. The "Build Illinois Bond Account" is an account within the Build Illinois Fund. Moneys credited to the Build Illinois Bond Account are required to be transferred monthly to the Retirement and Interest Fund as described below. Moneys remaining credited to the Build Illinois Bond Account at the end of any month, after all required transfers have been made to the Retirement and Interest Fund, are required to be transferred to other funds of the State in accordance with the Act.

Pursuant to the Act and the Indenture, an amount not to exceed the "Annual Specified Amount" shall be credited to the Build Illinois Bond Account for any such Fiscal Year. The Annual Specified Amount is the greater of (i) an amount equal to 3.8 percent of the State Share of Sales Tax Revenues (the "Tax Act Amount") or (ii) the Certified Annual Debt Service Requirement (the "Transfer Amount"). On a monthly basis, the greater of the Tax Act Amount or 1/12 of 150 percent of the Transfer Amount shall be deposited in the Build Illinois Bond Account. This effectively requires that at least 1/8 of 100 percent of the Transfer Amount be deposited each month so that the entire Transfer Amount is deposited during the first eight months in any Fiscal Year. The Annual Specified Amount for Fiscal Year 2014 will be adjusted to reflect the issuance of the Series of March 2014 Bonds. Pursuant to the Act and the Indenture, when additional Bonds are issued during any Fiscal Year, the Transfer Amount for such Fiscal Year shall be adjusted to reflect the issuance of such Bonds. In addition to the greater of the (i) Tax Act Amount or (ii) the Transfer Amount, The Illinois Jobs Now! Legislation requires that transfers be made from the Capital Projects Fund to the Retirement and Interest Fund, for the payment of debt service on the Bonds issued under the Illinois Jobs Now! authorization.

The Comptroller's current procedure is to calculate the Transfer Amount by netting out debt service on the Bonds that were issued under the Illinois Jobs Now! authorization, and allocating available amounts in the Capital Projects

Fund for payment of debt service for all such Bonds. Funds from the Capital Projects Funds are transferred directly into the Retirement and Interest Fund. This transfer, combined with those required by the Act and the Indenture, may result in the overfunding of the Retirement and Interest Fund and, subsequently, the Revenue Fund. Under the terms of the Indenture, to the extent that such overfunding occurs, the amount so overfunded is released back to the State after all debt service on both Senior Bonds and Junior Obligations for the year are paid and all funds within the Indenture are fully funded. See "SECURITY FOR THE SERIES OF MARCH 2014 BONDS—GENERAL RESERVE FUND."

RETIREMENT AND INTEREST FUND

The Retirement and Interest Fund is a separate fund in the State Treasury. The Act and the Indenture provide that the Bonds are secured by an irrevocable, first priority pledge of and lien on moneys on deposit in the Retirement and Interest Fund.

In each Fiscal Year, the amount transferred to the Retirement and Interest Fund (the "Required Bond Transfer") is equal to the Annual Specified Amount described above. On a monthly basis, the Act and Indenture provide that on the last day of each month a transfer shall be made from the Build Illinois Fund to the Retirement and Interest Fund in an amount equal to the greater of (a) 1/12th of 150 percent of the Certified Annual Debt Service Requirement (the Transfer Amount described above) or (b) the Tax Act Amount deposited in the Build Illinois Bond Account during such month, plus any cumulative deficiency in such transfers and payments for prior months; *provided* that all of such transfers and payments for any such Fiscal Year shall not exceed the greater of (a) the Certified Annual Debt Service Requirement or (b) the Tax Act Amount. Transferring 1/12 of 150 percent effectively requires transferring at least 1/8 of 100 percent of the Transfer Amount each month so that the required amount is deposited during the first eight months of each Fiscal Year.

The Act provides that for each Fiscal Year, the State shall make an annual appropriation of an amount equal to the Required Bond Transfer. The Act further provides that it shall constitute an irrevocable and continuing appropriation of an amount equal to the Required Bond Transfer if for any reason the General Assembly fails to make such appropriation for any Fiscal Year. For the Fiscal Year 2013, the General Assembly appropriated funds totaling $384 million for this purpose. For the Fiscal Year 2014, the appropriation passed by the General Assembly is $478 million, which is in excess of the Annual Specified Amount for Fiscal Year 2014. Appropriation amounts are based on debt service estimates for existing and anticipated issuances (including any refunding transactions, if planned). The actual amount of necessary debt service may vary from estimates.

On the last day of each month, the Act and the Indenture require a transfer from the Build Illinois Fund to the Retirement and Interest Fund in the amounts described above. For Bonds such as the Series of March 2014 Bonds which are issued under the Illinois Jobs Now! authorization, moneys to pay debt service will be transferred to the Retirement and Interest Fund first from amounts in the Capital Projects Fund, if available, and next from transfers from the Build Illinois Fund to the Retirement and Interest Fund. Further, the Act and Indenture require the State Treasurer and the Comptroller to make monthly payments of the amounts on deposit in the Retirement and Interest Fund on the last day of each month to the Trustee for deposit in the Revenue Fund. Finally, under the Indenture, on the first day of each month, the Trustee is required to apply the amount held in the Revenue Fund as described below under the caption "—INDENTURE FLOW OF FUNDS."

BALANCE IN BUILD ILLINOIS FUND

After making provision for the monthly payment to the Retirement and Interest Fund, the Act provides for monthly credits or transfers of specified amounts from the Build Illinois Fund to various State funds and for transfers of any balance in the Build Illinois Fund to the General Revenue Fund of the State.

INDENTURE FLOW OF FUNDS

The Indenture creates a Revenue Fund, a Debt Service Fund, a Program Expense Fund, a Debt Service Reserve Fund, a Junior Obligation Debt Service Fund and a General Reserve Fund and provides that on the first day of each month the Trustee shall deposit moneys received from the Retirement and Interest Fund into the Revenue Fund and shall promptly apply such moneys as follows:

> **First**, to the Debt Service Fund, an amount equal to the monthly requirement for debt service on the Senior Bonds;
>
> **Second**, to the Program Expense Fund, an amount equal to the monthly requirement for Program Expenses;
>
> **Third**, to the Debt Service Reserve Fund, the amount, if any, needed to increase the amount in the Debt Service Reserve Fund so that it equals the Debt Service Reserve Fund Requirement with respect to the Senior Bonds;
>
> **Fourth**, to the Junior Obligation Debt Service Fund, an amount equal to the amount required by any Supplemental Indentures or other instruments authorizing Junior Obligations; and
>
> **Fifth**, to the General Reserve Fund, the balance remaining.

PROGRAM EXPENSE FUND

The Program Expense Fund is established for the payment of expenses related to the Bonds payable by the State, including the fees and charges of the Trustee, costs of credit or liquidity enhancement arrangements, fees of indexing and remarketing agents and costs of arrangements to limit interest rate risk (the "Program Expenses"). In Fiscal Year 2013, these expenses paid from this fund totaled $49,000. For Fiscal Year 2014, these expenses are estimated to total approximately $70,000. For Fiscal Year 2015, these expenses are estimated to total approximately $170,000. The expected increase in Fiscal Year 2015 is in part due to periodic arbitrage calculations expected in Fiscal Year 2015.

DEBT SERVICE RESERVE FUND

Pursuant to the Indenture, the Trustee has established a Debt Service Reserve Fund and is required to deposit moneys until there is an amount on deposit equal to 50 percent of the maximum Aggregate Debt Service on Senior Bonds for the current or any future Fiscal Year (the "Debt Service Reserve Fund Requirement"). The Act and the Indenture permit the Debt Service Reserve Fund to be funded from either (i) Senior Bond proceeds or (ii) Revenues paid to the Trustee from the Retirement and Interest Fund. The Debt Service Reserve Fund is presently fully funded.

The Indenture requires the State to certify before the issuance of any Series of Senior Bonds that the Debt Service Reserve Fund Requirement, calculated immediately after the issuance of such Series, will be met within 24 months from the date of issuance of such Bonds. This certification will be provided in connection with the issuance of the Series of March 2014 Bonds and the increase in the Debt Service Reserve Fund Requirement resulting from the issuance of the Series of March 2014 Bonds will be funded from Revenues within 24 months from the date of issuance thereof. As of the date of issuance of the Series of March 2014 Bonds, the Debt Service Reserve Fund is fully funded with respect to all previously issued and outstanding Senior Bonds. Junior Obligations do not have a claim on the Debt Service Reserve Fund.

GENERAL RESERVE FUND

Amounts in the General Reserve Fund shall be used as described in APPENDIX G - SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE -- Use of Funds. The State has reserved the right, during the period from June 15 to June 30 of each fiscal year, to transfer all or any part of the moneys in the General Reserve Fund to the State for any lawful purpose, under the circumstances described in such section of APPENDIX G.

ISSUANCE OF ADDITIONAL SENIOR BONDS

The Indenture permits the issuance of additional Senior Bonds, bearing interest at a fixed or variable rate, which would rank equally and ratably with the Series of March 2014 Bonds and other Outstanding Senior Bonds. Additional Senior Bonds may be issued for the purpose of financing projects provided that the following conditions, among others, are met:

(1) The maximum Net Debt Service Requirement on all Outstanding Senior Bonds and proposed additional Senior Bonds for the current or any future Fiscal Year does not exceed five percent of the State Share of Sales Tax Revenues for the most recently completed Fiscal Year; and

(2) The Director shall certify that the Debt Service Reserve Fund Requirement, calculated immediately after the issuance of such additional Senior Bonds, will be met within 24 months after the date of such issuance.

Additional Senior Bonds may be issued for the purpose of refunding Outstanding Senior Bonds provided that, among others, the following conditions are met:

(1) Either (a) the maximum Net Debt Service Requirement on all Outstanding Senior Bonds and proposed additional Senior Bonds for the current or any future Fiscal Year does not exceed five percent of the State Share of Sales Tax Revenues for the most recently completed Fiscal Year; or (b) maximum Aggregate Debt Service for the then current or any future Fiscal Year will not increase as a result of such issuance; and

(2) The Director shall certify that the Debt Service Reserve Requirement will be met within 24 months after the date of such issuance.

The limitations set forth in (1) above effectively require that on the date of issuance of any Series of Senior Bonds (other than refunding Bonds that do not increase Aggregate Debt Service in any Fiscal Year), the State Share of Sales Tax Revenues for the then most recently completed Fiscal Year must provide not less than 20 times coverage of the maximum Net Debt Service Requirement for all Outstanding Senior Bonds and for such Series.

ISSUANCE OF ADDITIONAL JUNIOR OBLIGATIONS

The Indenture permits the issuance of additional Junior Obligations, which would rank equally and ratably with the Outstanding Junior Obligations. Junior Obligations may be issued for the purpose of financing projects if the greatest amount of the aggregate of the Net Debt Service Requirement on all Outstanding Senior Bonds and the Junior Annual Debt Service on all Outstanding Junior Obligations and the proposed additional Junior Obligations, for the then current or any future Fiscal Year, will not exceed 9.8 percent of the State Share of Sales Tax Revenues received by the State for the most recently completed Fiscal Year.

Additional Junior Obligations may be issued for the purpose of refunding Outstanding Senior Bonds and Junior Obligations if either (1) the greatest amount of the aggregate of the Net Debt Service Requirement on all Outstanding Senior Bonds and the Junior Annual Debt Service on all Outstanding Junior Obligations and the proposed additional Junior Obligations, for the then current Fiscal Year or any future Fiscal Year, will not exceed 9.8 percent of the State Share of Sales Tax Revenues received by the State for the most recently completed Fiscal Year, or (2) the greatest amount of the aggregate of the Net Debt Service Requirement on all Outstanding Senior Bonds and the Junior Annual Debt Service for all Outstanding Junior Obligations and the Junior Obligations proposed to be issued, for the then current Fiscal Year or any future Fiscal Year, will not increase as a result of the issuance of such additional Series.

The limitations set forth above effectively require that, on the date of issuance of any Series of Junior Obligations (other than refunding Bonds), the State Share of Sales Tax Revenues for the then most recently completed Fiscal Year must provide not less than 10.2 times coverage of the greatest amount in any Fiscal Year of the aggregate of the Net Debt Service Requirement for all Outstanding Senior Bonds and the Junior Annual Debt Service on all Outstanding Junior Obligations and for such Series.

The Indenture also permits the issuance of bonds and other obligations that are subordinated to Outstanding Senior Bonds and Outstanding Junior Obligations.

ADDITIONAL LIMITATIONS ON ISSUANCE OF ADDITIONAL BONDS

The Illinois Constitution and the Act include certain additional limitations on the issuance of additional Bonds, including requirements that refunding Bonds may be offered for sale only if (i) all non-refunding Bonds in an issue that includes refunding Bonds shall mature no later than the final maturity date of Bonds being refunded; (ii) the net present value savings to be achieved by the issuance of the refunding Bonds is three percent or more of the principal amount of the refunding Bonds to be issued; (iii) the maturities of the refunding Bonds cannot extend beyond the maturities of the Bonds they refund, so that for each fiscal year in the maturity schedule of a particular issue of refunding Bonds, the total amount of refunding principal maturing and redemption amounts due in that fiscal year and all prior fiscal years in that schedule shall be greater than or equal to the total amount of refunded principal and redemption amounts that had been due over that year and all prior fiscal years prior to the refunding; and (iv) the Bonds are issued with principal or mandatory redemption amounts in equal amounts, with the first maturity issued occurring within the fiscal year in which the Bonds are issued or within the next succeeding fiscal year.

FUTURE FINANCINGS

The State continues to execute on its $31 billion Illinois Jobs Now! capital program. As a result, the State will continue to issue obligations to finance capital expenditures, at such times and in such amounts as shall be determined by its capital investment program and subject to market conditions. To provide additional funds for the Illinois Jobs Now! capital program, the State anticipates, subject to market conditions, issuing up to $1 billion in General Obligation Bonds in April and May 2014.

PLEDGE AND STATE COVENANT

The Act and the Indenture require the State to appropriate for each Fiscal Year an amount equal to the Required Bond Transfer for such Fiscal Year. The Act further provides that, in the event such appropriation is not made, the Act constitutes an irrevocable and continuing appropriation of such Required Bond Transfer and constitutes the irrevocable and continuing authority and direction to the Treasurer and Comptroller to make the necessary transfers and deposits, as directed by the Governor, and to make the payments as required by the Act.

Under the Act and the Indenture, the State irrevocably covenants and agrees with the Bondholders not to limit or alter (i) the basis on which taxes and revenues of the State are required to be collected and deposited in the Build Illinois Fund or the case may be, credited to and transferred from the Build Illinois Bond Account, and transferred to the Retirement and Interest Fund, (ii) the purposes of the Retirement and Interest Fund or (iii) the provisions of specified sections of the Act, so as to impair, in any of the foregoing respects, the obligations of contract incurred by the State in favor of the holders of the Bonds.

SALES TAX REVENUES

The following table shows the historical State Share of Sales Tax Revenues received by the State for each of the Fiscal Years ended June 30, 2008 through 2013 and for Fiscal Year 2014 through February 1, 2014 and the approximate transfers of those Sales Taxes to the Build Illinois Fund McCormick Place Bonds and the Retirement and Interest Fund.

State Share of Sales Tax Revenues[1]
($ millions)

Fiscal Year	State Share Sales Tax Revenues[2]	Portion to Build Illinois Fund McCormick Place Bonds[3]	(A) Net State Share Sales Tax Revenues[4]	Amounts Transferred to Build Illinois Bond Retirement and Interest Fund[5]	(B) Certified Annual Debt Service	(A/B) Debt Service Coverage Levels[6]
2008	7,666.5	134.2	7,532.3	291.3	266.0	28.31
2009	7,215.2	126.3	7,088.9	274.2	265.5	26.70
2010	6,743.7	118.0	6,625.7	274.9	274.9	24.10
2011	7,189.6	125.8	7,063.8	299.3	299.3	23.60
2012	7,673.5	134.3	7,539.2	299.7	299.7	25.15
2013	7,810.2	0.0	7,810.2	386.7	342.1	22.83
2014[7]	4,851.0	0.0	4,851.0	305.0[7]	348.6	n/a

1 State Share of Sales Tax Revenues is imposed at a rate of 5%.

2 State Share Sales Tax Revenues for Fiscal Years 2008 through 2014 year to date are from the records of the Illinois Comptroller. These figures do not include Automobile Renting Tax.

3 Approximately 1.75% of the State Share of Sales Tax Revenues was distributed to the Build Illinois Fund McCormick Place Bonds, until July 1, 2012 when the bonds were paid in full.

4 Prior to July 1, 2012, this represented the State Share of Sales Tax Revenues available for the retirement and interest payments of Build Illinois Bonds after the 1.75% was distributed to the Build Illinois McCormick Place Bonds. The McCormick Place Bonds have been retired.

5 This represents the greater of (i) 3.8% of the State Share of Sales Tax Revenues or (ii) Certified Annual Debt Service, plus debt service paid from the Capital Projects Fund for bonds issued under Illinois Jobs Now!, distributed to the Build Illinois Bond Retirement and Interest Fund. If the Capital Projects Fund is insufficient, then the State Share of Sales Tax Revenues will make up for any deficiencies. See "SECURITY FOR THE SERIES OF MARCH 2014 BONDS - - BUILD ILLINOIS FUND"

6 These debt service coverage levels reflect the amount of Net State Share of Sales Tax Revenues for any given Fiscal Year divided by the actual debt service for that same Fiscal Year. These figures are not representative of the coverage levels required by the Additional Bonds Test. See “Issuance of Additional Senior Bonds” and “Issuance of Additional Junior Obligations.”

7 As of February 1, 2014.

The following table shows the historical Sales Tax revenues each month for the Fiscal Years ended June 30, 2008 through 2013 and for Fiscal Year 2014 through January 2014.

Monthly State Share of Sales Tax Revenues
($ millions)

Month	2008	2009	2010	2011	2012	2013	2014
July	$663	$672	$587	$581	$644	$655	$699
August	635	642	571	574	639	620	689
September	618	660	567	564	651	639	673
October	655	647	554	575	636	670	679
November	633	580	527	669	640	649	662
December	760	690	614	654	675	698	735
January	664	612	594	655	700	685	714
February	540	491	469	513	542	584	-
March	593	526	523	551	608	602	-
April	619	538	586	611	646	637	-
May	631	552	558	601	662	675	-
June	657	605	595	642	631	696	-
Year Total	**$7,667**	**$7,215**	**$6,744**	**$7,190**	**$7,674**	**$7,810**	**$4,851**

Note: Totals might not sum due to rounding

CERTAIN INVESTMENT CONSIDERATIONS

THE PURCHASE OF THE SERIES OF MARCH 2014 BONDS IS SUBJECT TO CERTAIN RISKS. EACH PROSPECTIVE INVESTOR IN THE SERIES OF MARCH 2014 BONDS IS ENCOURAGED TO READ THIS OFFICIAL STATEMENT IN ITS ENTIRETY. PARTICULAR ATTENTION SHOULD BE GIVEN TO THE CONSIDERATIONS DESCRIBED BELOW WHICH, AMONG OTHERS, COULD AFFECT THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE SERIES OF MARCH 2014 BONDS, AND COULD ALSO AFFECT THE MARKET PRICE OF THE SERIES OF MARCH 2014 BONDS TO AN EXTENT THAT CANNOT BE DETERMINED. THE FOLLOWING IS NOT A COMPLETE LIST OF THE INVESTMENT CONSIDERATIONS ASSOCIATED WITH THE PURCHASE OF THE SERIES OF MARCH 2014 BONDS NOR DOES THE ORDER OF PRESENTATION NECESSARILY REFLECT THE RELATIVE IMPORTANCE OF THE VARIOUS CONSIDERATIONS.

LIMITED OBLIGATIONS

The Series of March 2014 Bonds are limited obligations of the State, enforceable in accordance with their terms and payable from the Revenues and the other moneys, securities and funds pledged under the Act and the Indenture. The Series of March 2014 Bonds are not general obligations of the State and are not secured by a pledge of the full faith and credit of the State. The owners of the Series of March 2014 Bonds may not require the levy or imposition of any taxes or the application of State revenues or funds for the payment of the Series of March 2014 Bonds, except as provided in the Act and the Indenture.

ECONOMIC FACTORS

Due to the character of the taxes that comprise the Revenues, the amount of Revenues collected by the State will be subject to various economic factors. The amount of Sales Tax revenues is dependent upon the level of sales of certain tangible personal property and the transfer of tangible personal property incident to a sale of service. See "SECURITY FOR THE SERIES OF MARCH 2014 BONDS—REVENUES" for a description of such taxes. Therefore, changes in local, national and international economic conditions, the rates of employment and economic growth, the availability of consumer credit and the level of consumer spending, and the level of residential and commercial development, among other things, will directly affect the amount of Revenues. Future Sales Tax receipts may fluctuate from historical levels and affect the level of debt service coverage provided by the Revenues for the Series of March 2014 Bonds. It is not possible to predict whether or to what extent any changes in economic conditions, demographic characteristics, population or commercial and industrial activity will occur, and what impact any such changes would have on such debt service coverage.

SALES TAX NOT COLLECTED ON CERTAIN SALES OVER THE INTERNET

The future level of taxable retail sales which occurs within the State may be affected by the future level of internet sales (also known as ecommerce). Under current law, the State imposes Sales Tax on economic transactions to the extent that the vendor maintains a physical presence within the State. Although the General Assembly enacted a tax on out-of-State vendors who have offices or other facilities within the State, this tax was found unconstitutional by the Illinois Supreme Court in October, 2013. Ecommerce vendors compete with local retail businesses and in the future could reduce the level of taxable retail sales which otherwise may occur within the State. Additionally, if this ecommerce is not treated, for sales and use tax purposes, comparably to, or if it displaces, the types of transactions for which sales and use taxes currently are collected, Sales Tax collections will be adversely affected. The use of the internet by consumers for their purchases is subject to various market factors as well as consumer behavior and preferences. The ultimate impact of internet sales on the level of taxable retail sales that occurs within the State cannot be determined at this time.

FUTURE CHANGES IN LAWS

Various State laws and constitutional provisions apply to the imposition and collection of the Revenues. The Illinois General Assembly has the authority to amend the provisions of State laws governing the Sales Taxes. Changes to the tax base and exemptions could adversely affect the amount of Sales Tax revenues received by the State. Under the Act and the Indenture, however, the State has irrevocably covenanted and agreed with the Bondholders not to limit or alter certain provisions of the Act or the Indenture so as to impair certain obligations of contract incurred by the State in favor of the holders of the Series of March 2014 Bonds. See "SECURITY FOR THE SERIES OF MARCH 2014 BONDS—PLEDGE AND STATE COVENANT."

ISSUANCE OF ADDITIONAL SENIOR BONDS

The Series of March 2014 Bonds are "Senior Bonds" as defined and referred to in the Indenture. Under the terms of the Indenture, the State has issued various series of Senior Bonds that are currently outstanding and may authorize and issue additional series of Senior Bonds for the purposes and upon the terms and conditions prescribed in the Indenture. All Senior Bonds are equally entitled to the benefit and security of the Indenture, including the pledge of the Revenues. The State has the right to issue additional Senior Bonds payable from the Revenues and secured by a lien on the Revenues on a parity with the lien of the Series of March 2014 Bonds; however, specific conditions and requirements which are set forth in an additional bonds test must be met by the State prior to the issuance of such Additional Senior Bonds. See "SECURITY FOR THE SERIES OF MARCH 2014 BONDS—ISSUANCE OF ADDITIONAL SENIOR BONDS." The issuance of Additional Senior Bonds (to the extent issued for purposes other than the refunding of Outstanding Senior Bonds) would dilute the security for the Series of March 2014 Bonds and, in the event of a decline in the Revenues, could affect the level of debt service coverage provided by the Revenues for the Series of March 2014 Bonds.

ENFORCEABILITY OF BONDHOLDERS' REMEDIES UPON DEFAULT

In the event of a default in the payment of principal of or interest on the Series of March 2014 Bonds, there is no provision for acceleration of maturity of the principal of the Series of March 2014 Bonds. Consequently, remedies available to registered owners and beneficial owners of the Series of March 2014 Bonds may have to be enforced from year to year. The Trustee will have the right to exercise the remedies provided in the Indenture. See APPENDIX G - SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—Default and Remedies.

The Act provides that if the State fails to pay the principal of or interest on any of the Series of March 2014 Bonds or premium, if any, as the same become due, a civil action to compel payment may be instituted in the Supreme Court of Illinois as a court of original jurisdiction by the holder or holders of the Series of March 2014 Bonds on which such default of payment exists or by the Trustee. Delivery of a summons and a copy of the complaint to the Attorney General shall constitute sufficient service to give the Supreme Court of Illinois jurisdiction of the subject matter of such a suit and jurisdiction over the State and its officers named as defendants for the purpose of compelling such payment. If the Supreme Court of Illinois denies the holder or holders of Series of March 2014 Bonds or the Trustee acting on their behalf leave to file an original action in the Supreme Court, the Series of March 2014 Bond holder or holders or the Trustee may bring the action in the Circuit Court of Sangamon County.

OUTSTANDING BONDS - DEBT SERVICE SCHEDULE

The following table shows for each Fiscal Year the annual debt service payments after the issuance of the Series of March 2014 Bonds.

	Outstanding Senior Build Illinois Bonds			Outstanding Junior Build Illinois Bonds			Build Illinois Taxable Series of March 2014			
Fiscal Year	Principal ($)	Interest ($)	Total ($)	Principal ($)	Interest ($)	Total ($)	Principal ($)	Interest ($)	Total ($)	Total Debt Service ($)
2014	124,334,306	84,238,444	208,572,750	94,285,000	45,532,600	139,817,600	0	3,267,367	3,267,367	351,657,717
2015	118,201,038	79,301,153	197,502,191	98,425,000	42,599,700	141,024,700	16,750,000	14,703,150	31,453,150	369,980,041
2016	95,150,000	66,434,469	161,584,469	122,530,000	38,143,150	160,673,150	16,750,000	14,652,900	31,402,900	353,660,519
2017	81,935,000	63,049,313	144,984,313	120,725,000	32,702,550	153,427,550	16,750,000	14,549,050	31,299,050	329,710,913
2018	87,730,000	60,261,812	147,991,812	100,170,000	26,666,300	126,836,300	16,750,000	14,353,075	31,103,075	305,931,187
2019	101,490,000	56,940,629	158,430,629	73,420,000	21,657,800	95,077,800	16,750,000	14,064,975	30,814,975	284,323,404
2020	79,525,000	52,658,940	132,183,940	79,340,000	17,986,800	97,326,800	16,750,000	13,691,450	30,441,450	259,952,190
2021	79,565,000	49,562,041	129,127,041	48,440,000	14,019,800	62,459,800	16,750,000	13,250,925	30,000,925	221,587,766
2022	91,995,000	46,409,876	138,404,876	46,470,000	11,617,500	58,087,500	16,750,000	12,746,750	29,496,750	225,989,126
2023	80,710,000	42,575,921	123,285,921	46,470,000	9,294,000	55,764,000	16,750,000	12,192,325	28,942,325	207,992,246
2024	73,515,000	39,241,826	112,756,826	46,470,000	6,970,500	53,440,500	16,750,000	11,607,750	28,357,750	194,555,076
2025	72,400,000	36,072,666	108,472,666	46,470,000	4,647,000	51,117,000	16,750,000	10,833,900	27,583,900	187,173,566
2026	70,550,000	33,086,155	103,636,155	46,470,000	2,323,500	48,793,500	16,750,000	10,060,050	26,810,050	179,239,705
2027	95,415,000	30,132,745	125,547,745	-	-	-	16,750,000	9,286,200	26,036,200	151,583,945
2028	73,915,000	25,674,863	99,589,863	-	-	-	16,750,000	8,512,350	25,262,350	124,852,213
2029	73,915,000	22,327,982	96,242,982	-	-	-	16,750,000	7,738,500	24,488,500	120,731,482
2030	65,810,000	18,968,601	84,778,601	-	-	-	16,750,000	6,964,650	23,714,650	108,493,251
2031	70,790,000	16,068,108	86,858,108	-	-	-	16,750,000	6,190,800	22,940,800	109,798,908
2032	64,790,000	12,824,865	77,614,865	-	-	-	16,750,000	5,416,950	22,166,950	99,781,815
2033	64,790,000	9,881,622	74,671,622	-	-	-	16,750,000	4,643,100	21,393,100	96,064,722
2034	64,790,000	6,922,129	71,712,129	-	-	-	16,750,000	3,869,250	20,619,250	92,331,379
2035	42,710,000	4,025,136	46,735,136	-	-	-	16,750,000	3,095,400	19,845,400	66,580,536
2036	42,710,000	2,255,068	44,965,068	-	-	-	16,750,000	2,321,550	19,071,550	64,036,618
2037	12,500,000	485,000	12,985,000	-	-	-	16,750,000	1,547,700	18,297,700	31,282,700
2038	-	-	-	-	-	-	16,750,000	773,850	17,523,850	17,523,850
Totals	1,829,235,344	859,399,364	2,688,634,708	969,685,000	274,161,200	1,243,846,200	402,000,000	220,333,967	622,333,967	4,554,814,875

Note: All bonds have a fixed interest rate.

DEBT SERVICE COVERAGE

The State Share of Sales Tax Revenues constitutes the primary source of deposits to the Retirement and Interest Fund. The Act provides that the State Share of Sales Tax Revenues is subject to a first and prior claim and charge in support of the Bonds until each monthly transfer is made to the Retirement and Interest Fund as required by the Act.

The State Share of Sales Tax Revenues for Fiscal Year 2013 was $7,810 million, which amount was approximately 37.45 times the maximum Net Debt Service Requirement for all Outstanding Senior Bonds and 22.42 times the maximum Net Debt Service Requirement for all Outstanding Senior Bonds and Junior Obligations.

After the planned issuance of the Series of March 2014 Bonds, the State Share of Sales Tax Revenues for Fiscal Year 2013 would provide approximately 34.11 times the maximum Net Debt Service Requirement for all Outstanding Senior Bonds and approximately 21.11 times the maximum Net Debt Service Requirement for all Outstanding Senior and Junior Obligation Bonds.

The limitations established in the Indenture for the issuance of additional Senior Bonds require that the maximum Net Debt Service Requirement for Outstanding Senior Bonds of all Series and for the proposed Series for the current or any future Fiscal Year not exceed five percent of the State Share of Sales Tax Revenues received by the State for the most recently completed Fiscal Year. Those limitations effectively require that on the date of issuance of any Series of Senior Bonds, the State Share of Sales Tax Revenues for the then most recently completed Fiscal Year must provide not less than 20 times coverage of the maximum Net Debt Service Requirement for all Outstanding Senior Bonds and for such Series. See "SECURITY FOR THE SERIES OF MARCH 2014 BONDS —ISSUANCE OF ADDITIONAL SENIOR BONDS."

The limitations established in the Indenture for the issuance of additional Junior Obligations require that the aggregate of (i) the maximum Net Debt Service Requirement for Outstanding Senior Bonds, the Junior Annual Debt Service for all Outstanding Junior Obligations and (ii) the Junior Annual Debt Service for Outstanding Junior Obligations and for the proposed Series for the current or any future Fiscal Year not exceed 9.8 percent of the State Share of Sales Tax Revenues received by the State for the most recently completed Fiscal Year. Those limitations effectively require that, on the date of issuance of any Series of Junior Obligations, the Share of State Sales Tax Revenues for the then most recently completed Fiscal Year must provide not less than 10.2 times coverage of the maximum Net Debt Service Requirement for all Outstanding Senior Bonds, the Junior Annual Debt Service for all Outstanding Junior Obligations and for such Series. See "SECURITY FOR THE SERIES OF MARCH 2014 BONDS—ISSUANCE OF ADDITIONAL JUNIOR OBLIGATIONS."

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

A summary of certain provisions of the Indenture can be found in APPENDIX G - SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE. Reference is made to the Indenture for a complete statement of the provisions or contents thereof.

LITIGATION

There is no litigation pending, or to the knowledge of the State threatened, in any way questioning the title of the State officials to their respective offices or any proceedings of the State incident to the authorization and issuance of the Series of March 2014 Bonds, or in any way concerning the validity or enforceability of the Series of March 2014 Bonds, or the manner of payment thereof or the appropriation for the payment thereof.

The following describes certain pending lawsuits filed against the State of Illinois:

PENSION REFORM LITIGATION

On December 5, 2013, the Governor signed into law PA 98-0599 (effective June 1, 2014), a law amending the Illinois Pension Code. The law made changes to the Illinois Pension Code, including: (1) changing the retirement age for certain future retirees; (2) changing the Automatic Annual Adjustment ("AAI") formula for retirees; (3) mandating that retirees skip certain AAIs; (4) imposing a salary cap on the income used to calculate certain retirees' annuities; and (5) reducing the amount that some current State employees contribute for their pension.

Several groups have filed lawsuits challenging the constitutionality of PA 98-0599. In December 2013, retired members of the Teachers' Retirement System ("TRS") filed the first lawsuit in Cook County seeking a court declaration that P.A. 98-0599 violates the Illinois Constitution. *Heaton, et al v. Quinn, et al.*, No. 2013 CH 28406 (Cook County). Other groups have filed similar lawsuits on behalf of retired members of TRS, retired members of the State Employees' Retirement System, retired members of the State Universities Retirement System, and retired members of the General Assembly Retirement System. See *Illinois State Employees Association Retirees, et al. v. The Board of Trustees of the State Employees' Retirement System of Illinois*, No. 2014 CH 000003 (Sangamon County); *Retired State Employees Association, et al. v. Quinn, et al.*, No. 2014 MR 000001 (Sangamon County); and *Harrison, et al. v. Quinn, et al.*, No. 2014 CH 00048 (Sangamon County). On March 3, 2014, the Illinois Supreme Court ordered the consolidation of these cases in Sangamon County. These lawsuits seek an injunction preventing the State from fully implementing PA 98-0599 in addition to declaratory relief. Each lawsuit seeks class certification. On March 6, 2014, a lawsuit was filed in Champaign County which also challenges the constitutionality of PA 98-0599, *State Universities Annuitants Association, et al. v. State Universities Retirement System, et al*., No. 2014 MR 207.

TAX PROTEST LITIGATION

In the case *Bambeneck v. Hynes*, No. 09-MR-136 (Champaign County), petitioner seeks leave to file a taxpayer action that would enjoin the disbursement of moneys until the State enacts a balanced budget. Petitioner has taken no action since the State objected to the petition in August, 2009.

FEE PROTEST LITIGATION

In May and June 2006, trade associations representing property and casualty insurance and real estate sales interests, respectively, filed actions in Sangamon County challenging certain fees and transfers of funds. The Sangamon County Court entered orders preliminarily preventing the State from transferring moneys from the funds at issue, pending further consideration of the matters.

In January 2008, in the property and casualty insurance case, the Sangamon County Circuit Court denied the plaintiff's motion for summary judgment, holding that the statutory authorization to transfer money from the relevant fund was controlling over an earlier statutory prohibition for such fund transfers. The State's motion for summary judgment was granted on August 27, 2013. A Notice of Appeal was filed by plaintiffs on September 26, 2013. The appeal is in the briefing stage. Finally, in the real estate sales litigation, the State's motion to dismiss was argued before the Sangamon County Circuit Court on October 26, 2012. The motion to dismiss was granted on January 18, 2013. Plaintiffs subsequently filed a Notice of Appeal and the Appellate Court affirmed on February 7, 2014. In May 2011, a plaintiff class sued a defendant class of all County Recorders of Deeds in Illinois challenging the imposition of a surcharge for the recordation of any real estate-related document. The surcharges were submitted to the Department of Revenue, which deposited the money in the Rental Housing Support Program Fund. The State intervened to defend the statute. The circuit court granted plaintiffs' motions for summary judgment on the prior and current versions of the statute requiring the surcharges on April 3, 2013 and September 25, 2013, and Notices of Appeal to the Illinois Supreme Court were filed from those orders on May 3, 2013 and October 18, 2013. The cases were consolidated and the appeal is in the briefing stage.

In October 2012, a plaintiff class sued a defendant class of Circuit Court Clerks challenging the imposition of a surcharge on the filing of a mortgage foreclosure complaint. Under the version of the statute at issue, the clerk collected the fee and submitted most of it to the State Treasurer for deposit into the Foreclosure Prevention Program Fund. The Fund was administered by the Illinois Housing Development Authority to make grants to counseling and community agencies. The State intervened to defend the statute. On November 8, 2013, the circuit court granted plaintiffs' motion for partial summary judgment finding the statute unconstitutional. A notice of appeal to the Illinois Supreme Court was filed on December 6, 2013.

PURCHASE

A syndicate managed by J.P. Morgan Securities LLC (the "Purchaser") has agreed, subject to the approval of certain legal matters by counsel and to certain other conditions, to purchase the Series of March 2014 Bonds at a price of $401,041,672.37, representing the par amount of the Series of March 2014 Bonds less the Purchaser's discount. The Purchaser has agreed to purchase all of the Series of March 2014 Bonds if any of the Series of March 2014 Bonds are purchased. The Purchaser has agreed to make a bona fide pubic offering of the Series of March 2014 Bonds at not in excess of the public offering prices set forth on the inside cover page of this Official Statement.

TAX TREATMENT

Interest on the Series of March 2014 Bonds is includible in gross income for federal income purposes. Ownership of the Series of March 2014 Bonds may result in other federal income tax consequences to certain taxpayers. Series of March 2014 Bondholders should consult their tax advisors with respect to the inclusion of interest on the Series of March 2014 Bonds in gross income for federal income tax purposes and any collateral tax consequences. The interest on the Series of March 2014 Bonds is not exempt from present Illinois income taxes. Ownership of the Series of March 2014 Bonds may result in other state and local tax consequences to certain taxpayers, and Co-Bond Counsel expresses no opinion regarding any such consequences arising with respect to the Series of March 2014 Bonds.

The Indenture permits the State to deposit cash or securities in escrow in such amount and manner as to cause the Series of March 2014 Bonds to be deemed to be no longer outstanding under the Indenture. Such defeasance of the Series of March 2014 Bonds may be treated as an exchange of the Series of March 2014 Bonds by the holders thereof and therefore may result in gain or loss to the holders. Holders of the Series of March 2014 Bonds should consult their tax advisors about the consequences, if any, of such defeasance. The State is required to provide notice of defeasance of the Series of March 2014 Bonds as a reportable event under the Continuing Disclosure Undertaking.

CONTINUING DISCLOSURE

The State will enter into a Continuing Disclosure Undertaking (the "Undertaking") for the benefit of the beneficial owners of the Series of March 2014 Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board pursuant to the requirements of Section (b)(5) of Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. The proposed form of the Undertaking is included as APPENDIX F to this Official Statement.

In the previous five years, the State has complied, in all material respects, with its continuing disclosure undertakings. The State has filed its "Annual Financial Information" within the time periods prescribed in its various continuing disclosure undertakings. During the last five years, the State's Comprehensive Annual Financial Report ("Audited Financial Statements") has not been available when the Annual Financial Information has been filed, but has been filed within 30 days after its availability to GOMB.

A failure by the State to comply with the Undertaking will not constitute a default under the Indenture, and beneficial owners of the Series of March 2014 Bonds are limited to the remedies described in the Undertaking. A failure by the State to comply with the Undertaking must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the

Series of March 2014 Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Series of March 2014 Bonds and their market price.

CERTAIN LEGAL MATTERS

Certain legal matters incident to the authorization, issuance and sale of the Series of March 2014 Bonds are subject to the approving legal opinions of Chapman and Cutler LLP, Chicago, Illinois ("Chapman"), and Charity & Associates, P.C., Chicago, Illinois, Co-Bond Counsel, who act as Co-Bond Counsel to the State. Co-Bond Counsel make no representation as to the suitability of the Series of March 2014 Bonds for investment by any investor. The opinions of Co-Bond Counsel will accompany the delivery of the Series of March 2014 Bonds and be in substantially the form included in this Official Statement as APPENDIX B. Chapman has also been retained by the State to serve as Disclosure Counsel to the State with respect to the Series of March 2014 Bonds. Although as Disclosure Counsel to the State, Chapman has assisted the State with certain disclosure matters, Chapman has not undertaken to independently verify the accuracy, completeness or fairness of this Official Statement or other offering material related to the Series of March 2014 Bonds and does not guarantee the accuracy, completeness or fairness of such information. Chapman's engagement as Disclosure Counsel was undertaken solely at the request and for the benefit of the State, to assist it in discharging its responsibility with respect to this Official Statement, and not for the benefit of any other person (including the Purchaser and any person purchasing Series of March 2014 Bonds from the Purchaser), and did not include any obligation to establish or confirm factual matters, forecasts, projections, estimates or any other financial or economic information in connection therewith. The fees of Co-Bond Counsel and Disclosure Counsel for services rendered with respect to the sale of the Series of March 2014 Bonds are contingent upon the issuance and delivery of the Series of March 2014 Bonds.

RATINGS

Standard and Poor's Ratings Services has assigned a rating of AAA with a Stable Outlook to the Series of March 2014 Bonds and Fitch Ratings Inc. has assigned a rating of AA+ with a Stable Outlook to the Series of March 2014 Bonds.

These ratings reflect the view of such organizations, and an explanation of the significance of such ratings may be obtained only from the respective rating agencies. As part of the State's application for the ratings, certain information and materials, some of which are not contained in this Official Statement, have been supplied to the rating agencies. The ratings are neither a "market" rating nor a recommendation to buy, sell or hold the Series of March 2014 Bonds and the ratings and the Series of March 2014 Bonds should be evaluated independently.

The State will provide appropriate periodic credit information necessary for maintaining ratings on the Series of March 2014 Bonds to the rating agencies. Except as may be required by the Continuing Disclosure Undertaking, the State undertakes no responsibility either to bring to the attention of the owners of the Series of March 2014 Bonds any proposed change in or withdrawal of such ratings or to oppose any such revision or withdrawal. If assigned, there is no assurance that any such ratings will be maintained for any given period of time or that they will not be lowered or withdrawn entirely. Any revision or withdrawal of any such ratings may have an adverse effect on the prices at which the Series of March 2014 Bonds may be resold.

LEGAL INVESTMENT

Under the Act, the Series of March 2014 Bonds are securities in which all public officers and bodies of the State and all political subdivisions of the State and other persons carrying on an insurance business, all banks, bankers, trust companies, saving banks and savings associations, including savings and loan associations, building and loan associations, investment companies and other persons carrying on a banking business, all credit unions, pension funds, administrators, and guardians who are now or may hereafter be authorized to invest in bonds or in other obligations of the State, may properly and legally invest funds, including capital, in their control or belonging to them.

The Act also provides that the Series of March 2014 Bonds are securities which may be deposited with and may be received by all public officers and bodies of the State and all political subdivisions of the State and public corporations for any purpose for which the deposit of bonds or other obligations of the State is now or may hereafter be authorized.

MUNICIPAL ADVISOR

Columbia Capital Management, LLC, Chicago, Illinois ("Columbia") has been retained by the State to serve as Municipal Advisor with respect to the Series of March 2014 Bonds. Columbia is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing or trading municipal securities or any other negotiated instruments. Under the terms of its engagement, the Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification of or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement. The Municipal Advisor's fee for services rendered with respect to the sale of the Series of March 2014 Bonds is contingent upon the issuance and delivery of the Series of March 2014 Bonds.

AUTHORIZATION

In accordance with the Act and Indenture, the Series of March 2014 Bonds will be issued pursuant to a Bond Sale Order of the Director of the GOMB, to be approved by the Governor of the State.

CERTIFICATE OF THE DIRECTOR OF THE GOVERNOR'S OFFICE OF MANAGEMENT AND BUDGET

The Director of the GOMB will provide to the Purchaser at the time of delivery of the Series of March 2014 Bonds a certificate confirming that, to his knowledge, the Official Statement was, as of its date, and is, at the time of such delivery, true and correct in all material respects and did not and does not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

The Director's certificate will be based on formal, written policies and procedures for reviewing, updating and maintaining information in the State's official statements. In these written policies and procedures, among other things, the State established a committee within the GOMB consisting of GOMB employees (the "Official Statement Disclosure Committee") to oversee the review and updating of official statements. The GOMB Director of Capital Markets serves as chairperson and a member of the Official Statement Disclosure Committee, and the General Counsel of the GOMB serves as an ex-officio member. Members of the Official Statement Disclosure Committee coordinate with the Attorney General of the State and the Comptroller with respect to information relating to their respective offices.

ADDITIONAL INFORMATION

The information contained in this Official Statement is subject to change without notice and no implication may or shall be derived therefrom or from the sale of the Series of March 2014 Bonds that there has been no change in the affairs of the State or the information contained in this Official Statement since the dates as of which such information is given. Any statements in this Official Statement involving matters of opinion or estimate, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the State and the purchaser of any of the Series of March 2014 Bonds.

MISCELLANEOUS

Additional information regarding the Series of March 2014 Bonds and this Official Statement is available by contacting the Governor's Office of Management and Budget, 100 W. Randolph St., Suite 15-100, Chicago, Illinois 60606; telephone: (312) 814-7279.

The State has authorized the distribution of this Official Statement.

This Official Statement has been duly executed and delivered by the Acting Director of GOMB on behalf of the State.

STATE OF ILLINOIS

By: /s/ Jerome Stermer
Acting Director,
Governor's Office of Management and Budget

APPENDIX A

CERTAIN INFORMATION REGARDING THE STATE OF ILLINOIS

ECONOMIC DATA

Illinois is a state of diversified economic strength. Personal income and workforce composition in Illinois are similar to that of the United States as a whole. Measured by per capita personal income, Illinois ranks third among the ten most populous states and sixteenth among all states. Illinois ranks third among all states in total cash receipts from crops, second in feed and grain exports, second in soybean and products exports, fifth in exports of all commodities and ranks among the top states in several measures of manufacturing activity. Chicago serves as the transportation center of the Midwest and the headquarters of many of the nation's major corporations and financial institutions. Table A-1 shows Illinois has a historically higher per capita GDP than the Great Lakes Region and the United States. Table A-2 compares the workforce composition of Illinois to that of the United States as a whole. Table A-3 shows the distribution of Illinois non-agricultural employment by industry sector.

The Bonds are primarily secured by Sales Tax revenues. Adverse changes in general economic conditions in the State could impact the future rate of growth reflected in the following tables, including the growth and volume of retail sales and Sales Tax revenues. See "CERTAIN INVESTMENT CONSIDERATIONS—ECONOMIC FACTORS."

Table A-1
PER CAPITA REAL GDP (chained 2005 dollars)

	2007	2008	2009	2010	2011	2012
United States	$ 43,633	$ 43,079	$ 41,640	$ 42,346	$ 42,070	$ 42,784
Illinois	46,593	45,970	44,565	45,258	45,231	46,151
Great Lakes Region	40,617	39,786	38,258	39,175	38,722	39,919

Source: U.S. Department of Commerce, Bureau of Economic Analysis, current data as of February 1, 2014.

Table A-2
PAYROLL JOBS BY INDUSTRY, SEASONALLY ADJUSTED
(Thousands)

Industry Employment Sector	Illinois	% of Total	U.S.	% of Total
Financial Activities	371	6.4%	7,899	5.8%
Manufacturing	576	9.9%	12,046	8.8%
Trade, Transportation and Utilities	1,181	20.2%	26,090	19.0%
Leisure and Hospitality	546	9.4%	14,417	10.5%
Education and Health Services	883	15.1%	21,237	15.5%
Mining, Logging, Information and Other Services	369	6.3%	9,044	6.6%
Government	828	14.2%	21,856	15.9%
Professional and Business Services	897	15.4%	18,826	13.7%
Construction	188	3.2%	5,896	4.3%
Total	**5,838**	**100.0%**	**137,311**	**100.0%**

Source: U.S. Department of Labor, Bureau of Labor Statistics, November 2013 data as of February 1, 2014.

Table A-3
NON-AGRICULTURAL PAYROLL JOBS BY INDUSTRY
ILLINOIS - 2008 THROUGH NOVEMBER 2013
(Thousands)

Industry Employment Sector	2008	2009	2010	2011	2012	2013
Total Non-Agricultural Employment	5,994	5,806	5,588	5,651	5,726	5,838
Financial Activities	397	381	364	364	367	371
Manufacturing	671	621	554	569	599	576
Trade, Transportation and Utilities	1,219	1,172	1,120	1,135	1,145	1,181
Leisure and Hospitality	534	524	513	518	534	546
Educational and Health Services	791	812	823	844	866	883
Mining, Logging, Information & Other Services	388	381	369	360	345	369
Government	854	857	857	842	827	828
Professional and Business Services	873	822	786	820	864	897
Construction	266	236	203	199	180	188

Source: U.S. Department of Labor, Bureau of Labor Statistics, November 2013 data as of February 1, 2014.

AGRICULTURE

Illinois ranks prominently among states for agricultural activity and exports. Tables A-4 and A-5 summarize key agricultural production statistics including rank among all states for the years 2007 to 2012.

Table A-4
ILLINOIS CASH RECEIPTS FROM CROPS AND LIVESTOCK
($ in Millions)

	2007	2008	2009	2010	2011	2012
Crops	$10,662	$13,077	$13,098	$13,713	$17,220	$17,034
Livestock	2,112	2,121	1,851	2,269	2,600	2,616
Total	**$12,774**	**$15,197**	**$14,949**	**$15,983**	**$19,820**	**$19,650**

Source: U.S. Department of Agriculture-Economic Research Service, current data as of February 1, 2014.

Table A-5
AGRICULTURAL EXPORTS
FEDERAL FISCAL YEAR 2011
($ in Millions)

Agricultural Exports	U.S. Total	Illinois Share	% of U.S.	Rank
All Commodities	$136,374	$ 8,238	6.0%	3
Feeds	$ 5,745	$ 1,019	17.7%	2
Grain Products	$ 4,098	$ 474	11.6%	2
Soybeans	$ 17,563	$ 2,515	14.3%	2

Source: U.S. Department of Agriculture-Economic Research Service, current data as of February 1, 2014.

PERSONAL INCOME

Per capita income in Illinois is greater than the average in both the United States and the Great Lakes Region. Table A-6 presents personal income data, and Table A-7 presents per capita income comparisons.

Table A-6
PERSONAL INCOME
($ in Billions)

	2007	2008	2009	2010	2011	2012
Illinois	533	555	525	540	563	590
United States	11,912	12,460	11,930	12,373	12,950	13,729

Source: U.S. Department of Labor, Bureau of Labor Statistics, current data as of February 1, 2014.

Table A-7
PER CAPITA PERSONAL INCOME

	2007	2008	2009	2010	2011	2012	2012 Rank
Illinois	41,950	43,502	40,865	42,025	43,721	45,832	15
United States	39,506	40,947	38,637	39,791	41,560	43,735	--
Ten Most Populous States:							
New York	47,852	49,408	46,739	49,119	51,126	53,241	1
California	43,211	44,003	41,034	41,893	43,647	46,477	2
Illinois	41,950	43,502	40,865	42,025	43,721	45,832	**3**
Pennsylvania	38,927	40,674	39,210	40,444	42,291	45,083	4
Texas	37,098	39,615	36,595	38,222	40,147	42,638	5
Florida	39,256	39,978	36,849	38,345	39,636	41,012	6
Ohio	35,183	36,401	35,001	35,931	37,836	40,057	7
Michigan	34,419	35,288	33,221	34,326	36,264	38,291	8
North Carolina	34,761	35,741	34,001	34,604	36,028	37,910	9
Georgia	35,369	35,857	33,887	34,531	35,979	37,449	10
Great Lakes States:							
Illinois	41,950	43,502	40,865	42,025	43,721	45,832	**1**
Iowa	36,831	38,172	36,859	38,010	39,575	43,935	2
Wisconsin	35,183	36,401	35,001	35,931	37,836	42,121	3
Michigan	34,419	35,288	33,221	34,326	36,264	38,291	4
Indiana	33,645	34,894	33,163	34,028	35,689	38,119	5

Source: U.S. Department of Commerce, Bureau of Economic Analysis, current data as of February 1, 2014.

Table A-8

NUMBER OF UNEMPLOYED

	2008	2009	2010	2011	2012	2013
United States	8,924,000	15,142,000	14,876,000	12,613,000	12,042,000	10,841,000
Illinois	433,700	674,692	620,983	627,586	574,902	567,315
Bloomington-Normal MSA	4,573	6,495	7,201	6,320	5,643	6,154
Champaign-Urbana MSA	6,929	9,987	11,038	9,400	8,430	9,110
Chicago PMSA	303,175	487,453	496,036	465,543	405,055	395,489
Danville-MSA	2,971	4,201	4,547	3,617	3,533	4,242
Davenport-Moline-Rock Island MSA	10,772	15,884	17,127	14,846	12,705	12,739
Decatur MSA	3,825	6,166	6,502	5,406	5,547	6,292
Kankakee MSA	4,803	6,746	7,511	6,342	5,720	5,900
Peoria-Pekin MSA	11,296	20,850	20,812	16,483	14,099	17,556
Rockford MSA	15,347	25,332	26,830	20,149	17,672	17,920
Springfield MSA	6,568	8,390	9,433	8,699	8,097	8,346

Source: U.S. Department of Labor, Bureau of Labor Statistics Data, November 2013 data as of February 1, 2014

Table A-9
UNEMPLOYED RATE (%)

	2008	2009	2010	2011	2012	2013
United States	5.8	10.0	9.7	8.2	7.8	7.0
Illinois	6.5	10.1	9.8	9.4	8.7	8.7
Bloomington-Normal MSA	5.1	7.2	7.5	6.8	6.1	7.0
Champaign-Urbana MSA	5.7	8.3	9.0	7.8	7.2	7.9
Chicago PMSA	6.2	10.0	10.2	9.6	8.3	8.1
Danville MSA	8.2	11.5	12.1	9.9	9.9	11.7
Davenport-Moline-Rock Island	5.2	8.1	8.4	7.3	6.4	6.4
Decatur MSA	7.2	11.4	11.8	9.9	10.2	12.2
Kankakee MSA	8.8	12.1	13.1	10.8	10.0	10.7
Peoria-Pekin MSA	5.7	10.4	10.2	7.9	7.7	8.9
Rockford MSA	9.1	15.0	15.3	11.9	10.5	11.0
Springfield MSA	5.9	7.4	8.0	7.4	6.9	7.4

Source: U.S. Department of Labor, Bureau of Labor Statistics Data, November 2013 data as of February 1, 2014

POPULATION

Illinois is the nation's fifth most populous state. The State's population is approximately 12.9 million according to the U.S. Bureau of the Census for calendar year 2012.

Table A-10
POPULATION
ILLINOIS AND SELECTED METROPOLITAN STATISTICAL AREAS

	1980	1990	2000	2010
Illinois	11,427,409	11,430,602	12,419,293	12,830,632
Chicago CMSA (IL Part)	7,348,874	7,410,858	8,272,768	9,461,105
St. Louis MSA (IL Part)	588,464	588,995	599,845	684,849
Rockford MSA	325,852	329,676	371,236	349,431
Peoria MSA	365,864	339,172	347,387	379,186
Springfield MSA	187,770	189,550	201,437	210,170
Champaign-Urbana MSA	168,392	173,025	179,669	231,891

Source: U.S. Bureau of the Census, Population Division, Annual Estimates of the Population for Metropolitan Areas of Illinois, current data as of February 1, 2014.

APPENDIX B

PROPOSED FORM OF OPINION OF CO-BOND COUNSEL

[LETTERHEAD OF RESPECTIVE CO-BOND COUNSEL]

[TO BE DATED CLOSING DATE]

We hereby certify that we have examined a certified copy of the proceedings of the Governor of the State of Illinois (the *"State"*) and the Acting Director of the Governor's Office of Management and Budget of the State authorizing the issue by the State of its fully registered $402,000,000 Build Illinois Bonds (Sales Tax Revenue Bonds), Taxable Series of March 2014 (the *"Bonds"*), dated the date hereof. The Bonds are direct and limited obligations of the State issued (i) pursuant to the authority of Section 9 of Article IX of the Illinois Constitution of 1970 (the *"Constitution"*) and the Build Illinois Bond Act of the State, as amended (the *"Act"*), and laws supplemental thereto and (ii) under and in accordance with a Master Trust Indenture Securing Build Illinois Bonds (Sales Tax Revenue Bonds) dated as of September 15, 1985 (the *"Master Indenture"*), as supplemented and amended to the date hereof, from the State to U.S. Bank National Association, as successor trustee (the *"Trustee"*), including as supplemented and amended by a Fifty-First Supplemental Indenture dated as of March 1, 2014, from the State to the Trustee (the *"Fifty-First Supplemental Indenture"*; the Master Indenture as so supplemented and amended, including by the Fifty-First Supplemental Indenture, being referred to as the *"Indenture"*). The Bonds mature on June 15 of each of the years, in the amounts and bear interest as follows:

YEAR OF MATURITY	PRINCIPAL AMOUNT	RATE OF INTEREST
2015	$ 16,750,000	0.30%
2016	16,750,000	0.62%
2017	16,750,000	1.17%
2018	16,750,000	1.72%
2019	16,750,000	2.23%
2020	16,750,000	2.63%
2021	16,750,000	3.01%
2022	16,750,000	3.31%
2023	16,750,000	3.49%
2038	251,250,000	4.62%

The Bonds are subject to redemption prior to maturity at the option of the State on any Business Day (as defined in the Fifty-First Supplemental Indenture) in whole or in part, and if in part in integral multiples of $5,000 selected as provided in the Fifty-First Supplemental Indenture, at the "Make-Whole Redemption Price" determined as provided in the Fifty-First Supplemental Indenture.

The Bonds maturing on June 15, 2038, are also subject to mandatory redemption, in integral multiples of $5,000 selected as provided in the Fifty-First Supplemental Indenture, at a redemption price of par plus accrued interest to the date of redemption on June 15 of the years and in the principal amounts as follows:

YEAR	PRINCIPAL AMOUNT
2024	$16,750,000
2025	16,750,000
2026	16,750,000
2027	16,750,000
2028	16,750,000
2029	16,750,000
2030	16,750,000
2031	16,750,000
2032	16,750,000
2033	16,750,000
2034	16,750,000
2035	16,750,000
2036	16,750,000
2037	16,750,000
2038 (maturity)	16,750,000

Based upon the foregoing, we are of the opinion that:

1. The State has the right under the Constitution and the Act to authorize the Bonds, to enter into the Indenture and to perform its obligations under the Indenture.

2. The Indenture, including the Fifty-First Supplemental Indenture, has been duly and lawfully executed and delivered by the State and, assuming the due authorization, execution and delivery by, and the binding effect on, the Trustee, the Indenture is valid and legally binding upon the State and enforceable in accordance with its terms.

3. The Act and the Indenture create the valid pledge and lien that they purport to create on the Revenues pledged pursuant to the Indenture and the other money, securities and funds pledged under the Act and the Indenture.

4. The Bonds, to the amount named, are Senior Bonds under the Indenture and are valid and legally binding direct and limited obligations of the State, enforceable in accordance with their terms and payable solely from the Revenues pledged pursuant to the Indenture and the other money, securities and funds pledged under the Act and the Indenture. The Bonds are not general obligations of the State and are not secured by a pledge of the full faith and credit of the State and except as may be specifically provided in the Act and the Indenture, the holders of the Bonds may not require the levy or imposition of any taxes or the application of other State revenues or funds to the payment of the Bonds.

5 The form of Bond prescribed for this issue by the Fifty-First Supplemental Indenture is in due form of law.

6. Under present law, interest on the Bonds is includible in gross income of the owners thereof for federal income tax purposes. Ownership of the Bonds may result in other federal income tax consequences to certain taxpayers. Bondholders should consult their own tax advisors concerning tax consequences of ownership of the Bonds. It is also our opinion that interest on the Bonds is includible in the calculation of Illinois state income tax for Bondholders who are residents of Illinois. Ownership of the Bonds may result in other state and local tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

The rights of the owners of the Bonds and the enforceability of provisions of the Bonds and the Indenture may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion whether to grant any particular form of relief.

We express no opinion herein as to the accuracy, adequacy or completeness of any information furnished to any person in connection with any offer or sale of the Bonds.

In rendering this opinion, we have relied upon certifications of the State with respect to certain material facts within the State's knowledge. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

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APPENDIX C

CERTAIN DEFINITIONS

"*Act*" means "AN ACT to create the Build Illinois Bond Act and creating and amending various Acts in relation thereto", Public Act 84-111, approved July 25, 1985, as amended (30 ILCS 425/1 et seq.).

"*Aggregate Debt Service*" means, as of any particular date of computation and with respect to a particular Fiscal Year or other specified 12-month period, an amount of money equal to the aggregate of the amounts of Annual Debt Service with respect to such Fiscal Year or other specified 12-month period and to the Senior Bonds of all Series.

"*Annual Debt Service*" means, as of any particular date of computation and with respect to a particular Fiscal Year or other specified 12-month period and to Senior Bonds of a particular Series, an amount of money equal to the sum of (a) all interest payable during such Fiscal Year or other specified 12-month period on all Bonds of said Series Outstanding on said date of computation (provided that interest on Variable Rate Bonds of said Series shall be included at the Assumed Variable Amount) and (b) all Principal Installments payable during such Fiscal Year or other specified 12-month period with respect to all Bonds of said Series Outstanding on said date of computation, all calculated on the assumption that Bonds of said Series will after said date of computation cease to be Outstanding by reason, but only by reason, of the payment when due and application in accordance with the Indenture and the Supplemental Indenture creating such Series of Principal Installments payable at or after said date of computation. For purposes of this definition the term "interest" shall not include Subordinated Interest and the term "Principal Installments" shall not include Subordinated Principal Installments.

"*Annual Specified Amounts*" means with respect to any Fiscal Year the amounts designated as Annual Specified Amounts in the Sales Tax Acts.

"*Appreciation and Income Bond*" means any Senior Bond or Senior Bonds of a Series sold at a price less than 97 percent of the Compounded Amount thereof payable at maturity, but only if (a) such Bond or Bonds are designated as an Appreciation and Income Bond or Bonds by the Supplemental Indenture providing for the issuance of such Series of Bonds, (b) Annual Debt Service on such Series of Bonds, together with Annual Debt Service on all other Series of Outstanding Bonds, is as nearly level or equal as possible, taking into consideration prevailing financial techniques, including, without limitation, the possible initial delay of principal maturities in early years and the use of Capitalized Interest, the determination by the Director in the applicable Bond Sale Order as to such level Annual Debt Service being final and conclusive, and (c) such Appreciation and Income Bonds may also be designated either serial or term Bonds by the Supplemental Indenture providing for the issuance of such Bonds.

"*Appreciation Bond*" means any Senior Bond or Senior Bonds of a Series sold at a price less than 97 percent of the Compounded Amount thereof payable at maturity, but only if (a) such Bond or Bonds are designated as an Appreciation Bond or Bonds by the Supplemental Indenture providing for the issuance of such Series of Bonds, (b) Annual Debt Service on such Series of Bonds together with Annual Debt Service on all other Series of Outstanding Bonds is as nearly level or equal as possible, taking into consideration prevailing financial techniques, including, without limitation, the possible initial delay of principal maturities in early years and the use of Capitalized Interest, the determination by the Director in the applicable Bond Sale Order as to such level Annual Debt Service being final and conclusive, and (c) such Appreciation Bonds may also be designated either serial or term Bonds by the Supplemental Indenture providing for the issuance of such Bonds.

"*Assumed Variable Amount*" means, as of any particular date of computation and with respect to a particular Fiscal Year or other specified 12-month period and to Variable Rate Bonds of a particular Series of Senior Bonds, an amount of money equal to (a) the interest payable on such Variable Rate Bonds calculated at the maximum rate permitted under the Bond Sale Order and Supplemental Indenture authorizing the issuance of such Variable Rate Bonds, less (b) the amount permitted to be credited under the Indenture and the terms of such Supplemental Indenture, against the amount of interest on such Variable Rate Bonds required to be included in any computation with respect to such period, including but not limited to, any computation of Annual Debt Service, Certified Annual

Debt Service Requirement and Required Bond Transfer. For purposes of this definition the term "interest" shall not include Subordinated Interest.

"*Bond Counsel*" or *Co-Bond Counsel"* means a firm of attorneys having expertise in the field of law relating to municipal, state and public agency financing, selected by the State and satisfactory to the Trustee.

"*Bondholder*" or "*holder*" or "*owner*" or words of similar import, when used with reference to a Bond, means any person who shall be the bearer of any Outstanding Bond registered to bearer or not registered, or the registered owner of any Outstanding Bond at the time registered other than to bearer.

"*Bonds*" means any Senior Bonds and Junior Obligations of the State authenticated and delivered as a Series under and pursuant to Article II of the Indenture and any Section 209 Obligations.

"*Bond Sale Order*" means any Bond Sale Order as defined in Section 6(a) of the Act.

"*Build Illinois Bond Account*" means the Build Illinois Bond Account in the Build Illinois Fund.

"*Build Illinois Bond Fund*" means the Build Illinois Bond Fund created in the State Treasury pursuant to Section 5.159 of the Finance Act.

"*Build Illinois Fund*" means the Build Illinois Fund created in the State Treasury pursuant to Sections 6z-9 and 5.148 of the Finance Act.

"*Business Day*" means any day other than a Saturday or Sunday or legal holiday or a day on which banking institutions in the State are authorized by law or executive order to close.

"*Capital Projects Fund*" means the Capital Projects Fund created in the State Treasury.

"*Certified Annual Debt Service Requirement*" for any Fiscal Year means an amount equal to the Aggregate Debt Service and the Junior Annual Debt Service for such Fiscal Year, plus an amount equal to the difference, if any, between (a) the Aggregate Debt Service and the Junior Annual Debt Service for any prior Fiscal Year and (b) the amount of Revenues deposited with the Trustee for such prior Fiscal Year, plus an amount of money equal to the aggregate amounts required by the provisions of the Indenture and all Supplemental Indentures to be deposited from Revenues in all Funds or Accounts under the Indenture and in all funds, accounts and subaccounts created under such Supplemental Indentures in such Fiscal Year, minus any moneys in the Capitalized Interest Account to be used to pay interest on Bonds during such Fiscal Year.

"*Compounded Amount*" when used with reference to any Appreciation Bond or any Appreciation and Income Bond, shall mean:

(i) The Initial Offering Price, plus

(ii) the amount, assuming semi-annual compounding, of earnings which would be produced on an investment of the Initial Offering Price, (a) in the case of an Appreciation Bond, beginning on the date of delivery of such Bond, at a yield which, if received throughout the term of such Bond, would produce the principal amount and interest payable at maturity on such Bond in accordance with its terms, and (b), in the case of an Appreciation and Income Bond, beginning on the date of such Bond and ending on the Current Interest Commencement Date, at a yield which, if received until the Current Interest Commencement Date will produce the principal amount plus the compounded interest payable at maturity on such Bond in accordance with its terms.

"*Compounded Amount*" shall further mean, to the extent provided in a Supplemental Indenture, as applied to any particular Series of Bonds, in respect of each $5,000 principal and interest payable at maturity of any Appreciation Bond or any Appreciation and Income Bond, on any June 15 and December 15 prior to maturity, the amount set forth in the table of Compounded Amounts appearing on such Bond, as provided in the applicable Supplemental

Indenture. *"Compounded Amount"* shall also further mean, to the extent provided in a Supplemental Indenture, as applied to any particular Series of Bonds, in respect of each $5,000 principal and interest payable at maturity of any Appreciation Bond or any Appreciation and Income Bond, on a date other than a June 15 or December 15, the Compounded Amount on the next preceding December 15 or June 15 plus the portion of the difference between the Compounded Amount on the next preceding December 15 or June 15 and the next succeeding June 15 or December 15 that the number of days from the next preceding December 15 or June 15 to the date for which the determination is being calculated bears to the total number of days from the next preceding December 15 or June 15 to the next succeeding June 15 or December 15.

"Comptroller" means the Comptroller of the State.

"*Costs of Issuance*" means any item of expense payable or reimbursable, directly or indirectly, by the State and related to the authorization, offering, sale, issuance and delivery of Bonds, including but not limited to travel and other expenses of any officer or employee of the State in connection with the authorization, offering, sale, issuance and delivery of such Bonds, advertising, printing, bond rating, travel, security, and delivery costs, costs of preparation and reproduction of documents, filing and recording fees, initial fees and charges of any Fiduciary or registrar, legal and municipal advisory fees and disbursements, fees and disbursements of consultants and professionals, costs of credit ratings, fees and charges for preparation, execution, transportation and safekeeping of Bonds, application fees and premiums on municipal bond insurance, initial credit or liquidity facility charges, initial fees of indexing and remarketing agents, initial costs of entering into interest rate swaps, guarantees or arrangements to limit interest rate risk and costs and expenses relating to the refunding of Bonds.

"*Current Interest Commencement Date*" means the date designated in the applicable Supplemental Indenture on which interest on any Appreciation and Income Bond ceases to be deferred and compounded and becomes currently payable on the scheduled interest payment dates.

"*Debt Service Fund*" means the Debt Service Fund created by the Indenture.

"*Debt Service Reserve Fund*" means the Debt Service Reserve Fund created by the Indenture.

"*Debt Service Reserve Fund Requirement*" means at any time an amount equal to 50 percent of the maximum Aggregate Debt Service for the then current or any future Fiscal Year; *provided, however,* that for the purposes of this definition interest payable on each Series of Variable Rate Senior Bonds shall, to the extent includable in Aggregate Debt Service, be included in Aggregate Debt Service at the maximum rate permitted under the Bond Sale Order and Supplemental Indenture authorizing the issuance of such Series.

"Director" or *"Acting Director"* means the Director or Acting Director of the GOMB.

"*Federal Obligation*" means any direct obligation of, or any obligation the full and timely payment of principal of and interest on which is guaranteed by, the United States of America, including, but not limited to, United States Treasury Certificates of Indebtedness, Notes and Bonds—State and Local Government Series or certificates of ownership of the principal of or interest on direct obligations of, or obligations unconditionally guaranteed by, the United States of America, which obligations are held in trust by a commercial bank which is a member of the Federal Reserve System and has capital and surplus (exclusive of undivided profits) in excess of $100,000,000.

"*Fiduciary*" means the Trustee, any trustee under a Supplemental Indenture or any Paying Agent or any or all of them, as may be appropriate.

"Fifty-First Supplemental Indenture" means the Fifty-First Supplemental Indenture to the Master Indenture as originally executed and delivered by the State and the Trustee in accordance with the Master Indenture.

"Finance Act" means "AN ACT in relation to State finance," approved June 10, 1919, as amended.

"Fiscal Year" means July 1 through June 30 of the following year.

"General Reserve Fund" means the General Reserve Fund created by the Indenture.

"GOMB" means the Governor's Office of Management and Budget.

"Governor" means the Governor of the State.

"Indenture" means the Master Indenture as the same may from time to time be amended or supplemented by Supplemental Indentures executed and delivered by the State and the Trustee in accordance with the Master Indenture.

"*Initial Offering Price*" means the principal amount of an Appreciation Bond or an Appreciation and Income Bond and the price at which such Bond is offered for sale to the public or sold to the initial purchaser thereof at the time of sale thereof by the State without reduction to reflect underwriters' discount or placement agent's fees.

"*Junior Annual Debt Service*" means as of any particular date of computation and with respect to a particular Fiscal Year or other specified 12-month period and with respect to all Junior Obligations and to all Senior Bonds with respect to which Subordinated Interest or Subordinated Principal Installments are payable, an amount of money equal to the sum of (a) all interest and Subordinated Interest payable during such Fiscal Year or other specified 12-month period on all Junior Obligations and all such Senior Bonds Outstanding on said date of computation (provided that interest or Subordinated Interest payable at a variable rate shall be included on the basis of the maximum rate permitted under the Bond Sale Order and Supplemental Indenture or other instrument authorizing the issuance of such Junior Obligations or Senior Bonds, as the case may be, less amounts permitted to be credited under the Indenture and the terms thereof against the amount of interest or Subordinated Interest required to be included in any computation with respect to such period of any debt service reserve fund requirement, the Certified Annual Debt Service Requirement, or the Required Bond Transfer), plus (b) all Principal Installments and Subordinated Principal Installments payable during such Fiscal Year or other specified 12-month period in respect of all Junior Obligations and all such Senior Bonds Outstanding on such date of computation.

"*Junior Obligation Debt Service Fund*" means the Junior Obligation Debt Service Fund created by the Indenture.

"*Junior Obligations*" means Bonds of any Series designated as Junior Obligations in the Supplemental Indenture authorizing such Series, any obligation to pay Subordinated Interest or any Subordinated Principal Installment, and any Section 209 Obligations.

"*Master Indenture*" means the Master Trust Indenture, dated as of September 15, 1985, as originally executed and delivered by the State and the Trustee.

"*Net Debt Service Requirement*" means, as of any particular date of computation and with respect to a particular Fiscal Year or other specified 12-month period, an amount equal to (a) the Aggregate Debt Service less (b) an amount equal to that portion of Aggregate Debt Service which may be paid when due from any moneys, Federal Obligations and Qualified Investments described in paragraphs (f) and (g) of the definition thereof, together with interest thereon, set aside in trust in the Net Debt Service Account solely for the purpose of paying all or any portion of Aggregate Debt Service; *provided* that the principal of and interest on such Federal Obligations and Qualified Investments, when due (without reinvestment thereof) will provide moneys which, together with any moneys so set aside, shall be sufficient to pay such portion of Aggregate Debt Service when due.

"*Outstanding*," when used with reference to the Bonds, means as of any date, all Bonds theretofore or thereupon being issued pursuant to the Indenture except:

(a) Bonds canceled by the Trustee or the owner of a Section 209 Obligation, as the case may be, at or prior to such date or theretofore delivered to the Trustee or such owner, as the case may be, for cancellation;

(b) Bonds (or portions of Bonds) for the payment or redemption of which there shall be held in trust and set aside for such payment or redemption (whether at, prior to or after the maturity or redemption date) moneys or Federal Obligations and Qualified Investments described in paragraphs (f) and (g) of the definition thereof the principal of and interest on which when due and payable will provide moneys, together with the moneys, if any, deposited with the Trustee at the same time, in an amount sufficient to pay the principal or Redemption Price thereof, as the case may be, with interest to the date of maturity or redemption date, and, if such Bonds are to be redeemed, for which notice of such redemption shall have been given as provided in the Master Indenture or in the related Supplemental Indenture or provisions satisfactory to the Trustee shall have been made for the giving of such notice;

(c) Bonds for the transfer or exchange of, in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant to the Indenture; and

(d) Bonds deemed to have been paid as provided in the Indenture or in any Supplemental Indenture.

"*Principal Installment*" means as of any particular date of computation and with respect to Bonds of a particular Series or particular Section 209 Obligations, an amount of money equal to the aggregate of (i) the principal amount of Outstanding Bonds or Section 209 Obligations which mature on a single future date, reduced by the aggregate principal amount of such Outstanding Bonds or Section 209 Obligations which would at or before said future date be retired by reason of the payment when due and application in accordance with the Indenture of Sinking Fund Payments payable at or before said future date for the retirement of such Outstanding Bonds or Section 209 Obligations, plus (ii) the amount of any Sinking Fund Payments payable on said future date for the retirement of any Outstanding Bonds of such Series or said Section 209 Obligations, and said future date shall, for all purposes of the Indenture, be deemed to be the date when such Principal Installment is payable and the date of such Principal Installment.

"*Program Expense Fund*" means the Program Expense Fund created by the Indenture.

"*Program Expenses*" means any item of expense relating to the Bonds payable or reimbursable, directly or indirectly, by the State and relating to the fees and charges of any Fiduciary or registrar, costs of credit or liquidity enhancement arrangements, fees of indexing or remarketing agents and costs of entering into interest rate swaps, guarantees or arrangements to limit interest rate risk; *provided, however,* that Program Expenses shall not include any item of expense which is a Cost of Issuance.

"*Qualified Financial Institution*" means any bank, insurance company, corporation or other person having capital, surplus and undivided profits or net worth aggregating not less than $100,000,000 and whose senior debt is rated in one of the two highest rating categories by at least two nationally recognized rating agencies; *provided* that such bank, insurance company, corporation or person shall further meet the requirements imposed by the Act for banks, insurance companies or other persons executing arrangements with the State with respect to interest rate swaps or guarantees or financial futures contracts for the purpose of limiting or restricting interest rate risk.

"*Qualified Investments*" means:

(a) Federal Obligations;

(b) Deposits in interest-bearing deposits or certificates of deposit or similar arrangements issued by any bank or national banking association, including a Fiduciary, which deposits, to the extent not insured by the Federal Deposit Insurance Corporation, shall be secured by Qualified Collateral having a current market value (exclusive of accrued interest) at all times at least equal to 102 percent of the amount of such deposits, and which Qualified Collateral shall have been deposited in trust by such bank or national banking association with the trust department of the Trustee or with a Federal Reserve Bank or branch or, with the written approval of the State and the Trustee, with another bank, trust company or national banking association for the benefit of the State and the appropriate Fund or Account as collateral security for such deposits;

(c) Direct and general obligations of any state of the United States of America, any direct obligations of the State, or any direct obligations of any political subdivision of the State which, in each case, are rated not less than AA or Aa or their equivalents by two nationally recognized bond rating agencies;

(d) Obligations issued by any of the following agencies: Banks for Cooperatives, Federal Intermediate Credit Banks, Federal Home Loan Banks System, Federal Land Banks, Export-Import Bank, Tennessee Valley Authority, Government National Mortgage Association, Farmers Home Administration, United States Postal Service, and the Federal National Mortgage Association to the extent that such obligations are guaranteed by the Government National Mortgage Association, any agency or instrumentality of the United States of America and any corporation controlled and supervised by, and acting as an agency or instrumentality of, the United States of America;

(e) Repurchase agreements extending not beyond 30 calendar days with banks which are members of the Federal Reserve System having capital, surplus and undivided profits of at least $100,000,000 or with government bond dealers having capital, surplus and undivided profits or net worth of at least $100,000,000 and recognized as primary dealers by the Federal Reserve Bank of New York that are secured by Federal Obligations having a current market value (inclusive of accrued interest) at all times at least equal to 102 percent of the full amount of the repurchase agreement, and which Federal Obligations shall have been deposited in trust by such banks or dealers with the trust department of the Trustee or with a Federal Reserve Bank or branch, or with the written approval of the State and the Trustee, with another bank, trust company or national banking association for the benefit of the State and the appropriate Fund or Account as collateral security for such repurchase agreements;

(f) Public housing bonds issued by public housing authorities and fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States of America, or project notes issued by public housing authorities, or project notes issued by local public agencies, in each case fully secured as to the payment of both principal and interest by a requisition or payment agreement with the United States of America; and

(g) Any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state (i) which are not callable prior to maturity or as to which irrevocable instructions have been given to the trustee of such bonds or other obligations by the obligor to give due notice of redemption and to call such bonds or obligations for redemption on the date or dates specified in such instructions, (ii) which are secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or bonds or other obligations of the character described in the definition of Federal Obligation which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the redemption date or dates specified in the irrevocable instructions referred to in clause (i) of this paragraph (g), as appropriate, and (iii) as to which the principal of and interest on the bonds and obligations of the character described in the definition of Federal Obligation which have been deposited in such fund along with any cash on deposit in such fund are sufficient to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph (g) on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in clause (i) of this paragraph (g), as appropriate.

"*Record Date*" means the 1st day (whether or not a business day) of the month of any principal or interest payment date, including any interest payment date resulting from an optional redemption of Series of March 2014 Bonds on a date other than June 15 or December 15.

"*Redemption Price*" means with respect to any Series of Bonds or any particular Section 209 Obligations, the principal amount of the Bonds or Section 209 Obligations plus the applicable premium, if any, payable upon redemption thereof pursuant to the provisions of such Bonds or Section 209 Obligations or the Supplemental Indenture creating such Series or the instrument creating such Section 209 Obligations.

"*Reform Act*" means "AN ACT relating to taxes and the use thereof, amending Acts named therein," Public Act 85-1135, approved July 28, 1988, as amended.

"*Reform Fund*" means the State and Local Sales Tax Reform Fund created in the State Treasury pursuant to Section 6z-17 of the Finance Act.

"*Reform Fund Amounts*" means the amounts of money required to be transferred monthly from the Reform Fund to the Build Illinois Fund as provided in Section 6z-17 of the Finance Act.

"*Required Bond Transfer*" means with respect to any Fiscal Year the amount of money required to be transferred from the Build Illinois Bond Account to the Retirement and Interest Fund and to be paid from the Retirement and Interest Fund to the Trustee for such Fiscal Year as provided in the Indenture and the Act.

"*Retirement and Interest Fund*" means the Build Illinois Retirement and Interest Fund created in the State Treasury pursuant to the Act and the Finance Act.

"*Retailers' Occupation Tax*" means the tax now or hereafter imposed by the State pursuant to Section 3 of the "Retailers' Occupation Tax Act," approved June 28, 1933, as amended.

"*Revenue Fund*" means the Revenue Fund created by Section 501 of the Indenture.

"*Revenues*" means all tax revenues and other moneys, from whatever source (including without limitation the Navy Pier Act), which by law are required to be deposited into the Build Illinois Fund for the purposes of making transfers to and payments from the Retirement and Interest Fund as required by Sections 6z-9 and 8.25 of the Finance Act; and into the Capital Projects Fund for the purpose of making transfers to and payments from the Retirement and Interest Fund as required by Public Acts 96-36, 96-1554 and 98-94 (supplementing Section 13 of the Act), *provided, however,* that Revenues shall not include (a) any tax revenues and other moneys, from whatever source, which by law, now or hereafter enacted, are required to be transferred from the Build Illinois Fund to the Metropolitan Fair and Exposition Authority Improvement Bond Fund as permitted by the Indenture or (b) 1/12th of $5,000,000 of the moneys received by the Illinois Department of Revenue and required to be paid each month into the Build Illinois Fund pursuant to Section 3-1001 of "The Illinois Vehicle Code," approved September 29, 1969, as amended.

"*Sales Tax*" or "*Sales Taxes*" means the taxes now or hereafter imposed by the State pursuant to the Sales Tax Acts.

"*Sales Tax Acts*" means Section 9 of the "Use Tax Act," approved July 14, 1955, as amended, Section 9 of the "Service Use Tax Act," approved July 10, 1961, as amended, Section 9 of the "Service Occupation Tax Act," approved July 10, 1961, as amended, and Section 3 of the "Retailers' Occupation Tax Act," approved June 28, 1933, as amended.

"*Section 209 Obligations*" means any Junior Obligations in the form of obligations incurred by the State to reimburse or repay the issuer or issuers of one or more letters of credit or the provider or providers of lines of credit or other credit or liquidity enhancement facilities securing one or more Series of Bonds as described in Section 209 of the Indenture, including any fees or other amounts payable to the issuer or provider of any such letter of credit or facility, whether such obligations are set forth in one or more agreements entered into between the State and the issuer or provider of any such letter of credit or facility, or in one or more notes or other evidences of indebtedness executed and delivered by the State pursuant thereto, or any combination thereof.

"*Senior Bonds*" means Bonds of any Series designated as Senior Bonds in the Supplemental Indenture authorizing such Series.

"*Series*" shall mean all of the Bonds authenticated and delivered on original issuance pursuant to a Supplemental Indenture and designated as a Series therein, but, unless the context clearly indicates otherwise, shall not include Section 209 Obligations.

"*Series of March 2014 Bonds*" means a Series of Senior Bonds designated as Series of March 2014 Bonds in the Fifty-First Supplemental Indenture.

"*Service Occupation Tax*" means the tax now or hereafter imposed by the State pursuant to Section 9 of the "Service Occupation Tax Act," approved July 10, 1961, as amended.

"*Service Use Tax*" means the tax now or hereafter imposed by the State pursuant to Section 9 of the "Service Use Tax Act," approved July 10, 1961, as amended.

"*Sinking Fund Payment*" means as of any particular date of determination and with respect to the Outstanding Bonds of any Series or with respect to any particular Section 209 Obligations, the amount required by the Supplemental Indenture creating such Series or the instrument creating such Section 209 Obligations to be paid in any event by the State on a single future date for the retirement of Bonds of such Series or of such Section 209 Obligations which mature after said future date, but does not include any amount payable by the State by reason only of the maturity of a Bond or Section 209 Obligation.

"*State*" means the State of Illinois.

"*State Portion*" means, commencing January 1, 1990, the portion of the Sales Taxes remaining after the monthly deposits of 20 percent thereof required to be made from and after such date pursuant to the Reform Act.

"*State Share of Sales Tax Revenues*" means the State's 80 percent portion of total collected sales tax receipts (excluding the 5.25% incremental portion of the Sales Taxes from the sale of candy, grooming and hygiene products, and soft drinks currently taxed at 6.25%, as increased from the pre-September 1, 2009, rate of 1.00%, which incremental portion is deposited into the Capital Projects Funds for the payment of Bonds issued pursuant to the Illinois Jobs Now! Legislation).

"*Subordinated Interest*" means interest designated as Subordinated Interest under any Supplemental Indenture authorizing a Series of Senior Bonds which are Variable Rate Bonds and which is payable from the Junior Obligation Debt Service Fund to a person who becomes a Bondholder as a result of providing a credit or liquidity enhancement facility relating to such Series.

"*Subordinated Principal Installment*" means any Principal Installment designated as a Subordinated Principal Installment under any Supplemental Indenture authorizing a Series of Senior Bonds which are Variable Rate Bonds and which is payable from the Junior Obligation Debt Service Fund to a person who becomes a Bondholder as a result of providing a credit or liquidity enhancement facility relating to such Series.

"*Supplemental Indenture*" means an indenture supplemental to or amendatory of the Master Indenture, executed and delivered by the State and the Trustee in accordance with the Indenture.

"*Tax Act Amount*" means the Tax Act Amount as defined in Section 3 of the "Retailers' Occupation Tax Act," approved June 28, 1933, as amended.

"Treasurer" means the Illinois State Treasurer.

"*Trustee*" means U.S. Bank National Association, as trustee under the Indenture, or its successor as such trustee hereafter appointed in the manner provided in the Indenture and, with respect to any Supplemental Indenture, the trustee thereunder or its successor as trustee.

"*Use Tax*" means the tax now or hereafter imposed by the State pursuant to Section 9 of the "Use Tax Act," approved July 14, 1955, as amended.

APPENDIX D

OUTSTANDING BONDS
BUILD ILLINOIS (SALES TAX REVENUE BONDS)
(As of February 1, 2014)

Senior Obligation Bonds	Note	Original Principal Amount	Bonds Outstanding
Series A		$100,000,000	$0
Series B		80,000,000	$0
Series T-1	a	40,000,000	$0
Series C	1	95,475,000	$0
Series D		70,000,000	$0
Series E		80,000,000	$0
Series F		70,000,000	$0
Series G		52,203,027	$0
Series H		57,800,588	$0
Series I		87,000,000	$0
Series J		70,000,000	$0
Series K		110,000,000	$0
Series L		120,001,779	$7,565,344
Series M		120,000,000	$0
Series N		135,000,000	$0
Series O	2	265,840,447	$0
Series P		100,000,000	$14,160,000
Series Q	3	416,890,000	$0
Series R		100,000,000	$0
Series S	4	331,645,000	$0
Series U		100,000,000	$0
Series V		135,000,000	$0
Series W		80,000,000	$0
Series X		60,000,000	$0
Series Y	5	145,475,000	$0
Series Z		60,000,000	$0
Series May 2000		125,000,000	$0
Series March 2001	6	125,165,000	$0
Series June 2001		125,000,000	$0
Series September 2001	7	110,450,000	$29,245,000
Series April 2002		150,000,000	$70,000,000
Series May 2002	8	50,310,000	$28,930,000
Second Series May 2002	9	94,815,000	$94,815,000
Series November 2002		182,225,000	$10,185,000
Series December 2002	10	54,350,000	$0
Series March 2003	11	75,775,000	$0

Series July 2003	150,000,000	$0
Series March 2004	200,000,000	$15,820,000
Series February 2005	75,000,000	$25,000,000
Series June 2005	125,000,000	$18,195,000
Series March 2006	65,000,000	$24,670,000
Series June 2006	150,000,000	$51,365,000
Series July 2007	50,000,000	$17,115,000
Series A December 2009	154,920,000	$135,555,000
Series B December 2009	375,000,000	$291,785,000
Series October 2011	300,000,000	$287,500,000
Taxable Series May 2012	425,040,000	$407,330,000
Taxable Series May 2013	300,000,000	$300,000,000
Total Senior Bonds		$1,829,235,344

Junior Obligation Bonds	**Note**	**Original Principal Amount**	**Bonds Outstanding**
Junior Obligation Series of June 2010	12	455,080,000	$365,575,000
Junior Obligation Series of June 2013	13	604,110,000	$604,110,000
Total Outstanding Bonds			**$2,798,920,344**

[a] **The Series T-1 Bonds were defeased on August 1, 1989.**

[1] **The Series C Bonds advance refunded $78,755,000 in principal amount of the Series A Bonds.**

[2] **The Series O Bonds, in part, advance refunded $126,215,588 in principal amount of the Series A, E, F, and H Bonds.**

[3] **The Series Q Bonds advance refunded $356,086,311 in principal amount of the Series A, B, D, F, G, I, J, K, M, N, and P Bonds.**

[4] **The Series S Bonds, in part, advance refunded $224,885,000 in principal amount of the Series C, D, F, I, J, K, M, N, and P Bonds.**

[5] **The Series Y Bonds, in part, advance refunded $140,130,000 in principal amount of the Series C, D, E, F, I, J, K, M, N, and O Bonds.**

[6] **The Series March 2001 Bonds currently and advance refunded $126,105,000 in principal amount of the Series O and V Bonds.**

[7] **The Series September 2001 Bonds advance refunded $107,500,000 in principal amount of the Series R, V and May 2000 Bonds**

[8] **The Series May 2002 Bonds currently refunded $50,790,000 in principal amount of the Series Q Bonds.**

[9] **The Second Series May 2002 Bonds currently refunded $97,165,000 in principal amount of the Series Q Bonds.**

[10] **The Series December 2002 Bonds advance refunded $54,445,000 in principal amount of the Series R and Series S Bonds.**

[11] **The Series March 2003 Bonds currently refunded $77,070,000 in principal amount of the Series S Bonds.**

[12] **The Junior Obligation Series of June 2010 currently refunded $261,495,000 in principal amount of the Series S, U, W, X, Y, Z and May 2000 and advance refunded $209,755,000 in principal amount of Series March 2001, June 2001, November 2002, and July 2003.**

[13] **The Junior Obligation Series of June 2013 currently refunded $269,880,000 in principal amount of the Series P, March 2001, September 2001, November 2002, December 2002, March 2003, July 2003 and advance refunded $369,725,000 in principal amount of the Series March 2004, February 2005, June 2005, March 2006, June 2006, July 2007, and December 2009 Series B.**

APPENDIX E

GLOBAL BOOK-ENTRY SYSTEM

The Series of March 2014 Bonds will be available only in book-entry form. DTC will act as the initial securities depository for the Series of March 2014 Bonds. The Series of March 2014 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One or more fully-registered bond certificates will be issued for the Series of March 2014 Bonds of each maturity, in the aggregate principal amount thereof, and will be deposited with DTC.

THE STATE, THE TRUSTEE AND THE PURCHASER CANNOT AND DO NOT GIVE ANY ASSURANCES THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC, WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE SERIES OF MARCH 2014 BONDS (1) PAYMENTS OF PRINCIPAL OF OR INTEREST OR REDEMPTION PREMIUM ON THE SERIES OF MARCH 2014 BONDS, (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE SERIES OF MARCH 2014 BONDS OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE SERIES OF MARCH 2014 BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC, WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

NEITHER THE STATE NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DTC, DIRECT PARTICIPANTS OR THE INDIRECT PARTICIPANTS OF DTC, OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC; (2) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST OR REDEMPTION PREMIUM ON THE SERIES OF MARCH 2014 BONDS; (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED TO BE GIVEN TO OWNERS UNDER THE TERMS OF THE BOND SALE ORDER; (4) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES OF MARCH 2014 BONDS; OR (5) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS OWNER OF THE SERIES OF MARCH 2014 BONDS.

PORTIONS OF THE INFORMATION BELOW CONCERNING DTC, AND DTC'S BOOK-ENTRY SYSTEM ARE BASED ON INFORMATION FURNISHED BY DTC TO THE STATE. NO REPRESENTATION IS MADE HEREIN BY THE STATE, THE TRUSTEE OR THE PURCHASER AS TO THE ACCURACY, COMPLETENESS OR ADEQUACY OF SUCH INFORMATION, OR AS TO THE ABSENCE OF MATERIAL ADVERSE, CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE OF THIS OFFICIAL STATEMENT.

DTC will act as securities depository for the Series of March 2014 Bonds. The Series of March 2014 Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Series of March 2014 Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust &

Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC is rated "AA+" by S&P. The DTC Rules applicable to its Participants are on file with the Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series of March 2014 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series of March 2014 Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series of March 2014 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series of March 2014 Bonds, except in the event that use of the book-entry system for the Series of March 2014 Bonds is discontinued.

To facilitate subsequent transfers, all Series of March 2014 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series of March 2014 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series of March 2014 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series of March 2014 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series of March 2014 Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Series of March 2014 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Series of March 2014 Bonds may wish to ascertain that the nominee holding the Series of March 2014 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series of March 2014 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series of March 2014 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the State as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series of March 2014 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series of March 2014 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the State or Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with bonds held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the State, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the State or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series of March 2014 Bonds at any time by giving reasonable notice to the State or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The State may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the State believes to be reliable, but neither of the State nor the Trustee takes any responsibility for the accuracy thereof.

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APPENDIX F

FORM OF CONTINUING DISCLOSURE UNDERTAKING FOR THE PURPOSE OF PROVIDING CONTINUING DISCLOSURE INFORMATION UNDER SECTION (b)(5) OF RULE 15c2-12

This Continuing Disclosure Undertaking (this *"Agreement"*) is executed and delivered by the State of Illinois (the *"State"*), in connection with the issuance of its $402,000,000 Build Illinois Bonds (Sales Tax Revenue Bonds), Taxable Series of March 2014 (the *"Bonds"*). The Bonds are being issued under and pursuant to "An Act to create the Build Illinois Bond Act and creating and amending various Acts in relation thereto", as amended (30 ILCS 425/1 *et seq.*) (the *"Act"*), and pursuant to the Master Trust Indenture entered into by and between the State and U.S. Bank National Association, Chicago, Illinois as trustee (the *"Trustee"*) dated as of September 15, 1985, as amended and supplemented to date (the *"Master Indenture"*), and the Fifty-First Supplemental Indenture, dated as of March 1, 2014, by and between the State and the Trustee with respect to the Bonds (the *"Fifty-first Supplemental Indenture"*). The Master Indenture and the Fifty-First Supplemental Indenture are herein collectively called the *"Indenture."* The Bonds are authorized by the Act and the Indenture to be issued by the State for the Build Illinois program. The Bonds shall be payable as provided in the Act, the Indenture and the Bond Sale Order with respect to the Bonds approved on March 11, 2014 (the *"Bond Order"*) on behalf of the State by the Governor of the State and the Acting Director of the Governor's Office of Management and Budget of the State.

In consideration of the issuance of the Bonds by the State and the purchase of such Bonds by the beneficial owners thereof, the State covenants and agrees as follows:

1. PURPOSE OF THIS AGREEMENT. This Agreement is executed and delivered by the State as of the date set forth below, for the benefit of the beneficial owners of the Bonds and in order to assist the Participating Underwriters in complying with the requirements of the Rule (as defined below). The State represents that it will be the only obligated person with respect to the Bonds at the time the Bonds are delivered to the Participating Underwriters and that no other person is expected to become so committed at any time after issuance of the Bonds.

2. DEFINITIONS. The terms set forth below shall have the following meanings in this Agreement, unless the context clearly otherwise requires.

Annual Financial Information means the financial information and operating data described in *Exhibit I*.

Annual Financial Information Disclosure means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

Audited Financial Statements means the Comprehensive Annual Financial Report of the State (*"CAFR"*) as described in *Exhibit I*.

Commission means the Securities and Exchange Commission.

Dissemination Agent means any agent designated as such in writing by the State and which has filed with the State a written acceptance of such designation, and such agent's successors and assigns.

EMMA means the MSRB through its Electronic Municipal Market Access system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule.

Exchange Act means the Securities Exchange Act of 1934, as amended.

MSRB means the Municipal Securities Rulemaking Board.

Official Statement means the Final Official Statement, dated March 11, 2014, and relating to the Bonds.

Participating Underwriter means each broker, dealer or municipal securities dealer acting as an underwriter in the primary offering of the Bonds.

Reportable Event means the occurrence of any of the Events with respect to the Bonds set forth in *Exhibit II*.

Reportable Events Disclosure means dissemination of a notice of a Reportable Event as set forth in Section 5.

Rule means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

Undertaking means the obligations of the State pursuant to Sections 4 and 5.

3. CUSIP NUMBERS. The CUSIP Numbers of the Bonds are set forth in *Exhibit III.* The State will include the CUSIP Numbers in all disclosure materials described in Sections 4 and 5 of this Agreement.

4. ANNUAL FINANCIAL INFORMATION DISCLOSURE. Subject to Section 8 of this Agreement, the State hereby covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements (in the form and by the dates set forth in *Exhibit I*) to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information and by such time so that such entities receive the information by the dates specified. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the State will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment or waiver is made to this Agreement, the Annual Financial Information for the year in which such amendment or waiver is made (or in any notice or supplement provided to EMMA) shall contain a narrative description of the reasons for such amendment or waiver and its impact on the type of information being provided.

5. REPORTABLE EVENTS DISCLOSURE. Subject to Section 8 of this Agreement, the State hereby covenants that it will disseminate in a timely manner (not in excess of ten business days after the occurrence of the Reportable Event) Reportable Events Disclosure to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. References to “material” in *Exhibit II* refer to materiality as it is interpreted under the Exchange Act. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Bonds or defeasance of any Bonds need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the Bondholders pursuant to the Bond Order.

6. CONSEQUENCES OF FAILURE OF THE STATE TO PROVIDE INFORMATION. The State shall give notice in a timely manner to EMMA of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the State to comply with any provision of this Agreement, the beneficial owner of any Bond may seek mandamus or specific performance by court order, to cause the State to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed a default under the Bond

Order, and the sole remedy under this Agreement in the event of any failure of the State to comply with this Agreement shall be an action to compel performance.

7. AMENDMENTS; WAIVER. Notwithstanding any other provision of this Agreement, the State by resolution authorizing such amendment or waiver, may amend this Agreement, and any provision of this Agreement may be waived, if:

(a) (i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, including without limitation, pursuant to a "no-action" letter issued by the Commission, a change in law, or a change in the identity, nature, or status of the State, or type of business conducted; or

(ii) This Agreement, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined by parties unaffiliated with the State (such as Co-Bond Counsel).

In the event that the Commission or the MSRB or other regulatory authority shall approve or require Annual Financial Information Disclosure or Reportable Events Disclosure to be made to a central post office, governmental agency or similar entity other than EMMA or in lieu of EMMA, the State shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending this Agreement.

8. TERMINATION OF UNDERTAKING. The Undertaking of the State shall be terminated hereunder if the State shall no longer have any legal liability for any obligation on or relating to repayment of the Bonds under the Bond Order. The State shall give notice to EMMA in a timely manner if this Section is applicable.

9. DISSEMINATION AGENT. The State may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

10. ADDITIONAL INFORMATION. Nothing in this Agreement shall be deemed to prevent the State from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Reportable Event, in addition to that which is required by this Agreement. If the State chooses to include any information from any document or notice of occurrence of a Reportable Event in addition to that which is specifically required by this Agreement, the State shall have no obligation under this Agreement to update such information or include it in any future disclosure or notice of occurrence of a Reportable Event.

11. BENEFICIARIES. This Agreement has been executed in order to assist the Participating Underwriters in complying with the Rule; however, this Agreement shall inure solely to the benefit of the State, the Dissemination Agent, if any, and the beneficial owners of the Bonds, and shall create no rights in any other person or entity.

12. RECORDKEEPING. The State shall maintain records of all Annual Financial Information Disclosure and Reportable Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

13. ASSIGNMENT. The State shall not transfer its obligations under the Bond Order unless the transferee agrees to assume all obligations of the State under this Agreement or to execute an Undertaking under the Rule.

14. GOVERNING LAW. This Agreement shall be governed by the laws of the State.

STATE OF ILLINOIS

By ____

Its: Acting Director
Governor's Office of Management and Budget
Name: Jerome Stermer
Address: 100 W. Randolph, 15th Floor
Chicago, Illinois 60601

Date: March 25, 2014

EXHIBIT I
ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED FINANCIAL STATEMENTS

Annual Financial Information: financial information and operating data including information of the type contained in the Official Statement as follows: Sales tax information of the type contained herein in the tables entitled “State Share of Sales Tax Revenues” and “Monthly State Share of Sales Tax Revenues”.

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted to EMMA or filed with the Commission. If the information included by reference is contained in a Final Official Statement, the Final Official Statement must be available on EMMA; the Final Official Statement need not be available from the Commission. The State shall clearly identify each such item of information included by reference.

Annual Financial Information exclusive of Audited Financial Statements will be submitted to EMMA by 330 days after the last day of the State’s fiscal year (currently June 30). Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information.

Audited Financial Statements are created and published by the Office of the Illinois Comptroller in the form of the State’s Comprehensive Annual Financial Report (“CAFR”). Once available to the Governor’s Office of Management and Budget, a draft CAFR or final CAFR will be submitted to EMMA within 30 days. The CAFR will be prepared in conformity with generally accepted accounting principles applicable to state governments as prescribed by the General Accounting Standards Board.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Agreement, the State will disseminate a notice of such change as required by Section 4.

EXHIBIT II
EVENTS WITH RESPECT TO THE BONDS
FOR WHICH REPORTABLE EVENTS DISCLOSURE IS REQUIRED

1. Principal and interest payment delinquencies
2. Non-payment related defaults, if material
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security
7. Modifications to the rights of security holders, if material
8. Bond calls, if material, and tender offers
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities, if material
11. Rating changes
12. Bankruptcy, insolvency, receivership or similar event of the State*
13. The consummation of a merger, consolidation, or acquisition involving the State or the sale of all or substantially all of the assets of the State, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material

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* This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the State in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the State, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the State.

EXHIBIT III
CUSIP NUMBERS

YEAR OF MATURITY	CUSIP NUMBER
2015	452227 JD4
2016	452227 JE2
2017	452227 JF9
2018	452227 JG7
2019	452227 JH5
2020	452227 JJ1
2021	452227 JK8
2022	452227 JL6
2023	452227 JM4
2038	452227 JN2

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APPENDIX G

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The following is a summary of certain provisions of the Indenture, to which reference is made for a complete statement of the provisions or contents thereof. Certain capitalized words and terms used in this summary are defined in the Indenture and shall have the same meanings herein as therein, except as otherwise defined in this Official Statement. Certain of such defined words and terms are set forth in Appendix C.

Source of Payment; Pledge of Revenues

The provisions of the Indenture constitute a contract among the State, the Trustee and the Bondholders. The Series of March 2014 Bonds are direct, limited obligations of the State payable solely from and secured by an irrevocable, first priority pledge of and lien on moneys on deposit in the Retirement and Interest Fund and certain other moneys and securities held by the Trustee under the provisions of the Indenture. The State has pledged the Revenues and all moneys and securities held or set aside or to be held or set aside by any Fiduciary under the Indenture to secure the payment of the principal of and premium, if any, and interest on the Series of March 2014 Bonds, such pledge constituting a first and prior claim against and charge on the Revenues and a first priority pledge of and lien on such other moneys and securities, subject only to the provisions of the Indenture requiring or permitting the payment, setting apart or application thereof for or to the purposes and on the terms, conditions, priorities and order set forth in or provided under the Indenture. The Series of March 2014 Bonds are not general obligations of the State and are not secured by the full faith and credit of the State, and the holders of the Series of March 2014 Bonds may not require the levy or imposition of any taxes or the application of other State revenues or funds to the payment of the Series of March 2014 Bonds, except as specifically provided in the Act and Sections 6z-9 and 8.25 of the Finance Act with respect to the Revenues.

Additional Senior Bonds

The Indenture permits the issuance of additional Series of Bonds which may be (i) Senior Bonds on parity with the Series of March 2014 Bonds and other Outstanding Senior Bonds or (ii) Junior Obligations, provided that certain conditions precedent are satisfied, including receipt by the Trustee of the following:

(a) a copy of a Bond Sale Order signed by the Director and approved by the Governor, (i) authorizing the execution and delivery of a Supplemental Indenture, (ii) stating the identity of the purchasers, aggregate purchase price and date and place of delivery of such Series, (iii) stating that no Event of Default has occurred and is continuing under the Indenture, (iv) specifying the uses to which the proceeds of the Bonds of such Series shall be applied, including Costs of Issuance, and (v) certifying that the Build Illinois Fund, the Build Illinois Bond Account and the Retirement and Interest Fund have been established in the State Treasury and are being maintained in full accordance with the provisions of the Act and the Finance Act;

(b) a Counsel's Opinion to the effect that (i) the Indenture and such Supplemental Indenture have been duly and lawfully authorized and executed and are in full force and effect and are valid and binding upon the State, (ii) the Act, the Indenture and such Supplemental Indenture create the valid pledge of Revenues, moneys and securities which they purport to create, and (iii) upon the execution, authentication and delivery thereof, the Bonds of such Series will have been duly and validly authorized and issued;

(c) an executed counterpart of the Supplemental Indenture; and

(d) with respect to any proposed Series of Senior Bonds, a Certificate signed by the Director certifying that (i) the maximum Net Debt Service Requirement for Outstanding Senior Bonds of all Series and for the proposed Series for the current or any future Fiscal Year will not exceed 5 percent of the State Share of Sales Tax Revenues received by the State for the most recently completed Fiscal Year, and (ii) an amount at least equal to the Debt Service Reserve Fund Requirement, calculated immediately after the issuance of the proposed Series, will be on deposit in the Debt Service Reserve Fund within 24 months after the date of issuance of such proposed Series. In calculating the Net Debt Service Requirement, interest on any Series of Variable Rate Senior Bonds is required pursuant to Section 711 of the Indenture to be included at the maximum rate permitted under the applicable Supplemental Indenture, less credits for the sum of (i) certain amounts on deposit in the applicable Variable Rate Interest Subaccount as provided in the applicable Supplemental Indenture, and (ii) amounts required to be deposited in the Variable Rate Interest Subaccount pursuant to agreements with Qualified Financial Institutions for the purpose of limiting interest rate risk, and (iii) beginning in Fiscal Year 1994, and while the amount on deposit in the Debt Service Reserve Fund is at least equal to the Debt Service Reserve Fund Requirement, additional amounts not to exceed 50 percent of the maximum rate permitted under the Supplemental Indenture.

The delivery of Bonds of any Series shall also be subject to the delivery to the Director, the Comptroller and the Treasurer of a Certificate signed by the Trustee, certifying (i) the Annual Debt Service or the Junior Annual Debt Service, as the case may be, for the Series of Bonds then being issued and the total Aggregate Debt Service and Junior Annual Debt Service on all then Outstanding Bonds payable on all future Payment Dates and (ii) the amount of principal of and interest and premium, if any, on all such Bonds payable on each future Payment Date.

The issuance of refunding Bonds of any Series shall be subject to the receipt by the Trustee of:

(a) The documents referred to in paragraphs (a) through (d) above, provided that, with respect to a proposed Series of Senior Bonds, in lieu of the Certificate described in paragraph (d) above, the State may deliver a Certificate certifying that the maximum Aggregate Debt Service for the then current or any future Fiscal Year shall not increase as a result of such issuance of refunding Bonds;

(b) If a redemption of Bonds is to be effected, irrevocable instructions to the Trustee to give due notice of redemption of all the Bonds to be redeemed and the redemption date or dates, if any, upon which such Bonds are to be redeemed;

(c) If a redemption of Bonds is to be effected and the redemption is scheduled to occur subsequent to the next succeeding 45 days, irrevocable instructions to the Trustee to give notice of redemption of such Bonds on a specified date prior to their redemption date; and

(d) A certificate of an Independent Accountant stating that the amount of moneys and Federal Obligations and Qualified Investments described in paragraphs (f) and (g) of the definition thereof deposited with the Trustee are sufficient to pay when due the applicable Redemption Price of the Bonds to be refunded, together with accrued interest on such Bonds to the redemption date or dates or the date or dates of maturity thereof.

Additional Junior Obligations

The Indenture permits the issuance of additional Series of Junior Obligations on a parity with other Outstanding Junior Obligations provided that certain conditions in addition to the requirement for the issuance of Senior Bonds described above are satisfied, including receipt by the Trustee with respect to any Series of Junior Obligations proposed to be issued, other than a Series proposed to be issued as refunding Bonds, a Certificate signed by the Director certifying that, as of the time immediately following the issuance of such Series, the greatest amount of the aggregate of (A) the Net Debt Service Requirement for Outstanding Senior Bonds and (B) the Junior Annual Debt Service, for the then current or any future Fiscal Year, will not exceed 9.8% of the State Share of Sales Tax Revenues received by the State for the most recently completed Fiscal Year. The issuance of refunding Junior

Obligations on a parity with other Junior Obligations is permitted provided that certain conditions in addition to the requirements for the issuance of refunding Senior Bonds described above are satisfied, including receipt by the Trustee of either (1) the Certificate of the Director required for the issuance Junior Obligations for project purposes or (2) a Certificate of the Director, certifying that, as of the time immediately following the issuance of such Series, the greatest amount of the aggregate of (A) the Net Debt Service for Senior Bonds and (B) the Junior Annual Debt Service, for the then current or any future Fiscal Year, shall not increase as a result of the issuance of such Series.

Covenant Against Pledge of Revenues

The State has covenanted that it will not issue or authorize the issuance of any bonds, notes or other evidences of indebtedness secured by the pledge of Revenues contained in the Indenture, other than the Bonds, and that it will not create or cause to be created any pledge, lien or charge on Revenues or on any other amounts pledged for the benefit of owners of Bonds under the Indenture, other than the pledge of Revenues contained in the Indenture, provided, however, that the State may (a) issue or authorize the issuance of bonds, notes or other evidences of indebtedness payable out of, or secured by a pledge of, Revenues to be derived after the pledge contained in the Indenture has been discharged or (b) issue or authorize the issuance of bonds, notes or other evidences of indebtedness which are payable out of, or secured by the pledge of, amounts which may be withdrawn from the General Reserve Fund so long as such pledge is expressly junior and subordinate to the pledge of Revenues contained in the Indenture.

Establishment of Funds and Accounts

The Indenture creates the following Funds and Accounts to be held and administered by the Trustee:

(a) The Revenue Fund;

(b) The Debt Service Fund and four separate Accounts therein to be known as the Capitalized Interest Account, the Interest Account, the Principal Account and the Variable Rate Account;

(c) The Program Expense Fund;

(d) The Debt Service Reserve Fund;

(e) The Junior Obligation Debt Service Fund; and

(f) The General Reserve Fund and a separate Account therein to be known as the Net Debt Service Account.

In addition, the State has established in the State Treasury and agrees to maintain in accordance with the requirements of the Act and the Finance Act, the Build Illinois Bond Fund, the Build Illinois Fund (including the Build Illinois Bond Account established therein) the Capital Projects Fund and the Retirement and Interest Fund.

The Trustee shall, at the written request of the State, establish additional Accounts and subaccounts for the purpose of identifying more precisely the sources of payments into and disbursements from such Funds, Accounts and subaccounts. Additional Accounts and subaccounts may also be created by any Supplemental Indenture.

Deposit of Revenues

All Revenues shall be promptly deposited by the State in Capital Projects Fund or the Build Illinois Fund, as applicable, credited to the Build Illinois Bond Account, transferred to the Retirement and Interest Fund and paid to the Trustee for deposit in the Revenue Fund, all as provided in the Act and Sections 6z-9 and 8.25 of the Finance Act.

The State has covenanted that the Governor shall include in each annual State Budget and the General Assembly shall annually appropriate for each Fiscal Year the Required Bond Transfer from the Retirement and Interest Fund in an amount estimated to equal the greater of (a) the Certified Annual Debt Service Requirement for such Fiscal Year or (b) the Tax Act Amount for such Fiscal Year. For the purposes of implementing such appropriations and the transfers and payments required to be made to the Trustee, the Trustee shall deliver a Certificate to the Director, the Comptroller and the Treasurer on or before each June 20 so long as Bonds remain Outstanding, certifying the Certified Annual Debt Service Requirement for the next succeeding Fiscal Year. The Required Bond Transfer for each Fiscal Year shall be equal to the Certified Annual Debt Service Requirement as so certified in such Certificate unless the Tax Act Amount for such Fiscal Year shall be greater than such Certified Annual Debt Service Requirement, in which case the Required Bond Transfer for such Fiscal Year shall be equal to such Tax Act Amount; provided, however, that if Bonds are issued during any such Fiscal Year the Certified Annual Debt Service Requirement for such Fiscal Year shall be increased to reflect the issuance of such Bonds to the extent such issuance was not reflected in the Certified Annual Debt Service Requirement previously certified for such Fiscal Year. The State has covenanted and agreed that in the event the Required Bond Transfer is not made for any Fiscal Year as required under the Indenture and the Act, the Act shall constitute an irrevocable and continuing appropriation of such Required Bond Transfer and the continuing, irrevocable authority for and direction to the Treasurer and the Comptroller to make the necessary transfers and deposits, as directed by the Governor, and to make the payments specified in Sections 6z-9 and 8.25 of the Finance Act and as provided in the Indenture.

The State has covenanted that the Treasurer and the Comptroller shall, on the last day of each month, transfer from the Build Illinois Bond Account to the Retirement and Interest Fund and pay from such Fund to the Trustee for deposit in the Revenue Fund an amount equal to the greater of (a) 1/12th of 150 percent of the Certified Annual Debt Service Requirement or (b) the Tax Act Amount deposited in the Build Illinois Bond Account during such month, plus any cumulative deficiency in such transfers and payments for prior months; provided that all of such transfers and payments for any such Fiscal Year shall not exceed the greater of (a) the Certified Annual Debt Service Requirement or (b) the Tax Act Amount. See "SECURITY FOR THE SERIES OF MARCH 2014 BONDS" in this Official Statement.

Disbursements From Revenue Fund

On the first day of each month the Trustee shall make the following deposits from amounts on deposit in the Revenue Fund in the manner and order of priority set forth:

First: To the Debt Service Fund, an amount equal to 1/12th of 150 percent of the aggregate amount of Principal Installments and interest included in the Annual Debt Service for all Series of Senior Bonds for the then current Fiscal Year, such amounts to be allocated among the Interest Account, the Principal Account and the Variable Rate Account;

Second: To the Program Expense Fund, an amount equal to the amount, if any, required for Program Expenses;

Third: To the Debt Service Reserve Fund, the amount, if any, necessary to increase the amount on deposit in the Debt Service Reserve Fund to an amount equal to the Debt Service Reserve Fund Requirement;

Fourth: To the Junior Obligation Debt Service Fund, the amount, if any, equal to the amount required by any Supplemental Indentures or other instruments authorizing the issuance of Junior Obligations; and

Fifth: To the General Reserve Fund, the balance remaining.

Use of Funds

The moneys on deposit in the Funds and Accounts listed above shall be used for the purposes and uses specified as follows:

(a) The moneys in the Interest Account shall be used only for the payment of the interest on Fixed Rate Senior Bonds. The moneys in the Principal Account shall be used only for the payment of Principal Installments on Fixed Rate Senior Bonds. Moneys on deposit in the Variable Rate Account and which have been credited to Variable Rate Interest Subaccounts and Variable Rate

Principal Subaccounts therein as may have been created for the benefit of a Series of Variable Rate Senior Bonds shall be used for the purposes specified in the Supplemental Indenture creating such Series.

(b) The moneys in the Program Expense Fund shall be used to pay Program Expenses as directed in Certificates filed by the Director with the Trustee.

(c) The moneys in the Debt Service Reserve Fund shall be used for the payment of the interest and Principal Installments (other than Subordinated Interest or Subordinated Principal Installments) on Senior Bonds, whenever and to the extent moneys in the Interest Account, the Principal Account and the Variable Rate Account, respectively, are insufficient therefor. At the direction of the State expressed in a Certificate of the Director filed with the Trustee, moneys in the Debt Service Reserve Fund may be withdrawn from the Debt Service Reserve Fund and deposited into the General Reserve Fund; provided, however, that immediately after such withdrawal, the amount of deposit in the Debt Service Reserve Fund equals or exceeds the Debt Service Reserve Fund Requirement.

(d) The moneys in the Junior Obligation Debt Service Fund shall be transferred by the Trustee to the appropriate trustees or paying agents under the Supplemental Indenture or other instrument authorizing the issuance of Junior Obligations for the purpose of paying such amounts as may be required to be paid by such Supplemental Indenture or other instrument.

(e) The moneys in the General Reserve Fund shall be used for the payment of the interest and Principal Installments on Bonds whenever and to the extent moneys in the Interest Account, the Principal Account, the Variable Rate Account, the Debt Service Reserve Fund, and the Junior Obligation Debt Service Fund, respectively, are insufficient therefor. At the direction of the State, moneys in the General Reserve Fund may be withdrawn and deposited in trust to purchase or redeem or pay or otherwise provide for the payment of Bonds of any Series or of Section 209 Obligations provided the purchase price does not exceed par or the next Redemption Price. At the direction of the State, expressed in a Certificate signed by the Director and filed with the Trustee, moneys, Federal Obligations and Qualified Investments described in paragraphs (f) and (g) of the definition thereof in the General Reserve Fund shall be set aside and held in trust, together with the interest thereon, in the Net Debt Service Account for the sole and exclusive purpose of paying the principal of and premium, if any, and interest on Senior Bonds. The State has reserved the right to direct the Trustee in writing at any time to pay to the State or to such fund, account or official of the State as may be specified in such direction, on any one or more dates during the period commencing on June 15 of a Fiscal Year and ending on June 30 of that Fiscal Year, for any purpose of the State now or hereafter authorized by law, all or any part of the moneys on deposit in the General Reserve Fund; provided, however, that no such payment shall include any amounts set aside in trust in the Net Debt Service Account or any other moneys which have been committed, reserved or restricted pursuant to any Supplemental Indenture or instrument authorizing Section 209 Obligations; and, further provided that no such payment may be made at any time during the existence and continuation of an Event of Default.

(f) If at any time the aggregate amount of all moneys held in all Funds and Accounts established and created under and pursuant to the Indenture shall be sufficient, as certified by the Director, to purchase or redeem or pay or otherwise provide for the payment of all Outstanding Bonds, such amount shall be irrevocably set aside in trust for such purpose in the manner summarized under "Defeasance" under this caption and shall not be used thereafter for any other purpose.

Qualified Investments

All moneys held in any Fund or Account shall be invested in Qualified Investments at the direction of the Director.

Valuation of Investments

In computing the amount in any Fund or Account, investments shall be valued at amortized cost.

Supplemental Indentures

A Supplemental Indenture which is not contrary to or inconsistent with the Indenture may be adopted at any time and shall be fully effective without the consent of the Bondholders for the following purposes: to limit the issuance of Bonds or other indebtedness; to add covenants, agreements, limitations and restrictions to be observed by the State; to surrender any right, power or privilege reserved to the State; to authorize a Series of Bonds; to confirm, as further assurance, the pledge of the Indenture; to modify any of the provisions of the Indenture but only if such modification shall be effective only after all Bonds Outstanding at the date of the adoption of such Supplemental Indenture shall cease to be Outstanding; to increase the Required Bond Transfer; and to authorize Section 209 Obligations.

A Supplemental Indenture may be adopted at any time and shall be fully effective upon the consent of the Trustee for the following purposes: to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Indenture; or to provide additional duties of the Trustee under the Indenture.

Any other modification or amendment of the Indenture or of any Supplemental Indenture or of the rights and obligations of the State and of the holders of the Bonds may be made by a Supplemental Indenture, with the written consent given as provided in the Indenture (a) of the holders of at least two-thirds in principal amount of the Bonds Outstanding at the time such consent is given, (b) in case less than all of the several Series of the then Outstanding Bonds are affected by the modification or amendment, of the holders of at least two-thirds in principal amount of the then Outstanding Bonds of each Series so affected, and (c) in case the modification or amendment changes the terms of any Sinking Fund Payment, of the holders of at least two-thirds in principal amount of the then Outstanding Bonds of the particular Series and maturity entitled to such Sinking Fund Payment. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the holder of such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the holders of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto.

Default and Remedies

Each of the following events shall be an "Event of Default":

(a) Payment of the principal or Redemption Price, if any, of any Bond shall not be made when and as the same shall become due, whether at maturity or upon call for redemption or otherwise;

(b) Payment of any installment of interest on any Bond shall not be made within 30 days after the same shall become due;

(c) The State shall fail or refuse to comply with the provisions of the Indenture, or shall default in the performance or observance of any of the covenants, agreements or conditions on its part contained therein or in the Bonds which materially affects the rights of the owners of the Bonds and such failure, refusal or default shall continue for a period of 30 days after written notice thereof by the Trustee or the owners of not less than 25 percent in principal amount of the Outstanding Bonds; provided, however, that so long as the State is exercising due diligence if such default cannot be cured within the 30-day period, the time to cure shall be extended for such period as may be necessary to remedy the default with all due diligence;

(d) An Event of Default shall occur and be continuing under the provisions of any Supplemental Indenture; or

(e) An Event of Default shall occur and be continuing under any Supplemental Indenture or other instrument creating any Section 209 Obligations.

Upon the happening and continuance of any Event of Default specified in paragraph (a) or (b) above, the Trustee shall proceed, or upon the happening and continuance of any Event of Default specified in paragraph (c), (d) or (e) above, the Trustee may proceed, and upon the written request of the owners of not less than 25 percent in principal amount of the Outstanding Bonds, shall proceed, to protect and enforce its rights and the rights of the owners of the Bonds by such of the following remedies or any additional remedies specified in one or more Supplemental Indentures as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights:

(i) By mandamus or other suit, action or proceeding at law or in equity, to enforce all rights of the owners of the Bonds including the right to require the State to receive and collect Revenues adequate to carry out the covenants and agreements as to such Revenues and the pledge of the Indenture and to require the State to carry out any other covenant or agreement with the owners of the Bonds and to perform its duties under the Indenture;

(ii) By bringing suit upon the Bonds;

(iii) By action or suit in equity, require the State to account as if it were the trustee of an express trust for the owners of the Bonds; or

(iv) By action or suit in equity, enjoin any acts or things which may be unlawful or in violation of the rights of the owners of the Bonds.

In the enforcement of any rights and remedies under the Indenture, the Trustee shall be entitled to sue for, enforce payment on and receive any and all amounts then or during any default becoming, and at any time remaining, due from the State but only out of moneys pledged as security for the Bonds for principal, Redemption Price, interest or otherwise, under any provision of the Indenture or any Supplemental Indenture or of the Bonds and unpaid, with interest on overdue payments at the rate or rates of interest specified in such Bonds, together with any and all costs and expenses of collection and of all proceedings hereunder and under such Bonds without prejudice to any other right or remedy of the Trustee or of the owners of the Bonds, and to recover and enforce a judgment or decree against the State for any portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect from any moneys available under the Indenture for such purpose, in any manner provided by law, the moneys adjudged or decreed to be payable.

Defeasance

If the State shall pay or cause to be paid the principal and interest and Redemption Price, if any, to become due on the Bonds of any Series or maturity of a Series, at the times and in the manner stipulated therein and in the Indenture, then, with respect to such Bonds, the pledge of Revenues provided by the Indenture and all other rights granted thereby shall be discharged and satisfied.

Bonds of any Series or maturity within any Series shall be deemed to have been paid if (a) there shall have been deposited with the Trustee either moneys or Federal Obligations and Qualified Investments described in paragraphs (f) and (g) of the definition thereof maturing and bearing interest at times and in amounts sufficient, together with the moneys on deposit with the Trustee for such purpose, to pay when due the principal or Redemption Price, if any, and interest to become due on said Bonds, and (b) in case any of said Bonds are to be redeemed on any date prior to their maturity the State shall have given to the Trustee in form satisfactory to it irrevocable instructions to redeem such Bonds.

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