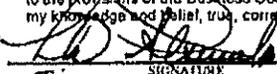


Pacific Management Ownership
Information Provided by CMS

ILLINOIS DOMESTIC / FOREIGN ANNUAL REPORT

1) Corporate Name PACIFIC MANAGEMENT, INC.		2) File Number D 5541-321-5	3) State / Country Illinois	4) Inc / Qual Date 02/17/1985
5) President Name & Address + DIRECTOR PATRICK SOMERS 20 S. CLARK, STE 3000, CHICAGO, IL 60603				
Secretary Name & Address VINCENT G. FORZANO 20 S. CLARK, STE 3000, CHICAGO, IL 60603				
Officer / Director Name & Address SK. VIT. CLAUDIA CELLINI 20 S. CLARK, STE 3000, CHICAGO, IL 60603				
Officer / Director Name & Address VIT. RAFFI VARTANIAN 20 S. CLARK, STE 3000, CHICAGO, IL 60603				
Officer / Director Name & Address TRAS. 2422 SUSAN WEBER 20 S. CLARK, STE 3000, CHICAGO, IL 60603				
6) Share Information				
Class	Series	Par Value	Number Authorized	Number Issued as of
COMM A		1.00000	1,000	20,000
COMM B		1.00000	1,000	980,000
7) Registered Agent		YEAR	7a) Principal Address of Corporation:	
SUSAN B WEBER 20 SOUTH CLARK 3000 CHICAGO IL 60603 Cook County		2011	20 S. CLARK STE 3000 CHICAGO IL 60603	
		CP0593252	Street City State Zip Code	
			7b) Under the penalty of perjury and as an authorized officer, I declare that this annual report, pur to the provisions of the Business Corporation Act, has been examined by me and is, to the be my knowledge and belief, true, correct and complete	
			 SECRETARY	
			TS SIGNATURE Title	

Corporate Annual Report
PACIFIC MANAGEMENT, INC.
File# D5541-321-5

5. Additional Officers

V.P. – Kathy Vollrath, 20 S. Clark, Ste 3000, Chicago, IL 60603

V.P. – Byron Deaner, 20 S. Clark, Ste 3000, Chicago, IL 60603

Assistant Treasurer – Thomas Storniolo, 20 S. Clark, Ste 3000, Chicago, IL 60603

Assistant Secretary – Robin Ellison, 20 S. Clark, Ste 3000, Chicago, IL 60603

Assistant Secretary – Elaine Haddad, 20 S. Clark, Ste 3000, Chicago, IL 60603



[SERVICES](#)
 [PROGRAMS](#)
 [PRESS](#)
 [PUBLICATIONS](#)
 [DEPARTMENTS](#)
 [CONTACT](#)

CORPORATION FILE DETAIL REPORT

Entity Name	PACIFIC MANAGEMENT, INC.	File Number	55413215
Status	ACTIVE		
Entity Type	CORPORATION	Type of Corp	DOMESTIC BCA
Incorporation Date (Domestic)	02/17/1989	State	ILLINOIS
Agent Name	SUSAN B WEBER	Agent Change Date	11/14/2002
Agent Street Address	20 SOUTH CLARK 3000	President Name & Address	PATRICK SOMERS 20 S CLARK STE 300 CHICAGO 60603
Agent City	CHICAGO	Secretary Name & Address	VINCENT FORGIONE SAME
Agent Zip	60603	Duration Date	PERPETUAL
Annual Report Filing Date	00/00/0000	For Year	2012
Assumed Name	INACTIVE - THE NEW FRONTIER COMPANIES OF CHICAGO		

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[Purchase Certificate of Good Standing](#)

(One Certificate per Transaction)

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 Pacific MANAGEMENT .INC	 Employee Info/Discussions
Wednesday, January 25, 2012	
Contact Us Company Bios Residential Management Commercial Management Leasing Opportunities	

Company Bios

President	Patrick Somers	Director of Training and Compliance	Richard Schmidt
VP of Residential Marketing	Kathy Vollrath	Asset Manager	Victoria Brooks
VP of Commercial Management	Byron Deaner	Regional Manager	Tammy Cloe
Controller	Tom Stomiolo	Regional Manager	Melissa Koopman
Account Manager	Melodi Fields	Regional Manager	Denise Tietz

 Pacific MANAGEMENT. Inc	 Employee Info/Discussions			
Wednesday, January 25, 2012				
Contact Us	Company Bios	Residential Management	Commercial Management	Leasing Opportunities

Contact Us

Patrick Somers
Pacific Management Inc.
241 North 5th Street
Springfield, IL 62701
217-789-1770 ph
217-544-0086 fax
email: psomers@pacificmgt.net

Byron Deaner
Pacific Management Inc.
241 North 5th Street
Springfield, IL 62701
217-789-1770 ph
217-544-0086 fax
email: bdeaner@pacificmgt.net

		 Employee Info/Discussions	
		Wednesday, January 25, 2012	
Contact Us	Company Bios	Residential Management	Commercial Management
Leasing Opportunities			

Company Bios

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Account Manager	Melodi Fields	Regional Manager	Denise Tietz

Patrick Somers, President

Mr. Somers has been involved with real estate and property management since 1981 and he has served as President of Pacific Management, Inc. since 2004. His professional experience includes commercial and residential facility management, contract negotiation and administration, budget preparation and financial reporting, personnel development and supervision.

As President, Mr. Somers is responsible for all management and service delivery operations. These duties include directing an executive staff responsible for the supervision and training of approximately 300 employees, management of over 4,400 units of residential housing and over 2,500,000 square feet of commercial office space with a value in excess of a quarter of a billion dollars, as well as directing Business Cleaning, a janitorial service company. Mr. Somers also provides support to an active development team and is involved in limited brokerage transactions.

During his years of property management and development experience his accomplishments include the following:

- Preparation and implementation of budgets exceeding \$35,000,000 of operating income.
- Successful lease negotiations and tenant relations with national commercial tenants including, Xerox, U.S. Sprint, MetLife, Walgreens and Caterpillar and with regional tenants including, the State of Illinois, the Illinois State Medical Society and the Illinois Association of Realtors.
- Negotiations for the acquisition of several millions of dollars of real estate.
- Union contract negotiations with the Operating Engineers and the Service Employees International.
- The design, development and execution of management and maintenance systems for a variety of real estate types, including residential, office, retail, warehouse and detention.

Education

BA Illinois State University, Normal, Illinois

Affiliations & Certification

Vice Chairman the Sangamon County Zoning Board of Appeals
Licensed Real Estate Broker

		 Employee Info/Discussions	
		Wednesday, January 25, 2012	
Contact Us	Company Bios	Residential Management	Commercial Management
Leasing Opportunities			

Company Bios

President	Patrick Somers	Director of Training and Compliance	Richard Schmidt
VP of Residential Marketing	Kathy Vollrath	Asset Manager	Victoria Brooks
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Controller	Tom Storniolo	Regional Manager	Melissa Koopman
Account Manager	Melodi Fields	Regional Manager	Denise Tietz

Byron Deaner, Vice President of Commercial Management

Byron joined the Pacific Management staff in 2003. His professional experience includes fifteen years in the real estate development industry supervising the design and construction of resort and residential golf communities throughout the continental United States. His skills include project management, budget preparation and tracking, contract negotiation, personnel supervision and project scheduling.

He is responsible for the management and operation of a commercial real estate portfolio that exceeds 2.5 million square feet of office space. His duties include the budget development and lease negotiations for this commercial portfolio, as well as the overall financial performance of each property for its ownership. Byron also coordinates a staff of facility management professionals who interact with tenants and capital improvement projects for ownership within the portfolio throughout the State of Illinois. While at Pacific Management, Inc. he has been in charge of the supervision and contract negotiations for \$1,800,000 worth of structural repairs, the implementation of operating budgets with net income over \$29,000,000, the selection of new management information systems and processes, and the implementation of work order and preventative maintenance systems for commercial properties.

Education

BBA in Finance/Economics, James Madison University, Harrisonburg, Virginia

Affiliations & Certification

Licensed Real Estate Broker in the State of Illinois

		 Employee Info/Discussions	
		Wednesday, January 25, 2012	
Contact Us	Company Bios	Residential Management	Commercial Management
Leasing Opportunities			

Company Bios

President	Patrick Somers	Director of Training and Compliance	Richard Schmidt
VP of Residential Marketing	Kathy Vollrath	Asset Manager	Victoria Brooks
VP of Commercial Management	Byron Deaner	Regional Manager	Tammy Cloe
Controller	Tom Storniolo	Regional Manager	Melissa Koopman
Account Manager	Melodi Fields	Regional Manager	Denise Tietz

Thomas Storniolo, CPA, Controller

As the Controller of Pacific Management, Inc. Mr. Storniolo oversees a staff dedicated to all accounting and tax related matters. This includes closely coordinating efforts with management personnel to accomplish the budgeting, auditing, treasury and tax planning functions for the company's managed portfolio of properties. Mr. Storniolo joined Pacific Management, Inc. in 1998 and brings over 25 years of financial management experience to his position as Controller.

Mr. Storniolo began his career at the CPA firm of Wolf and Grieco where he developed a passion for taxes and finance; the common thread for every position he has held throughout his career. After gaining experience as a tax accountant for the manufacturer, Joanna Western Mills, he advanced as the Tax Manager of S-B Power Tool Company and held the position as Finance Manager of John O. Butler Company. He became a Certified Public Accountant in 1988 is a member of the Illinois C.P.A. Society.

Education

BS Accounting and Finance, DePaul University, Chicago, IL.

Affiliations

Member of Illinois CPA Society
Certified Public Accountant

Installment Purchase Agreements Overview Provided by CMS

EXHIBIT B

INFORMATION REGARDING INSTALLMENT PURCHASE AGREEMENTS

	<u>EPA Sangamo Building</u>	<u>DHS Chicago</u>	<u>IDOT Schaumburg</u>
Address of Property	1021 N. Grand Ave. East	401 S. Clinton	201 W. Center Court
Fiscal Agent	US BANK, TRUST # 4010351, 209 S LASALLE, STE 300, CHICAGO 60604	US BANK, TRUST # 4010298, 209 S LASALLE, STE 300, CHICAGO 60604	US BANK, TRUST # 4019412, 209 S LASALLE, STE 300, CHICAGO 60604
Date of Agreement	4/1/1996	2/1/1996	11/1/1999
Start Date	12/31/1996	6/30/1998	12/31/1999
End Date	6/30/2017	6/30/2017	6/30/2019
Date Transferred to CMS	7/1/2004	HFS 7/1/04 & DHS 11/1/2004	7/1/2005
TOTAL PAID TO DATE BY CMS	\$ 36,449,534.75	\$ 21,622,387.03	\$ 29,712,210.23
TOTAL PRINCIPAL & INTEREST REMAINING TO BE PAID	\$ 14,308,360.00	\$ 8,082,970.00	\$ 20,330,745.00
FY05 Bond Payment (Principal & Interest)	\$ 2,864,352.25	\$ 1,615,165.00	\$ -
FY05 Capital Reserve	\$ 114,542.00	\$ -	\$ -
FY05 Operating Expenses	\$ 1,119,178.00	\$ 519,462.00	\$ -
FY05 Management Fees & Payroll	\$ 360,818.00	\$ 270,585.00	\$ -
FY05 Total Amount Obligated	\$ 4,458,890.25	\$ 2,405,212.00	\$ -
FY06 Bond Payment (Principal & Interest)	\$ 2,860,100.00	\$ 1,615,875.00	\$ 2,905,667.50
FY06 Capital Reserve	\$ 114,372.00	\$ -	\$ -
FY06 Operating Expenses	\$ 1,079,177.00	\$ 514,490.00	\$ 923,499.00
FY06 Management Fees & Payroll	\$ 366,406.00	\$ 292,622.00	\$ 390,870.00
FY06 Total Amount Obligated	\$ 4,420,055.00	\$ 2,422,987.00	\$ 4,220,036.50
FY07 Bond Payment (Principal & Interest)	\$ 2,860,580.00	\$ 1,256,887.50	\$ 2,907,357.50
FY07 Capital Reserve	\$ 114,372.00	\$ N/A	\$ N/A
FY07 Operating Expenses	\$ 1,016,723.00	\$ 921,002.50	\$ 919,695.00
FY07 Management Fees & Payroll	\$ 354,949.00	\$ 304,717.00	\$ 395,225.00
FY07 Total Amount Obligated	\$ 4,346,624.00	\$ 2,482,607.00	\$ 4,222,277.50
FY08 Bond Payment (Principal & Interest)	\$ 2,860,080.00	\$ 1,617,682.50	\$ 2,907,132.50
FY08 Capital Reserve	\$ 114,372.00	\$ N/A	\$ N/A
FY08 Operating Expenses	\$ 1,194,839.00	\$ 581,489.50	\$ 945,607.73
FY08 Management Fees & Payroll	\$ 346,316.00	\$ 336,492.00	\$ 390,973.00
FY08 Total Amount Obligated	\$ 4,515,607.00	\$ 2,535,664.00	\$ 4,243,713.23
FY09 Bond Payment (Principal & Interest)	\$ 2,863,942.50	\$ 1,617,862.50	\$ 2,906,612.50
FY09 Capital Reserve	\$ 114,528.00	\$ N/A	\$ N/A
FY09 Operating Expenses	\$ 1,291,254.00	\$ 616,783.03	\$ 964,349.00
FY09 Management Fees & Payroll	\$ 384,195.00	\$ 369,907.00	\$ 393,547.00
FY09 Total Amount Obligated	\$ 4,653,919.50	\$ 2,604,552.53	\$ 4,264,508.50

EXHIBIT B

INFORMATION REGARDING INSTALLMENT PURCHASE AGREEMENTS

	<u>EPA Sangamo Building</u>		<u>DHS Chicago</u>		<u>IDOT Schaumburg</u>	
FY10 Bond Payment (Principal & Interest)	\$	2,860,662.50	\$	1,619,402.50	\$	2,903,412.50
FY10 Capital Reserve	\$	114,396.00		N/A		N/A
FY10 Operating Expenses	\$	1,536,926.00	\$	979,288.00	\$	978,904.00
FY10 Management Fees & Payroll	\$	401,830.00	\$	550,333.00	\$	432,735.00
FY10 Total Amount Obligated	\$	4,913,814.50	\$	3,149,023.50	\$	4,315,051.50
FY11 Bond Payment (Principal & Interest)	\$	2,864,162.50	\$	1,616,928.00	\$	2,905,212.50
FY11 Capital Reserve	\$	114,540.00		N/A		N/A
FY11 Operating Expenses	\$	1,140,958.00	\$	1,188,318.00	\$	885,252.00
FY11 Management Fees & Payroll	\$	433,207.00	\$	427,907.00	\$	429,605.00
FY11 Total Amount Obligated	\$	4,552,867.50	\$	3,233,153.00	\$	4,220,069.50
FY12 Bond Payment (Principal & Interest)	\$	2,865,120.00	\$	1,614,778.00	\$	2,902,287.50
FY12 Capital Reserve	\$	114,576.00		N/A		N/A
FY12 Operating Expenses (Budgeted)	\$	1,221,641.00	\$	782,493.00	\$	899,002.00
FY12 Management Fees & Payroll (Budgeted)	\$	386,420.00	\$	391,917.00	\$	425,264.00
FY12 Total Amount Obligated	\$	4,587,757.00	\$	2,789,188.00	\$	4,226,553.50
FY13 Principal	\$	2,120,000.00	\$	1,230,000.00	\$	1,965,000.00
FY13 Interest	\$	742,320.00	\$	388,437.50	\$	940,597.50
FY13 Total Payments	\$	2,862,320.00	\$	1,618,437.50	\$	2,905,597.50
FY14 Principal & Interest	\$	2,250,000.00	\$	1,295,000.00	\$	2,070,000.00
FY14 Interest	\$	611,940.00	\$	318,942.50	\$	832,522.50
FY14 Total Payments	\$	2,861,940.00	\$	1,613,942.50	\$	2,902,522.50
FY15 Principal & Interest	\$	2,385,000.00	\$	1,370,000.00	\$	2,185,000.00
FY15 Interest	\$	472,440.00	\$	245,775.00	\$	718,672.50
FY15 Total Payments	\$	2,857,440.00	\$	1,615,775.00	\$	2,903,672.50
FY16 Principal & Interest	\$	2,540,000.00	\$	1,450,000.00	\$	2,315,000.00
FY16 Interest	\$	324,570.00	\$	168,370.00	\$	590,850.00
FY16 Total Payments	\$	2,864,570.00	\$	1,618,370.00	\$	2,905,850.00
FY17 Principal & Interest	\$	2,695,000.00	\$	1,530,000.00	\$	2,450,000.00
FY17 Interest	\$	167,090.00	\$	86,445.00	\$	455,422.50
FY17 Total Payments	\$	2,862,090.00	\$	1,616,445.00	\$	2,905,422.50
FY18 Principal & Interest		N/A		N/A	\$	2,590,000.00
FY18 Interest		N/A		N/A	\$	312,097.50
FY18 Total Payments		N/A		N/A	\$	2,902,097.50
FY19 Principal & Interest		N/A		N/A	\$	2,745,000.00
FY19 Interest		N/A		N/A	\$	160,582.50
FY19 Total Payments		N/A		N/A	\$	2,905,582.50

EXHIBIT B

INFORMATION REGARDING INSTALLMENT PURCHASE AGREEMENTS

EPA Sangamo Building

DHS Chicago

IDOT Schaumburg

NOTES:

All payments by the State are made to US Bank, which in turn pays Pacific Management for management of the buildings.

Operating Expenses includes Repairs and Contractual Costs associated with building (Janitorial, Trash, Pest, Elevator, Snow Removal, Security, Inspections, etc.)

Management Fees includes Management Fees, Maintenance Payroll Salaries & Benefits, Office & Computer Expenses, Phones, Fees and their Misc Operating expenses

Installment Purchase Agreement – 401 S.
Clinton (DHS) – Chicago

INSTALLMENT PURCHASE AGREEMENT

By and Between

NATIONAL BUILD TO SUIT CLINTON L.L.C.,
an Illinois limited liability company,
as Seller

and

THE STATE OF ILLINOIS
Acting by
THE DEPARTMENT OF CENTRAL MANAGEMENT SERVICES
for the benefit of
THE ILLINOIS DEPARTMENT OF PUBLIC AID,
as Purchaser

Dated as of February 1, 1996

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	Exhibit G - Certifications

INSTALLMENT PURCHASE AGREEMENT

This Installment Purchase Agreement made and entered into as of February 1, 1996, by and between National Build To Suit Clinton L.L.C., an Illinois limited liability company, as seller ("Seller"), and the State of Illinois, acting by The Department of Central Management Services for the benefit of The Illinois Department of Public Aid, as purchaser ("Purchaser").

W I T N E S S E T H:

WHEREAS, Purchaser desires to enter into an arrangement for the installment purchase of certain land, buildings and related facilities legal title to which is or will be held by or on behalf of Seller; and

WHEREAS, the State of Illinois, acting by and through its Department of Central Management Services ("CMS") is authorized by law to provide for the installment purchase of land, buildings and related facilities for various agencies and commissions of the State of Illinois; and

WHEREAS, Purchaser wishes to purchase certain land, buildings and related facilities from Seller and Seller wishes to sell certain of such facilities to Purchaser; and

NOW, THEREFORE, in consideration of the moneys to be paid hereunder and the covenants and agreements contained herein, it is agreed by and between the parties as follows:

1. Certain Defined Terms. Capitalized terms defined in the Fiscal Agent Agreement shall, for purposes of this Agreement, have the meanings set forth in the Fiscal Agent Agreement. In addition to the terms defined elsewhere in this Agreement, the following terms have the meanings given below unless the context clearly requires otherwise:

"Acceptance Certificate" means a certificate substantially in the form of Exhibit B to this Agreement.

"Acceptance Date" means the date on which the Purchaser delivers a signed Acceptance Certificate.

"Additional Installment Payments" means the payments required to be made pursuant to Section 4(c) hereof.

"Administrative Expenses" means the reasonable annual fees and expenses of the Fiscal Agent and the Successor Seller as provided in the Fiscal Agent Agreement.

"Advance Installment Payments" means the payments of Base Installment Payments permitted to be made by Purchaser pursuant to Section 4(j) hereof.

"Agreement" means this Installment Purchase Agreement, as amended or supplemented from time to time.

"Assignment Closing Date" means the Assignment Closing Date referred to in Section 32(a) hereof.

"Authorized Representative," means the Director, Chairman or Administrator of CMS or his written designee.

"Base Installment Payments" means the Base Installment Payments required to be made pursuant to Section 4(b) hereof.

"Business Day" means any day other than a Saturday, Sunday or day upon which banks in the State of Illinois are authorized or required to be closed.

"Construction Documents" means all contracts, agreements, and other documents relating to the construction of the Facilities, including, but not limited to, all designs, warranties, drawings and specifications which establish the scope of the architecture to be constructed, the standard of quality for materials, workmanship, equipment, and construction systems, and the studies and other technical reports prepared in the course of the practice of architecture.

"Civil Administrative Code" means An Act in relation to the civil administration of State government, and to repeal certain acts therein named, approved March 7, 1917, as amended (20 ILCS 5/1, et seq.).

"CMS" means the Department of Central Management Services of the State of Illinois.

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

"Credit Facility" or "Credit Facilities" means (i) an unconditional and irrevocable letter of credit in form and drawn on a bank or banks acceptable to the Insurer, (ii) a surety bond or bonds issued by an insurance or surety company or companies acceptable to the Insurer, (iii) cash, (iv) a certified or bank check drawn on a bank approved by the Insurer, or (vi) any other credit facility similar to the foregoing in purpose and effect, which is approved by the Insurer.

"Event of Default" means the occurrence of any of the events set forth in Section 21 of this Agreement.

"Executive Budget" means the constitutionally mandated annual submission of the Governor of the State of Illinois to the Illinois General Assembly containing the Governor's recommended program, expressed in dollar terms, for a forthcoming Fiscal Year.

"Facilities" means the facilities sold to Purchaser pursuant to this Agreement and described in Exhibit A to this Agreement and in the Construction Documents, as the same may from time to time be amended in accordance with this Agreement, and any replacement facilities as provided by Section 15 hereof.

"Final Acceptance Date" means December 31, 1997 unless such date is extended pursuant to Section 2(a) hereof.

"Finance Act" means an Act in relation to State finance, approved June 10, 1919, as amended (30 ILCS 105/1, et seq.).

"Fiscal Agent" shall mean LaSalle National Trust, N.A., acting as fiscal agent under the Fiscal Agent Agreement.

"Fiscal Agent Agreement" means the Fiscal Agent Agreement between the Original Seller and the Fiscal Agent, dated as of February 1, 1996, entered pursuant to and for the purposes set forth in Section 32(a) hereof.

"Fiscal Year" means the fiscal year of the State commencing on July 1, or such other period of time hereafter adopted by the State as its fiscal year.

"Installment Payment Date" means each of the dates set forth in Exhibit E hereto for payment of Base Installment Payments.

"Installment Payments" means the Base Installment Payments, the Additional Installment Payments, and other payments due under this Agreement during the Term.

"Insurer" means MBIA Insurance Corporation, a stock insurance company incorporated under the laws of the State of New York and its successors and assigns.

"Original Seller" means National Build To Suit Clinton L.L.C., an Illinois limited liability company, and its successors and assigns.

"Permitted Encumbrances" means this Agreement, the Seller Assignment, the Fiscal Agent Agreement and as of any particular time:

(a) liens for taxes and charges which are not then delinquent, or if then delinquent are being contested in accordance with Section 5(c)(i) of this Agreement;

(b) utility, access and other easements and rights-of-way, restrictions and exceptions which will not materially interfere with or materially impair the use of the Facilities;

(c) such minor defects and irregularities of title as do not materially adversely affect the value of the Facilities or materially impair the property affected thereby for the purpose for which it is used by the State;

(d) zoning laws, including laws limiting the use of the Facilities or any part thereof to State purposes, and similar restrictions which are not violated by the Facilities;

(e) all right, title and interest of the State, municipalities and the public in and to tunnels, bridges and passageways which are a part of the Facilities and which are in, over, under or upon a public way;

(f) such other liens, encumbrances, covenants, conditions, easements, permits, powers, options and restrictions as are set forth in title report No. _____, effective _____, issued by Chicago Title Insurance Company, relating to the Facilities, except that such items shall not be Permitted Encumbrances unless approved or otherwise released or indemnified against to the Purchaser's satisfaction pursuant to Section 3 hereof; and

(g) mortgages, security interests or liens granted or incurred by Seller or any subcontractor or supplier of Seller and which are removed or released to the satisfaction of the Purchaser on or before the Acceptance Date.

"Purchaser" means the State of Illinois acting by The Department of Central Management Services for the benefit of The Illinois Department of Public Aid.

"Retained Rights" means the Seller's rights under this Agreement which are not sold and assigned to the Fiscal Agent pursuant to the Seller Assignment, including (i) the Seller's right to have the Facilities accepted for occupancy under Section 2(a) hereof, (ii) the Seller's rights under the Construction Documents, (iii) the Seller's rights under Section 3 hereof, (iv) the Seller's rights under Section 7(b) hereof, (v) the Seller's rights under Section 7(c) hereof, (vi) the Seller's rights to title to or beneficial ownership interests in the Facilities,

(vii) the Seller's rights to notices, costs, reimbursements, fees and expenses, and (viii) the Seller's rights under other sections hereof as are necessary to enable the Seller's construction lender to enforce, prior to the Acceptance Date, its mortgage and its other collateral and security interests granted pursuant to its loan documents; provided, however, that "Retained Rights" shall not include the right to receive or enforce the payment of Installment Payments or any rights which, if retained by the Seller, would impair or otherwise affect the payment or enforcement of payment of Installment Payments to the Fiscal Agent.

"Seller" means, at all times prior to the Acceptance Date, the Original Seller, and means, at all times from and after the Acceptance Date, the Successor Seller.

"Seller Assigned Rights" means the Seller's rights under this Agreement other than Retained Rights.

"Seller Assignment" means a written instrument, substantially in the form of Exhibit C hereto, evidencing the Original Seller's sale and assignment of the Seller Assigned Rights to the Fiscal Agent pursuant to Section 32(a) hereof.

"Specifications" means the Agency Programmed Requirements for the Facilities between the Original Seller and the Purchaser.

"Successor Seller" means Public Asset Services Corp., an Illinois not for profit corporation, and its successors and assigns.

"Term" means the period commencing on the Assignment Closing Date and ending on June 30, 2017 or on such later date as all Installment Payments shall have been paid in full.

2. Acquisition of Facilities.

(a) The Purchaser shall accept the Facilities for occupancy upon (i) the issuance of a temporary or permanent certificate of occupancy by the City of Chicago, Illinois, provided that in the case of a temporary certificate none of the remaining items or conditions to be satisfied relate to health, safety or other conditions that would result in denial of a permanent certificate of occupancy, (ii) the receipt by the Successor Seller and the Fiscal Agent of the assignments and releases described in Section 32(c) hereof, and (iii) the receipt by the Successor Seller and the Fiscal Agent of the title documents and related instruments described in Section 9 hereof. Such acceptance shall be evidenced by an Acceptance Certificate executed by Purchaser and delivered to the Original Seller, the

Successor Seller and the Fiscal Agent not later than the Final Acceptance Date specified in the definition thereof; provided, however, that the Final Acceptance Date may be extended to one or more subsequent dates at the request of the Original Seller, with the prior written consent of the Purchaser and the Insurer, upon the delivery to the Fiscal Agent of such additional or substitute Credit Facilities as the Insurer may require. In the event such acceptance of the Facilities does not occur on or before the Final Acceptance Date, as extended from time to time, the Fiscal Agent shall be required to mandatorily prepay the Base Installment Payments in accordance with Section 3.16(b) of the Fiscal Agent Agreement. Within 48 hours of initial occupancy of the Facilities, the Original Seller and Purchaser shall jointly inspect the Facilities and prepare a "punch list" of incomplete items to be completed by the Original Seller within a reasonable time thereafter. The Original Seller shall provide a permanent certificate of occupancy as soon as practicable after issuance of a temporary certificate. The Purchaser shall provide a supplemental "punch list" to the Original Seller and the Insurer within 30 days after occupancy encompassing all items not then completed except for latent defects. From and after the Purchaser's execution and delivery of the Acceptance Certificate, the Installment Payments required under Section 4 hereof shall be payable from State-appropriated funds and other moneys held under the Fiscal Agent Agreement.

(b) Purchaser represents and warrants to Seller for purposes of this Agreement that:

(i) the Facilities are essential to the proper conduct of Purchaser's governmental functions; and

(ii) the selection, size, design and specifications of the Facilities as reflected in the Specifications were determined by and are acceptable to Purchaser.

(c) Seller shall, at its sole expense, obtain all Construction Documents necessary to obtain all applicable building permits, occupancy and building certifications as determined by the local building permit issuing authority and prepared pursuant to the Illinois Architecture Practice Act of 1989 for the Work defined by the Specifications. The Construction Documents, when approved by CMS, shall become part of the Specifications and incorporated by reference herein. Purchaser shall, prior to the Acceptance Date, furnish quarterly status reports on the construction of the Facilities to the Insurer, in such detail as the Insurer shall reasonably request, not more than 30 days after the end of each calendar quarter.

Purchaser acknowledges and agrees that Seller and its construction lender and all assignees and grantees thereof, including the Fiscal Agent and the Owners of Participations, are entitled to rely upon the foregoing provisions.

3. Agreement to Purchase. Subject to the terms and conditions of this Agreement, Seller hereby agrees to sell the Facilities to Purchaser and Purchaser hereby agrees to purchase the Facilities from Seller. To the extent not prohibited by law, upon and during acquisition and construction of the Facilities, all rights granted to Purchaser by Seller under this Agreement shall vest in Purchaser, without any further action on the part of Seller. Seller's obligation to sell the Facilities to Purchaser hereunder is subject to the following conditions precedent: (a) Seller shall have acquired title to the Facilities free and clear of all liens, claims and encumbrances (other than Permitted Encumbrances) not later than the Assignment Closing Date; (b) Seller shall have obtained all necessary zoning, land use and environmental approvals not later than the Assignment Closing Date; and (c) the Assignment Closing Date shall have occurred. Purchaser's obligation to purchase the Facilities hereunder is subject to the condition that not later than the Assignment Closing Date all Permitted Encumbrances described in paragraph (f) of the definition thereof in Section 1 shall have been approved in writing by the Purchaser or otherwise released or indemnified against to the satisfaction of the Purchaser.

4. Installment Payments.

(a) During the Term, Purchaser agrees to pay Base Installment Payments, Additional Installment Payments, and other required payments in the amounts, at the times and in the manner set forth herein, such amounts constituting, in the aggregate, the total Installment Payments payable under this Agreement. Installment Payments will be absolute and unconditional in all events and will not be subject to any setoff, defense, counterclaim or recoupment for any reason whatsoever; provided, however, that Purchaser's obligation to make Installment Payments is subject to the availability of lawful appropriations therefor; and, further provided, that, notwithstanding any other provision of this Agreement, Installment Payments applicable to periods prior to the Acceptance Date shall be payable only from amounts held by the Fiscal Agent for such purpose and not from State-appropriated funds, provided that if a wrongful delay in the occurrence of the Acceptance Date is caused by the Purchaser, the Purchaser shall reimburse the Original Seller for any loss or damage resulting from such delay from State-appropriated funds other than funds appropriated to pay Installment Payments. In no other event shall Installment Payments be payable from State-appropriated funds with respect to any period prior to the Acceptance Date.

(b) Subject to Section 4(e) hereof, during the Term, Purchaser agrees to pay to Seller the Base Installment Payments as set forth in Exhibit E to this Agreement on the Installment Payment Dates set forth in such Exhibit, as the same may be revised pursuant to the Seller Assignment. As provided in Section 4(g) hereof, each Base Installment Payments obligation pursuant to Exhibit E hereto shall be reduced by the amount of funds held by the Fiscal Agent for that purpose; provided that Base Installment Payments applicable to periods prior to the Acceptance Date shall be payable only from amounts held by the Fiscal Agent and not from State-appropriated funds, provided that if a wrongful delay in the occurrence of the Acceptance Date is caused by the Purchaser, the Purchaser shall reimburse the Original Seller for any loss or damage resulting from such delay from State-appropriated funds other than funds appropriated by the General Assembly to pay Installment Payments. Subsequent to the Assignment Closing Date, each of the Base Installment Payments shall include principal and interest components as determined pursuant to the Seller Assignment and as set forth in a supplement to Exhibit E hereto.

(c) Subject to Section 4(e) hereof, Purchaser shall pay Additional Installment Payments consisting of the following:

(i) Any charges or taxes (state, local or federal), exclusive of taxes on or measured by Seller's income, imposed upon the ownership, leasing, rental, sale, purchase, possession or use of any Facilities sold pursuant to this Agreement provided that at its own expense Purchaser may contest the assessment of such charges and taxes until it obtains a final administrative or judicial determination of its liability for such charges or taxes unless the Facilities are encumbered by any levy, lien or other type of encumbrance because of Purchaser's failure to pay such charges and taxes and any penalty or late charges are not deferred.

(ii) Any amount required to be paid pursuant to section 148(f) of the Code to the United States Government as a condition to the exclusion of the interest component of Base Installment Payments from the gross income of the recipients thereof for federal income tax purposes, to the extent not otherwise paid.

(iii) During the Term, the Purchaser agrees to pay as Additional Installment Payments Administrative Expenses relating to each Fiscal Year as estimated in a writing delivered by the Fiscal Agent and the Successor Seller to CMS and the Bureau not later than December 15 of the Fiscal Year immediately preceding the Fiscal Year in which such Administrative Expenses will be due and payable. Ordinary Administrative Expenses, as so estimated, shall be payable

for such Fiscal Year on or before August 1 of such Fiscal Year against the Purchaser's receipt of invoices therefor and extraordinary Administrative Expenses shall be payable within 30 days after the submission of invoices therefor from time to time during such Fiscal Year. Administrative Expenses shall be paid to the Fiscal Agent for deposit in the Administrative Expense Fund.

(iv) The amounts of any operating, maintenance and insurance costs relating to the Facilities, as and when the same become due and payable.

(d) Subject to Section 4(e) hereof, amounts constituting Additional Installment Payments payable by Purchaser pursuant to Section 4(c)(i) and (ii) above shall be paid by Purchaser within thirty (30) days after certification from the Fiscal Agent, subject to the right of Purchaser to contest the assessment of any charges or taxes as provided in subparagraph (i) of Section 4(c) hereof.

(e) Purchaser's obligation to pay Additional Installment Payments shall not exceed the amounts appropriated therefor by the Illinois General Assembly or on deposit with the Fiscal Agent and available for such payment. If funds are not so appropriated or on deposit with the Fiscal Agent for payment of all or any part of the Additional Installment Payments during the Fiscal Year in which such Additional Installment Payments become due and payable, such Additional Installment Payments may be advanced by the Fiscal Agent at its option. If Fiscal Agent advances any portion of the Additional Installment Payments for which Purchaser is responsible or liable under this Agreement, Purchaser shall, to the extent funds are appropriated or on deposit with the Fiscal Agent therefor, pay the Fiscal Agent on the first Installment Payment Date in the next succeeding Fiscal Year an amount equal to the sum of Additional Installment Payments advanced and the reasonable costs incurred by the Fiscal Agent in making such advance. Seller shall notify Purchaser in writing of the costs incurred in advancing Additional Installment Payments. For all Fiscal Years subsequent to that in which it is determined Purchaser is liable for Additional Installment Payments described in Section 4(c) of this Agreement, Purchaser shall budget for and will seek appropriation of funds for payment of such taxes and charges in accordance with Section 4(h) hereof.

(f) Amounts necessary to pay Base Installment Payments shall be deposited by Purchaser with the Fiscal Agent by federal funds wire transfer not less than fifteen (15) days prior to each Installment Payment Date set forth in Exhibit E hereto without the necessity of any notice, demand, invoice or voucher from the Fiscal Agent. Any amount necessary to pay Base Installment Payments or any portion thereof which is not so deposited shall remain due and payable until received by the Fiscal Agent.

(g) Anything in the foregoing paragraph to the contrary notwithstanding, the amount required to be paid by the Purchaser to fund the payment of Base Installment Payments to be made by Purchaser on each Installment Payment Date shall be reduced by the amount of funds available under the Fiscal Agent Agreement as a credit for such purpose, as specified in a notice from the Fiscal Agent to Purchaser not less than thirty (30) days prior to the applicable Installment Payment Date. The amount of each deposit required to be made pursuant to paragraph (f) of this Section 4, taking into account the amount of funds anticipated as of the Assignment Closing Date to be available as a credit pursuant to this paragraph (g), shall be set forth in a supplement to Exhibit D to this Agreement pursuant to the Seller Assignment. Anything in this Agreement to the contrary notwithstanding, in the event the amounts set forth in Exhibit D are not sufficient to fund the Base Installment Payments as of any Installment Payment Date applicable to any period subsequent to the Acceptance Date, Purchaser shall, subject to appropriation by the Illinois General Assembly, immediately pay by federal funds wire transfer the additional amounts necessary to cover such deficiency upon notice thereof from the Fiscal Agent. Base Installment Payments shall be payable by federal funds wire transfer at the office of the Fiscal Agent or at such other place as the Fiscal Agent may from time to time designate in writing.

(h) Purchaser warrants that funds have been appropriated to pay all amounts due under this Agreement from State-appropriated funds through the end of the current Fiscal Year and that appropriate budget requests have been or will be made to the Governor for inclusion in the Executive Budget for funds to pay Installment Payments due under this Agreement from State-appropriated funds through the end of the Term and Purchaser reasonably believes the Governor will include such amounts in the annual budget requests to the General Assembly. Such budget requests and inclusions in the annual budgets by the Governor may, at the sole option of the Purchaser, provide for payments of amounts equal to the Installment Payments by the Illinois Department of Public Aid, pursuant to Section 67.24(c) of the Civil Administrative Code (20 ILCS 405/67.24(c)), into the Facilities Management Revolving Fund established in the State Treasury pursuant to Sections 5.257 and 8.26-1 of the Finance Act (30 ILCS 105/5.257 and 30 ILCS 105/8.26-1) and from the Facilities Management Revolving Fund to the Fiscal Agent in accordance with this Agreement. Purchaser reasonably believes that funds will be appropriated to make all Installment Payments during the Term and hereby warrants that it will do all things lawfully within its power to obtain, maintain and properly request and pursue funds from which the Installment Payments may be made, including requesting that the Governor include funds for such payment in the Executive Budget. It is Purchaser's intent to make Installment Payments for the Term if funds are lawfully appropriated therefor by the Illinois General Assembly and in

that regard Purchaser represents that the use of the Facilities is essential to the proper, efficient and economic operation of the State. Purchaser acknowledges and agrees that Seller, the Fiscal Agent and the Owners of Participations are relying on and are entitled to rely on the foregoing warranty and statements of belief and intent for purposes of this Agreement and that Seller, the Fiscal Agent and the Owners of Participations are entitled to rely thereon.

(i) Purchaser may from time to time make Base Installment Payments in advance with respect to Facilities ("Advance Installment Payments") by depositing or causing to be deposited with the Fiscal Agent such Advance Installment Payments, together with a written notice thereof to the Fiscal Agent executed by an Authorized Representative of Purchaser, specifying the amount of such Advance Installment Payments. Advance Installment Payments so paid shall be credited against Base Installment Payments payable by Purchaser. Failure by Purchaser to make any Advance Installment Payments pursuant to this Section shall not constitute an Event of Default under Section 21 hereof.

(j) Purchaser hereby acknowledges that, subject to a collateral assignment of Seller's Retained Rights to Seller's construction lender, Seller intends to sell and assign all of its right, title and interest in, to and under this Agreement, including, without limitation, its rights to receive Installment Payments hereunder, to the Fiscal Agent pursuant to the Seller Assignment, the Fiscal Agent Agreement or otherwise, and Purchaser agrees to perform and honor all of its obligations and liabilities under this Agreement, including, without limitation, its obligation to make Installment Payments hereunder, which obligations and liabilities shall, subject to the limitations set forth in Section 4(a) hereof, be absolute and unconditional and will not be subject to any setoff, defense, counterclaim or recoupment for any reason whatsoever and, without in any way limiting the generality of the foregoing, shall continue to be enforceable against Purchaser, notwithstanding (a) the commencement against or in respect of Seller of a proceeding under Title 11 of the United States Code (as now constituted or hereafter amended, the "Bankruptcy Code") or any other applicable federal, state or foreign bankruptcy or other similar law, (b) the winding-up or liquidation of the affairs of Seller, or any order or judicial decree requiring the same, (c) the appointment of a custodian, receiver, liquidator, assignee or trustee of or for Seller, or (d) the rejection of this Agreement by Seller or any debtor-in-possession or trustee of or for Seller under Section 365 of the Bankruptcy Code. Purchaser agrees that the Fiscal Agent is an express third party beneficiary of Purchaser's agreement described in the preceding sentence and that the Fiscal Agent shall be entitled to rely on such agreement.

5. Nonappropriation of Funds. If, at any time after the Acceptance Date, sufficient funds are not lawfully appropriated by the Illinois General Assembly to the Purchaser, and other funds are not on deposit with the Fiscal Agent which are available for payment of Installment Payments due during any Fiscal Year, Purchaser will immediately notify the Fiscal Agent, the Insurer, the Seller and the Director of the Bureau of the Budget. Nonappropriation shall be deemed to occur if on the date (including the 15 day grace period provided in Section 4(f) hereof) on which the first payment of Base Installment Payments from State-appropriated funds in a Fiscal Year comes due there have not been enacted into law appropriations of funds for the payment of Base Installment Payments coming due during the Fiscal Year. In the event of such nonappropriation, on the first day following the Installment Payment Date on which the last payment of Base Installment Payments under the Agreement can be made in full from lawfully appropriated funds or funds on deposit with the Fiscal Agent, the rights and payment obligations of the Purchaser under the Agreement, including the obligation to pay Base Installment Payments, shall be subject to termination and cancellation; provided that such termination shall not apply to Base Installment Payment obligations for which sufficient funds have been lawfully appropriated by the Illinois General Assembly or are on deposit with the Fiscal Agent. In the event of such nonappropriation, Purchaser shall assist and cooperate with the Bureau of the Budget in seeking to obtain legally appropriated funds for Installment Payments hereunder. In the event of such nonappropriation, the Seller may, with the prior written consent of the Insurer, and shall, upon the written direction of the Insurer, exercise one or more of the remedies set forth in Section 22(a) through (e) hereof. In the event of such termination and cancellation, Purchaser agrees to surrender possession of the Facilities peaceably to Seller on the date of such termination and cancellation and Seller will have all legal and equitable rights and remedies to take possession of the Facilities and to sell, rent or otherwise dispose of the Facilities as Seller determines. Purchaser acknowledges that Seller's rights to repossess and to sell, rent or otherwise dispose of the Facilities under this Agreement may be assigned to the Fiscal Agent, and Purchaser agrees that thereafter the Fiscal Agent shall be entitled to exercise all of such rights of Seller hereunder. Purchaser agrees that the nonappropriation provisions of this Section 5 are not intended to be used as a substitute for convenience termination or for the purpose of replacing Facilities with other like facilities.

6. Pecuniary Liability. This Agreement shall create pecuniary liability only to the extent of money legally appropriated to Purchaser for the performance of the terms hereof and no pecuniary liability on account thereof shall be incurred by the State beyond moneys legally appropriated for the purpose thereof.

7. Limitation on Warranties. (a) Purchaser acknowledges and agrees that the Facilities are of a size, design, and capacity selected by Purchaser and that except as provided in the Construction Documents Seller HAS NOT MADE, AND DOES NOT HEREBY MAKE, ANY REPRESENTATION, WARRANTY, OR COVENANT, EXPRESS OR IMPLIED, WITH RESPECT TO THE MERCHANTABILITY, CONDITION, QUALITY, DURABILITY, DESIGN, OPERATION, FITNESS FOR USE, OR SUITABILITY OF THE FACILITIES IN ANY RESPECT WHATSOEVER OR IN CONNECTION WITH OR FOR THE PURPOSES AND USES OF PURCHASER, OR ANY OTHER REPRESENTATION, WARRANTY, OR COVENANT OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, WITH RESPECT THERETO, AND, EXCEPT AS PROVIDED IN THE CONSTRUCTION DOCUMENTS, SELLER SHALL NOT BE OBLIGATED OR LIABLE FOR ACTUAL, INCIDENTAL, CONSEQUENTIAL, OR OTHER DAMAGES OF OR TO PURCHASER OR ANY OTHER PERSON OR ENTITY ARISING OUT OF OR IN CONNECTION WITH THE USE OR PERFORMANCE OF THE FACILITIES AND THE MAINTENANCE THEREOF. EXCEPT AS PROVIDED IN THE CONSTRUCTION DOCUMENTS, THE PURCHASER SHALL NOT HAVE ANY RIGHT, CLAIM OR RECOURSE AGAINST THE SELLER OR THE FISCAL AGENT WITH RESPECT TO THE FOREGOING MATTERS.

(b) The Purchaser acknowledges, covenants and agrees that it is relying upon an environmental report with respect to any and all "Hazardous Substances" (as such term is hereinafter defined) as may be located on or under or as otherwise may be related to the Facilities. The Purchaser hereby assumes and covenants to undertake and discharge all liabilities of the Original Seller, the Original Seller's construction lender, the Successor Seller, the Fiscal Agent or the Purchaser arising from the following events or circumstances (other than events or circumstances occurring or existing prior to the Acceptance Date or caused by the Original Seller, the Original Seller's construction lender, the Successor Seller or the Fiscal Agent): (i) any condition that may be found to exist on, under or related to the Facilities, or (ii) a determination that the Facilities or any portion thereof violates any applicable Environmental Law (as such term is hereinafter defined), or (iii) the presence, use, generation, storage, release, threatened release, or containment, treatment, or disposal of any Hazardous Substances on, under or related to the Facilities or (iv) any damage, loss, injury or occurrence arising out of ownership, use or operation of the Facilities, including but not limited to environmental matters. Such liabilities include without limitation any losses, expenses or damages arising from any matters relating to the existence of Hazardous Substances on, under or related to the Facilities. The covenants and agreements of Purchaser in this paragraph shall survive the closing and consummation of the transactions contemplated in this Agreement and shall remain in effect at all times thereafter; provided, however, that any obligations of the Purchaser under this paragraph shall be subject to appropriation of funds for such purpose by the Illinois General Assembly or the availability of moneys under the Fiscal Agent Agreement for such purpose. As used in this Agreement, the term "Hazardous

Substance" shall mean and include all hazardous or toxic substances, wastes or materials, any pollutants or contaminants (including asbestos, PCBs, petroleum products and by-products and raw materials which include hazardous constituents) or materials which are included under or are regulated by any Environmental Law. As used in this Agreement, "Environmental Law" shall mean any local, state or federal law, rule or regulation pertaining to environmental regulation, contamination, clean-up or disclosure, or pertaining to health or safety, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1986, the Resources, Conservation and Recovery Act, the Toxic Substances Control Act, the Illinois Environmental Protection Act, the Illinois Groundwater Protection Act, or similar state environmental laws or subsequent federal or state legislation of a similar nature which may be enacted from time to time, as any of the foregoing shall have been amended or shall be amended from time to time.

(c) The Original Seller hereby assigns to Purchaser, effective on the Acceptance Date, the right to enforce any warranties, covenants, guarantees and indemnities, expressed or implied, against any subcontractor, vendor or supplier of materials, property or services in connection with the Facilities, at Purchaser's expense, subject, however, to a reservation by the Original Seller of the right to independently enforce such rights. Nothing in this paragraph shall affect Purchaser's rights against the Original Seller under the Construction Documents.

8. Authority and Authorization. Purchaser represents and warrants that: (i) it will do or cause to be done all things necessary to preserve and keep this Agreement in full force and effect; and (ii) it has complied with all requirements of law necessary to make this Agreement a valid obligation on its part. Seller acknowledges that CMS is a party to this agreement solely to fulfill its statutorily imposed mandate to facilitate acquisition of real property for the use of agencies and commissions of the State. Purchaser reserves the right to substitute a different agency or commission as the user of the Facilities upon the prior written consent of the Fiscal Agent and the Insurer with respect to Base Installment Payments. If said substitution occurs then in lieu of the user agency which is a party hereto, Seller agrees to look to said substituted agency for the undertakings of the user agency which is a party hereto.

Seller acknowledges that it has completed the Real Estate Disclosure Statement which is affixed to this Agreement as Exhibit F and that Purchaser may rely on the contents thereof.

Seller agrees to complete and execute Certifications substantially in the form of Exhibit G hereto and agrees that such Certifications shall be incorporated into this Agreement.

9. Title; Adjustments to Base Installment Payments.

On or before the Assignment Closing Date, the Original Seller shall provide Purchaser with copies of all site acquisition documents, including, but not limited to, all title insurance policies and related documents pertaining to the real property to be conveyed hereunder for the approval of Purchaser, such approval not to be unreasonably withheld. On or before the Acceptance Date, the Original Seller shall furnish evidence satisfactory to the Purchaser of its or its nominee's or designee's good and marketable fee simple title to the property described in Exhibit A free and clear of all construction and other liens, claims, encumbrances, easements, and restrictions except Permitted Encumbrances and shall convey or cause to be conveyed all of its right, title and interest in such property to the Successor Seller or its nominee or designee. Thereafter, the Successor Seller or its nominee or designee will retain legal title to the Facilities until (a) the Purchaser prepays the outstanding principal component of Base Installment Payments pursuant to Section 17 hereof, or (b) all payments of Base Installment Payments have been made or provided for, in each of which cases, the legal and beneficial ownership of the Facilities shall be promptly conveyed to and vested in the Purchaser if no Event of Default or event of nonappropriation has occurred and is continuing, or (c) an event of nonappropriation shall have occurred pursuant to Section 5 hereof or an Event of Default shall have occurred and is continuing, in which case the legal and beneficial ownership of the Facilities shall be promptly conveyed to and vested in such person or entity as the Fiscal Agent shall direct.

10. Real Property. The Facilities are and will remain real property and will include personal property affixed to or a part of the real estate on which it may be situated, notwithstanding that the Facilities or any part thereof may be or hereafter become in any manner physically detached or removed from real estate or any building thereon.

11. Use; Repairs and Replacements. From and after the Acceptance Date, Purchaser will use the Facilities in a careful manner for the use contemplated and will take all reasonable steps to assure that the Facilities are operated solely by persons qualified and trained to do so and in compliance with all laws, ordinances, insurance policies and regulations relating to the use, maintenance and operation of the Facilities. From and after the Acceptance Date, the Successor Seller shall provide for management and maintenance of the Facilities, subject to the approval of the Purchaser, and the Purchaser and will pay all costs, claims, damages, fees and charges arising out of possession, use, management or maintenance of the Facilities. From and after the Acceptance Date, except as provided in any warranties made or transferred to Purchaser, Purchaser shall be

responsible for all interior and exterior replacements and repairs, including roof and structural repairs and replacements, at Purchaser's expense.

12. Alterations. Purchaser will not make any alterations, additions or improvements to the Facilities without the Seller's prior written consent, which consent shall not be unreasonably withheld; provided, however, that Purchaser may, without the Seller's consent, make such alterations, additions or improvements as enhance the fair market value of the Facilities or as do not change the character, essentiality or utility of the Facilities and may be readily removed without damage to the Facilities or diminution in the fair market value of the Facilities.

13. Location; Inspection. Following actual possession of the Facilities by Purchaser and on reasonable notice Seller will be entitled to inspect the Facilities during reasonable business hours. Such right of inspection shall be subject to reasonable security arrangements.

14. Liens. Except as otherwise provided in this Agreement, Purchaser shall keep the Facilities or cause the Facilities to be kept free and clear of all liens and encumbrances except Permitted Encumbrances.

15. Risk of Loss; Damage; Destruction; Condemnation. From and after the Acceptance Date, Purchaser assumes all risk of loss of or damage to the Facilities from any cause whatsoever, and no such loss of or damage to the Facilities, nor taking by condemnation thereof by governmental authorities, nor defect therein nor unfitness nor obsolescence thereof shall relieve Purchaser of the obligation to make Installment Payments or to perform any other obligation under this Agreement. In the event of damage, destruction or condemnation of the Facilities after the Acceptance Date, Purchaser will, at its option, (a) immediately restore the same to their prior condition and, if and when received, shall apply the proceeds of any insurance recovery to the costs incurred in making such repairs or cause the same to be so applied, or (b) replace the Facilities with facilities of equivalent value and usefulness in good repair as provided in Section 20 and cause such replacement facilities to become Facilities hereunder, or (c) direct the Fiscal Agent to prepay the Participations then Outstanding from and to the extent of proceeds of insurance, self-insurance or condemnation in accordance with Section 3.16(c) of the Fiscal Agent Agreement.

16. Insurance. With respect to the Facilities, the State shall, from and after the Acceptance Date, either purchase and maintain, or cause to be purchased and maintained, commercial casualty insurance, such insurance to be satisfactory to the Insurer, including the perils of FIRE, LIGHTNING, WINDSTORM,

HAIL, EXPLOSION, AIRCRAFT VEHICLES, SMOKE, RIOT, CIVIL COMMOTION, STRIKES OR OTHER LABOR DISTURBANCES, VANDALISM AND MALICIOUS MISCHIEF, TRANSPORTATION HAZARDS, THEFT, BURGLARY AND WATER DAMAGE, or be self insured with respect to such risks with such self insurance to be satisfactory to the Insurer. The State shall also purchase and maintain, or cause to be purchased and maintained, public liability and property damage insurance or be self-insured with respect to such risks, such insurance or self-insurance to be satisfactory to the Insurer. The Seller and the Fiscal Agent shall be named as additional insureds under any such casualty or liability insurance.

In the event of any loss, damage, injury or accident involving the Facilities, the State shall promptly provide or cause to be provided to Seller, the Insurer and the Fiscal Agent written notice thereof and make available or cause to be made available to Seller, the Insurer and the Fiscal Agent all information and documentation relating thereto.

17. Prepayments.

(a) To the extent specifically provided for in the Seller Assignment, Purchaser will have the right or the obligation to prepay the principal component of all Base Installment Payments in accordance with the Fiscal Agent Agreement.

(b) In the event the Acceptance Certificate has not been delivered to the Seller and the Fiscal Agent on or before the Final Acceptance Date, all of the outstanding principal component of the Participations shall be mandatorily prepaid from funds on deposit with the Fiscal Agent, including proceeds of any Credit Facility delivered by the Original Seller pursuant to the Seller Assignment.

(c) There shall be credited against such optional or mandatory prepayment any funds available and held in trust by the Fiscal Agent for such purpose under the Fiscal Agent Agreement. Upon the deposit of an amount sufficient for any such prepayment in whole with the Fiscal Agent all Installment Payments shall be deemed paid and, if the Acceptance Date shall have previously occurred, the Facilities shall be promptly conveyed to the State.

18. Assignment By Purchaser. During the Term, without the prior written consent of CMS, Seller, Seller's construction lender (but only prior to the Acceptance Date), the Insurer and the Fiscal Agent, Purchaser will not: (i) except for Permitted Encumbrances, assign, transfer, convey, pledge, hypothecate or grant any security interest in or lease or otherwise dispose of this Agreement or the Facilities or any interest in this Agreement or the Facilities, or (ii) lease or lend the Facilities or permit them to be operated by anyone other than Purchaser,

Purchaser's employees or persons authorized by Purchaser in connection with Purchaser's operation of the Facilities; provided that in no event shall any such action release the Purchaser from its obligations to make Installment Payments hereunder. The State expressly reserves the right, with the written consent of the Insurer, to direct the Seller and/or the Fiscal Agent to assign, transfer, convey, or otherwise dispose of unimproved land included in the Facilities subsequent to the Acceptance Date; provided that such disposition does not significantly adversely affect the use and operation or value of the Facilities or result in any violation of any law, regulation, easement or agreement affecting the Facilities.

19. Tax Warranties. Purchaser hereby warrants that it will not take any action, omit to take any action or permit the taking or omission of any action (including, without limitation, making or permitting any use of the proceeds of the Seller's transfer or assignment of this Agreement or the Facilities) if taking or omitting to take such action would cause any interest in this Agreement to be an arbitrage bond, a private activity bond or a federally guaranteed obligation within the meaning of the Code or would otherwise cause the interest component of Base Installment Payments to be included in the gross income of the recipients thereof for federal income tax purposes.

20. Replacement Facilities. During the Term and subject to and in accordance with Section 19 hereof, Purchaser may elect to substitute replacement facilities for the Facilities and the State may elect to substitute a replacement agency of the State for the named Purchaser, with the prior written consent of the Insurer, provided such replacement facilities and/or replacement Purchaser shall comply with the requirements of this Agreement and the Fiscal Agent Agreement and shall have a fair market value at the time such replacement Facilities become subject to this Agreement which is not less than the value of the Facilities being replaced; and provided the State delivers to the Fiscal Agent and the Insurer an opinion of nationally recognized municipal bond counsel to the effect that such substitution of replacement Facilities or of a replacement Purchaser will not adversely affect the federal tax status of interest with respect to the Participations. Purchaser hereby confirms that its representations and warranties with respect to the Facilities and itself apply to such replacement Facilities and replacement Purchaser. Unless funds are available in the Facilities Acquisition Fund to pay therefor, Purchaser shall be responsible for the payment of the costs relating to such substitution. In the event replacement Facilities are substituted in accordance with the provisions of this Section 20, Exhibit A hereto and the Specifications shall be amended to reflect such acquisition. In the event a replacement Purchaser is substituted in accordance with this Section 20, such replacement Purchaser shall succeed to all the rights and obligations of the original Purchaser and

shall execute and deliver a written instrument satisfactory to the Insurer, the Seller and the Fiscal Agent evidencing such substitution.

21. Events of Default. The term "Event of Default" as used herein, means the occurrence of any one or more of the following events:

(a) Purchaser fails to make, for a reason other than a nonappropriation of funds, any deposit of Base Installment Payments as required in accordance with the terms of paragraph (f) of Section 4 of this Agreement, and any such failure continues for ten (10) days after the required deposit date; or

(b) Purchaser fails to make, for a reason other than nonappropriation of funds, any other payment required to be made by Purchaser pursuant to this Agreement, and any such failure continues for ten (10) days after written notice thereof by Seller or the Fiscal Agent, it being understood that such notice is a condition precedent to the existence of an Event of Default but not to Purchaser's obligations to make such payment in accordance with the terms of this Agreement and further that the notice provisions of Section 4(c) of this Agreement shall be in addition to the notice set forth in this Section 21(b); or

(c) Purchaser fails to give notice of nonappropriation to the Seller, the Insurer or the Fiscal Agent pursuant to Section 5 hereof within 30 days after the occurrence thereof; or

(d) Purchaser fails to perform or observe any term of this Agreement to be performed or observed by it hereunder (other than as described in paragraphs (a), (b) or (c) hereof) and such failure is not cured within sixty (60) days after written notice thereof by Seller or the Fiscal Agent, provided that if such default cannot with due diligence be cured within such sixty (60) day period and Purchaser shall have diligently commenced to cure such default within such period and shall thereafter with reasonable diligence and in good faith proceed to remedy or cure such default, such default shall not be an Event of Default; or

(e) Any representation or warranty made by Purchaser in this Agreement or in any other writing delivered by Purchaser pursuant to or in connection with this Agreement was incorrect in any material respect at the time made and, if susceptible of cure, is not cured within ten (10) days after notice thereof is given to Purchaser by Seller or the Fiscal Agent.

22. Remedies. Upon the occurrence of an Event of Default, and as long as such Event of Default is continuing, the Seller or the Fiscal Agent may, with the written consent of the

Insurer, and shall, at the written direction of the Insurer, exercise any one or more of the following remedies:

(a) By written notice to Purchaser, declare an amount equal to all amounts then due under this Agreement and all remaining Installment Payments hereunder (not to exceed an amount sufficient to pay all unpaid principal and accrued and unpaid interest included in Base Installment Payments and all other amounts payable hereunder) to be immediately due and payable, whereupon the same shall become immediately due and payable; provided any payment shall be subject to legally available funds;

(b) Upon seven days prior written notice, enter upon the premises where the Facilities are located and take immediate possession of the Facilities;

(c) Sell, lease or otherwise dispose of the Facilities for the account of Purchaser, holding Purchaser liable for all Installment Payments and other payments due and for the difference between the purchase price, rental and other amounts paid by the purchaser or lessee pursuant to such sale, lease or other disposition and the amounts payable by Purchaser hereunder; provided that any excess proceeds from such sale, lease, other disposition or sublease, after deduction for and payment of fees, expenses and taxes levied on such sale, lease, other disposition or sublease, payment of all unpaid Administrative Expenses and distribution to the Fiscal Agent in the amount of the unpaid principal and accrued and unpaid interest components of Base Installment Payments, shall be paid to the State;

(d) Elect to terminate and cancel this Agreement; provided that no such election shall be made prior to the Acceptance Date; and

(e) Any other right, remedy or privilege which may be available to it under applicable law.

The provisions of this Section are subject, however, to the condition that if, at any time after such amount shall have been so declared due and payable and before the Facilities have been disposed of, all sums payable hereunder except the principal amounts of the Participations which have become due solely by virtue of such acceleration shall have been duly paid and all existing defaults or nonappropriation events shall have been cured, then and in every such case such payment shall constitute a waiver of such default or nonappropriation event and its consequences and an automatic rescission and annulment of such declaration, but no such waiver shall extend to or affect any subsequent default or nonappropriation event or impair any right consequent thereto. So long as the Insurer shall not have violated any provisions of the Insurance Policy, all actions

authorized under this Section shall be subject to the prior written consent of the Insurer.

In addition, Purchaser will remain liable for all obligations under this Agreement and for all legal fees and other costs and expenses, including court costs, when and if deemed appropriate and awarded by a court of competent jurisdiction, incurred with respect to the enforcement of any remedies hereunder, when it is finally adjudicated by a court of competent jurisdiction that Purchaser is in default under this Agreement.

Purchaser acknowledges that Seller's rights to exercise remedies under this Section 22 may be assigned by Seller to the Fiscal Agent pursuant to Section 32 hereof, and Purchaser agrees that Seller or the Fiscal Agent shall be entitled to exercise all remedies provided for herein.

23. Notices. All notices to be given under this Agreement shall be in writing and mailed by certified mail, return receipt requested, to the other party at its address set forth below or at such address as such party may provide in writing from time to time.

If to Seller on or prior to the Acceptance Date:

National Build To Suit Clinton L.L.C.
7303 North Cicero Avenue
Lincolnwood, Illinois 60646
Attention: The Alter Group

If to Seller on or after the Acceptance Date:

Public Asset Services Corp.
Three First National Plaza, Suite 1400
Chicago, Illinois 60602
Attention: President

If to the Insurer:

MBIA Insurance Corporation
113 King Street
Armonk, New York 10504
Attention: Surveillance

If to Purchaser:

Department of Central Management
Services
712 Stratton Building
Springfield, Illinois 62706
Attention: Director

and

The Illinois Department of Public Aid
100 South Grand Avenue East
Springfield, Illinois 62762
Attention: Director

Any such notice shall be deemed to have been received five (5) days subsequent to mailing.

24. Section Headings. All section headings contained in this Agreement are for convenience of reference only and are not intended to define or limit the scope of any provision of this Agreement.

25. Governing Law. This Agreement shall be construed in accordance with, and shall be governed by, the laws of the State of Illinois.

26. Delivery of Related Documents. Purchaser will execute or provide, as requested by Seller or the Fiscal Agent, such other documents and information as are reasonably necessary with respect to the transactions contemplated by this Agreement, including financing statements and similar documents.

27. Entire Agreement; Severability; Waiver; Amendment. This Agreement, which includes all Exhibits and other attachments hereto, and the Construction Documents and other documents or instruments executed by Purchaser and Seller in connection herewith, constitutes the entire agreement between the parties with respect to the purchase of the Facilities, and this Agreement shall not be modified, amended, altered, or changed except with the written consent of Purchaser and Seller and, from and after the Assignment Closing Date, the Fiscal Agent and the Insurer; provided, however, that the Construction Documents may be modified, amended, altered or changed with the written consent of only the Original Seller and the Purchaser. Any provision of this Agreement found to be prohibited by law or deemed inoperative at any time shall be ineffective to the extent of such prohibition without invalidating the remainder of this Agreement. The waiver by Seller (and, from and after the Assignment Closing Date, the Fiscal Agent and the Insurer) of any breach by Purchaser of any term or condition hereof shall not operate as a waiver of any subsequent breach thereof.

28. Execution in Counterparts. This Agreement may be executed in several counterparts each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

29. Payment on Non-Business Day. If pursuant to the terms of this Agreement any payment is due or obligation is to be discharged on a day other than a Business Day, such payment shall become due or obligation shall be discharged on the next succeeding Business Day.

30. Successor Seller Services. On the Assignment Closing Date, the Original Seller shall execute and deliver an agreement with the Successor Seller, subject to the consent of the Purchaser, pursuant to which the Successor Seller shall agree to perform such services relating to the Facilities and the Participations as the Purchaser shall request, including the following: (a) review of any reports furnished by the Fiscal Agent; (b) confirmation of investment earnings credited against Base Installment Payments pursuant to Section 4(g) hereof; (c) consultation on and administration of approvals and consents required from the Insurer; (d) consultation on and monitoring of the budget and appropriation processes of the State relating to the timely payment of Installment Payments; (e) review of the Acceptance Certificate and supporting documents; (f) performance of periodic refunding savings analyses; and (g) administration of arbitrage rebate matters as required under the Code. Such agreement shall provide that at the time of Purchaser's acceptance of the Facilities on the Acceptance Date, the Successor Seller shall (i) accept the conveyance of title to the Facilities or an absolute assignment of the beneficial interest in the Facilities pursuant to Section 9 hereof and thereafter hold such title or beneficial interest as Successor Seller in accordance with this Agreement, (ii) accept the assignments and releases described in Section 32(c) hereof and (iii) assume the Original Seller's obligations under Section 3 hereof and under the Fiscal Agent Agreement. The Successor Seller shall be compensated for the foregoing services as agreed by the Successor Seller and the Purchaser.

31. [Reserved.]

32. Seller's Assignment Option. Seller shall not assign, transfer, convey, lease, pledge, encumber or otherwise dispose of its right, title or interest in this Agreement without the prior written consent of Purchaser except as hereafter provided.

(a) From and after the date hereof, the Original Seller shall have the right, at its sole option, to sell and assign all of its rights, titles and interests under this Agreement, other than Retained Rights, to the Fiscal Agent, subject to the following terms and conditions:

(i) Written Assignment. Such sale and assignment shall be accomplished through the Original Seller's and the Fiscal Agent's execution and delivery of the Seller Assignment

which shall be consented to and acknowledged by the Purchaser. The Seller Assignment may provide that it shall become effective on a specified closing date (such effective date being the "Assignment Closing Date").

(ii) Conditions Precedent To Assignment. On or before the Assignment Closing Date, the Original Seller shall have satisfied all conditions precedent to the effectiveness of the Seller Assignment as may be specified in the Seller Assignment, including the delivery of any required Credit Facility to the Fiscal Agent.

(b) Notwithstanding Section 32(a), the Original Seller shall have the right to grant, on or subsequent to the Assignment Closing Date and prior to the Acceptance Date, a collateral assignment of and security interest in the Retained Rights, to a lender or lenders in connection with acquisition and/or construction financing for the Facilities; provided that any such grant shall in no way impair or derogate any of the rights of the Fiscal Agent, the Owners of Participations, or the Insurer under the Seller Assignment and the Fiscal Agent Agreement and that such grant shall not provide the grantee any greater rights than the Retained Rights the Original Seller possesses hereunder.

(c) Concurrently with the Purchaser's delivery of the Acceptance Certificate pursuant to Section 2(a) hereof and in consideration of the payment to be made to the Original Seller or at its direction pursuant to Section 4.03(c) of the Fiscal Agent Agreement, the Original Seller shall assign all of its right, title and interest in the Retained Rights (A) described in clause (v) of the definition thereof to the Purchaser and (B) described in clauses (iii), (vi) and (vii) of the definition thereof to the Successor Seller and shall deliver or cause to be delivered to the Successor Seller and to the Fiscal Agent releases or other instruments evidencing the release of any collateral assignments, construction liens or security interests granted to any lender or lenders and described in Section 32(b) hereof and evidencing the payment in full of the Original Seller's construction indebtedness and shall assign all of its right, title and interest under the Fiscal Agent Agreement to the Successor Seller.

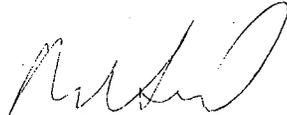
33. Time of the Essence. Except as otherwise provided herein, time shall be of the essence in the construction of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement by their authorized signatures as of the date first written above.

Seller: National Build To Suit
Clinton L.L.C., an Illinois
limited liability company

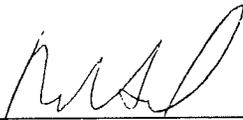
By its Members:
Chai Venture, an Illinois
limited partnership

By 18-Chai Corp.,
an Illinois corporation

By 
Ronald Siegel
Vice President

TAG Real Estate Venture,
an Illinois limited
partnership

By 18-Chai Corp.,
an Illinois corporation

By 
Ronald Siegel
Vice President

Purchaser: THE STATE OF ILLINOIS
Department of Central
Management Services

By _____
Title: _____

Illinois Department of
Public Aid

By _____
Title: _____

IN WITNESS WHEREOF, the parties have executed this Agreement by their authorized signatures as of the date first written above.

Seller: National Build To Suit
Clinton L.L.C., an Illinois
limited liability company

By its Members:
Chai Venture, an Illinois
limited partnership

By 18-Chai Corp.,
an Illinois corporation

By _____
Ronald Siegel
Vice President

TAG Real Estate Venture,
an Illinois limited
partnership

By 18-Chai Corp.,
an Illinois corporation

By _____
Ronald Siegel
Vice President

Purchaser: THE STATE OF ILLINOIS
Department of Central
Management Services

By Michael S. Schwarz
Title: _____

Illinois Department of
Public Aid

By Robert W. Wright
Title: _____

EXHIBIT A

LEGAL DESCRIPTION

THE WEST 113.00 FEET OF THE FOLLOWING PARCEL, TAKEN AS A TRACT:

LOT 24 (EXCEPT THE SOUTH 9.4 FEET THEREOF) AND ALL OF LOTS 25 TO 38, INCLUSIVE, IN MOSELEY AND MCCORD SUBDIVISION OF BLOCK 53 IN SCHOOL SECTION ADDITION TO CHICAGO, A SUBDIVISION IN SECTION 16, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PIN: 17-16-129-086-0000
515 West Van Buren, Chicago, Illinois

EXHIBIT B

ACCEPTANCE CERTIFICATE

The STATE OF ILLINOIS, acting by the Department of Central Management Services for the benefit of the Illinois Department of Public Aid, ("Purchaser") hereby accepts for purposes of the Installment Purchase Agreement dated as of February 1, 1996, as amended (the "Agreement") by and between National Build To Suit Clinton L.L.C., an Illinois limited liability company, as Seller, and the Purchaser the Facilities as being in full compliance with the Specifications and the Construction Documents except as set forth in the Punch List Attachment hereto. All capitalized terms used in this Acceptance Certificate have the meanings set forth in the Agreement. Notwithstanding the matters included in the Punch List Attachment hereto, the execution and delivery by the Purchaser of this Acceptance Certificate shall evidence the Purchaser's acceptance of the Facilities with the intent and effect of establishing the date set forth below as the Acceptance Date for all purposes of the Agreement. From and after the execution and delivery of this Acceptance Certificate, the Purchaser's obligations under the Agreement shall be payable from State-appropriated funds in accordance with Section 4 of the Agreement and other moneys held under the Fiscal Agent Agreement.

STATE OF ILLINOIS acting by
the Department of Central
Management Services for the
benefit of the Illinois
Department of Public Aid.

By _____
Name:
Its:

Dated: _____

ILLINOIS DEPARTMENT OF
PUBLIC AID

By _____
Name:
Its:

Dated: _____

EXHIBIT C

SELLER ASSIGNMENT

This Seller Assignment dated as of February 1, 1996 by National Build To Suit Clinton L.L.C., an Illinois limited liability company, as Seller (the "Seller"), and LaSalle National Trust, N.A., a national association, as Fiscal Agent (the "Fiscal Agent"),

WITNESSETH:

Section 1. Recitals.

(a) The Seller and the State of Illinois (the "State"), acting by the Department of Central Management Services for the benefit of the Illinois Department of Public Aid, (the "Purchaser") have entered into an Installment Purchase Agreement dated as of February 1, 1996 (the "IPA"), providing for the acquisition and construction of certain land and buildings (the "Facilities") in the manner and on the terms set forth in the IPA.

(b) Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the IPA or the Fiscal Agent Agreement (hereafter defined).

(c) On February 22, 1996, or on such date as the Seller, the Fiscal Agent and the Purchaser shall specify in writing (the "Assignment Closing Date"), the Seller and the Fiscal Agent will execute and deliver a Fiscal Agent Agreement dated as of February 1, 1996, (the "Fiscal Agent Agreement"). Pursuant to the Fiscal Agent Agreement, the Fiscal Agent will, on the Assignment Closing Date, execute and deliver Participations (the "Participations") evidencing proportionate interests in the assigned rights described in Section 3 hereof (the "Seller Assigned Rights") and hold the Seller Assigned Rights for the benefit of the owners from time to time of the Participations and the Fiscal Agent will receive and hold moneys paid by the original purchasers of the Participations in consideration of their purchase of the Participations in accordance with the terms and conditions of the Fiscal Agent Agreement.

(d) The Seller is making and entering this Assignment pursuant to Section 32(a) of the IPA.

Section 2. Representations, Covenants and Warranties.

The Seller hereby represents and covenants to and with the Fiscal Agent that on the date of execution and delivery of this Assignment, the facts stated below are true and correct.

(a) The Seller is a limited liability company organized and validly existing under the laws of the State of Illinois.

(b) The Seller by proper action has duly authorized the execution and delivery of and the due performance of its obligations under the IPA and this Assignment and all such other agreements and documents as may be required to be executed and delivered in order to carry out, give effect to and consummate the transactions contemplated by the IPA and this Assignment.

(c) The Seller has by proper action duly authorized the taking of any and all other actions as may be required on the part of the Seller to carry out, give effect to and consummate the transactions contemplated by the IPA and this Assignment.

(d) There is no claim, action, temporary restraining order, injunction, suit, proceeding, inquiry or investigation, at law or in equity, before or by any judicial or administrative court, governmental agency, public board or body pending or (to the best of its knowledge) threatened, (nor is there any basis therefor) wherein an unfavorable decision, ruling or finding (a) would materially adversely affect the properties or assets of the Seller, the financial condition or the operations of the Seller or the transactions contemplated on the Seller's part by the IPA or this Assignment or (b) would in any way adversely affect the validity or enforceability of the IPA or this Assignment (or of any other instrument required or contemplated for use in consummating the transactions contemplated thereby or hereby).

Section 3. Sale and Assignment.

The Seller hereby agrees that on the Assignment Closing Date it shall, concurrently with the Fiscal Agent's execution and delivery of the Fiscal Agent Agreement, sell, assign and transfer, without recourse, to the Fiscal Agent all of the Seller Assigned Rights (consisting of all of the Seller's right, title and interest in and under the IPA, except for the Retained Rights).

Section 4. Acceptance.

The Fiscal Agent hereby agrees to accept the sale and assignment provided for herein on the Assignment Closing Date.

Section 5. Deposit of Funds.

In consideration of the sale and assignment of the Seller Assigned Rights, the Fiscal Agent agrees that, subject to its execution and delivery of the Fiscal Agent Agreement, it will on the Assignment Closing Date accept delivery from the original

purchasers of the Participations the sum of \$19,291,692, in consideration of their purchase of the Participations, for deposit and application in accordance with the terms of the Fiscal Agent Agreement.

Section 6. Sale of the Participations.

(a) The amount to be received by the Fiscal Agent pursuant to Section 5 hereof shall be deposited in the funds and accounts under the Fiscal Agent Agreement as set forth in Appendix A hereto and shall be held in trust for the purpose of making payments to the Seller and for the other purposes provided in the Fiscal Agent Agreement.

(b) The Seller shall deliver to the Fiscal Agent on the Assignment Closing Date a Credit Facility as described in Appendix A hereto.

(c) The Base Installment Payments specified in Exhibit E to the IPA are hereby amended and restated in their entirety as set forth in Appendix B to this Assignment and Appendix B hereto shall be substituted as Exhibit E to the IPA.

(d) The principal component of Base Installment Payments is subject to extraordinary mandatory prepayment (i) on the Mandatory Prepayment Date from and to the extent of amounts on deposit with the Fiscal Agent, including Credit Facilities, if the Acceptance Date has not occurred on or before the Final Acceptance Date or (ii) in the event of damage, destruction or condemnation from and to the extent of insurance, self-insurance or condemnation proceeds and other funds held by the Fiscal Agent, all pursuant to Section 3.16 of the Fiscal Agent Agreement.

(e) The Purchaser shall be entitled to credits against its Base Installment Payment obligations to the extent of amounts on deposit with the Fiscal Agent for such purpose and Exhibit D to the IPA is hereby amended and restated in its entirety as set forth in Appendix C to this Assignment and Appendix C hereto shall be substituted as Exhibit D to the IPA.

(f) The Seller shall provide such opinions, certificates and other documents, as may be reasonably required by the underwriter or other original purchaser in connection with the original sale of the Participations pursuant to the Fiscal Agent Agreement.

Section 7. Execution in Counterparts.

This Assignment may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

Section 8. Certain Amendments to Fiscal Agent Agreement Prohibited.

The Seller and the Fiscal Agent acknowledge that LaSalle National Bank, Seller's construction lender, is a third party beneficiary of the Fiscal Agent's payment obligations under Section 4.03 of the Fiscal Agent Agreement and covenant and agree not to amend, modify or change Section 4.03 of the Fiscal Agent Agreement so as to adversely affect said construction lender's rights with respect to payment for the Facilities pursuant to the Construction Documents and any construction loan or security agreement to which Seller is a party.

IN WITNESS WHEREOF, the parties have executed this Assignment as of the date first above set forth.

National Build To Suit
Clinton L.L.C., an Illinois
limited liability company

By its Members:
Chai Venture, an Illinois
limited partnership

By 18-Chai Corp.,
an Illinois corporation

By _____
Ronald Siegel
Vice President

TAG Real Estate Venture,
an Illinois limited
partnership

By 18-Chai Corp.,
an Illinois corporation

By _____
Ronald Siegel
Vice President

LaSalle National Trust, N.A.
as Fiscal Agent

By: _____
Name:

Its: _____

ACKNOWLEDGMENT

The undersigned, the State of Illinois acting by the Department of Central Management Services for the benefit of the Illinois Department of Public Aid, (the "Purchaser"), hereby (i) acknowledges its receipt and review of that certain Seller Assignment dated as of February 1, 1996 (as the same may be amended, supplemented or otherwise modified from time to time, the "Assignment") executed by National Build To Suit Clinton L.L.C., an Illinois limited liability company, (the "Seller"), in favor of LaSalle National Trust, N.A., a national association (the "Fiscal Agent"), pursuant to which the Seller has agreed to sell and assign, without recourse, to the Fiscal Agent all of the Seller's rights, title and interest in, to and under that certain Installment Purchase Agreement dated as of February 1, 1996 (the "IPA"), including, without limitation, the Seller's right to receive all of the "Base Installment Payments" (as defined therein) and other payments due from the Purchaser thereunder, but excluding therefrom certain rights designated therein as being "Retained Rights," (ii) acknowledges and reaffirms that the Fiscal Agent is expressly intended and shall for all purposes be deemed to be a third party beneficiary to the IPA, (iii) reaffirms, subject to the execution and delivery of the Fiscal Agent Agreement on the Assignment Closing Date, its obligation and agreement to make all Base Installment Payments and other payments required to be made by it to the Seller under the IPA directly to the Fiscal Agent as contemplated by the Assignment, and (iv) reaffirms, subject to the execution and delivery of the Fiscal Agent Agreement on the Assignment Closing Date, its agreement that its obligations to make all such Base Installment Payments and such other payments to the Fiscal Agent shall be subject to legally available funds.

Dated: February __, 1996

THE STATE OF ILLINOIS, by its
Department of Central Management
Services for the benefit of the
Illinois Department of Public Aid

By: _____
Title:

APPENDIX A

The following amount shall be received by the Fiscal Agent on the Assignment Closing Date pursuant to Section 5 of the Seller Assignment and deposited into the following funds and accounts under the Fiscal Agent Agreement:

Amount Received \$ 19,291,692

Amounts Deposited

Capitalized Interest Account
(including accrued interest) \$ 1,144,032
Costs of Issuance Account 290,978
Acquisition Account 17,856,682

Total Deposits \$ 19,291,692

Credit Facility Provider: LaSalle National Bank
Credit Facility Amount: \$700,000
Credit Facility Description: Irrevocable Letter of Credit

APPENDIX B

BASE INSTALLMENT PAYMENTS

(1) Installment Payment Date	(2) Principal Component	(3) Interest Component	(4) Base Installment Payments
30-Jun-96	\$	\$ 424,277.08	\$ 424,277.08
31-Dec-96		509,132.50	509,132.50
30-Jun-97		509,132.50	509,132.50
31-Dec-97		509,132.50	509,132.50
30-Jun-98	600,000.00	509,132.50	1,109,132.50
31-Dec-98		497,132.50	497,132.50
30-Jun-99	620,000.00	497,132.50	1,117,132.50
31-Dec-99		484,112.50	484,112.50
30-Jun-00	650,000.00	484,112.50	1,134,112.50
31-Dec-00		469,975.00	469,975.00
30-Jun-01	675,000.00	469,975.00	1,144,975.00
31-Dec-01		454,787.50	454,787.50
30-Jun-02	705,000.00	454,787.50	1,159,787.50
31-Dec-02		438,572.50	438,572.50
30-Jun-03	740,000.00	438,572.50	1,178,572.50
31-Dec-03		421,182.50	421,182.50
30-Jun-04	775,000.00	421,182.50	1,196,182.50
31-Dec-04		402,582.50	402,582.50
30-Jun-05	810,000.00	402,582.50	1,212,582.50
31-Dec-05		382,737.50	382,737.50
30-Jun-06	850,000.00	382,737.50	1,232,737.50
31-Dec-06		361,487.50	361,487.50
30-Jun-07	895,000.00	361,487.50	1,256,487.50
31-Dec-07		338,441.25	338,441.25
30-Jun-08	940,000.00	338,441.25	1,278,441.25
31-Dec-08		313,531.25	313,531.25
30-Jun-09	990,000.00	313,531.25	1,303,531.25
31-Dec-09		286,801.25	286,801.25
30-Jun-10	1,045,000.00	286,801.25	1,331,801.25
31-Dec-10		258,063.75	258,063.75
30-Jun-11	1,100,000.00	258,063.75	1,358,063.75
31-Dec-11		226,988.75	226,988.75
30-Jun-12	1,160,000.00	226,988.75	1,386,988.75
31-Dec-12		194,218.75	194,218.75
30-Jun-13	1,230,000.00	194,218.75	1,424,218.75
31-Dec-13		159,471.25	159,471.25
30-Jun-14	1,295,000.00	159,471.25	1,454,471.25
31-Dec-14		122,887.50	122,887.50
30-Jun-15	1,370,000.00	122,887.50	1,492,887.50
31-Dec-15		84,185.00	84,185.00
30-Jun-16	1,450,000.00	84,185.00	1,534,185.00
31-Dec-16		43,222.50	43,222.50
30-Jun-17	1,530,000.00	43,222.50	1,573,222.50

* The amounts shown in column (3) for the following dates shall include monies to be transferred to the Payment Fund from the Capitalized Interest Account of the Facilities Acquisition Fund in the following amounts:

30-Jun-96	\$	424,277.08
31-Dec-96	\$	509,132.50
30-Jun-97	\$	254,566.25

APPENDIX C
FUNDING AMOUNTS

Installment Payment Dates	Funding Amount (1)
30-Jun-96	\$ 0.00
31-Dec-96	0.00
30-Jun-97	254,566.25
31-Dec-97	509,132.50
30-Jun-98	1,109,132.50
31-Dec-98	497,132.50
30-Jun-99	1,117,132.50
31-Dec-99	484,112.50
30-Jun-00	1,134,112.50
31-Dec-00	469,975.00
30-Jun-01	1,144,975.00
31-Dec-01	454,787.50
30-Jun-02	1,159,787.50
31-Dec-02	438,572.50
30-Jun-03	1,178,572.50
31-Dec-03	421,182.50
30-Jun-04	1,196,182.50
31-Dec-04	402,582.50
30-Jun-05	1,212,582.50
31-Dec-05	382,737.50
30-Jun-06	1,232,737.50
31-Dec-06	361,487.50
30-Jun-07	1,256,487.50
31-Dec-07	338,441.25
30-Jun-08	1,278,441.25
31-Dec-08	313,531.25
30-Jun-09	1,303,531.25
31-Dec-09	286,801.25
30-Jun-10	1,331,801.25
31-Dec-10	258,063.75
30-Jun-11	1,358,063.75
31-Dec-11	226,988.75
30-Jun-12	1,386,988.75
31-Dec-12	194,218.75
30-Jun-13	1,424,218.75
31-Dec-13	159,471.25
30-Jun-14	1,454,471.25
31-Dec-14	122,887.50
30-Jun-15	1,492,887.50
31-Dec-15	84,185.00
30-Jun-16	1,534,185.00
31-Dec-16	43,222.50
30-Jun-17	1,573,222.50

(1) The Funding Amount for each Installment Payment Date equals (a) the amount of Base Installment Payments payable on such Installment Payment Date, less (b) the amount expected to be on deposit with the Fiscal Agent and available as a credit for such purpose pursuant to Section 4(g) of the Installment Purchase Agreement and Section 6(e) of the Seller Assignment.

EXHIBIT D
FUNDING SCHEDULE

<u>Installment Payment Dates</u>	<u>Funding Amount (1)</u>
30-Jun-96	\$ 0.00
31-Dec-96	0.00
30-Jun-97	254,566.25
31-Dec-97	509,132.50
30-Jun-98	1,109,132.50
31-Dec-98	497,132.50
30-Jun-99	1,117,132.50
31-Dec-99	484,112.50
30-Jun-00	1,134,112.50
31-Dec-00	469,975.00
30-Jun-01	1,144,975.00
31-Dec-01	454,787.50
30-Jun-02	1,159,787.50
31-Dec-02	438,572.50
30-Jun-03	1,178,572.50
31-Dec-03	421,182.50
30-Jun-04	1,196,182.50
31-Dec-04	402,582.50
30-Jun-05	1,212,582.50
31-Dec-05	382,737.50
30-Jun-06	1,232,737.50
31-Dec-06	361,487.50
30-Jun-07	1,256,487.50
31-Dec-07	338,441.25
30-Jun-08	1,278,441.25
31-Dec-08	313,531.25
30-Jun-09	1,303,531.25
31-Dec-09	286,801.25
30-Jun-10	1,331,801.25
31-Dec-10	258,063.75
30-Jun-11	1,358,063.75
31-Dec-11	226,988.75
30-Jun-12	1,386,988.75
31-Dec-12	194,218.75
30-Jun-13	1,424,218.75
31-Dec-13	159,471.25
30-Jun-14	1,454,471.25
31-Dec-14	122,887.50
30-Jun-15	1,492,887.50
31-Dec-15	84,185.00
30-Jun-16	1,534,185.00
31-Dec-16	43,222.50
30-Jun-17	1,573,222.50

(1) The Funding Amount for each Installment Payment Date equals (a) the amount of Base Installment Payments payable on such Installment Payment Date, less (b) the amount expected to be on deposit with the Fiscal Agent and available as a credit for such purpose pursuant to Section 4(g) of the Installment Purchase Agreement and Section 6(e) of the Seller Assignment.

EXHIBIT E

BASE INSTALLMENT PAYMENT SCHEDULE

(1) Installment Payment Date	(2) Principal Component	(3) Interest Component	(4) Base Installment Payments
30-Jun-96	\$	\$ 424,277.08	\$ 424,277.08
31-Dec-96		509,132.50	509,132.50
30-Jun-97		509,132.50	509,132.50
31-Dec-97		509,132.50	509,132.50
30-Jun-98	600,000.00	509,132.50	1,109,132.50
31-Dec-98		497,132.50	497,132.50
30-Jun-99	620,000.00	497,132.50	1,117,132.50
31-Dec-99		484,112.50	484,112.50
30-Jun-00	650,000.00	484,112.50	1,134,112.50
31-Dec-00		469,975.00	469,975.00
30-Jun-01	675,000.00	469,975.00	1,144,975.00
31-Dec-01		454,787.50	454,787.50
30-Jun-02	705,000.00	454,787.50	1,159,787.50
31-Dec-02		438,572.50	438,572.50
30-Jun-03	740,000.00	438,572.50	1,178,572.50
31-Dec-03		421,182.50	421,182.50
30-Jun-04	775,000.00	421,182.50	1,196,182.50
31-Dec-04		402,582.50	402,582.50
30-Jun-05	810,000.00	402,582.50	1,212,582.50
31-Dec-05		382,737.50	382,737.50
30-Jun-06	850,000.00	382,737.50	1,232,737.50
31-Dec-06		361,487.50	361,487.50
30-Jun-07	895,000.00	361,487.50	1,256,487.50
31-Dec-07		338,441.25	338,441.25
30-Jun-08	940,000.00	338,441.25	1,278,441.25
31-Dec-08		313,531.25	313,531.25
30-Jun-09	990,000.00	313,531.25	1,303,531.25
31-Dec-09		286,801.25	286,801.25
30-Jun-10	1,045,000.00	286,801.25	1,331,801.25
31-Dec-10		258,063.75	258,063.75
30-Jun-11	1,100,000.00	258,063.75	1,358,063.75
31-Dec-11		226,988.75	226,988.75
30-Jun-12	1,160,000.00	226,988.75	1,386,988.75
31-Dec-12		194,218.75	194,218.75
30-Jun-13	1,230,000.00	194,218.75	1,424,218.75
31-Dec-13		159,471.25	159,471.25
30-Jun-14	1,295,000.00	159,471.25	1,454,471.25
31-Dec-14		122,887.50	122,887.50
30-Jun-15	1,370,000.00	122,887.50	1,492,887.50
31-Dec-15		84,185.00	84,185.00
30-Jun-16	1,450,000.00	84,185.00	1,534,185.00
31-Dec-16		43,222.50	43,222.50
30-Jun-17	1,530,000.00	43,222.50	1,573,222.50

* The amounts shown in column (3) for the following dates shall include moneys to be transferred to the Payment Fund from the Capitalized Interest Account of the Facilities Acquisition Fund in the following amounts:

30-Jun-96	\$	424,277.08
31-Dec-96	\$	509,132.50
30-Jun-97	\$	254,566.25

EXHIBIT G

CERTIFICATIONS

- I. The Vendor certifies that it is not barred from being awarded a contract or subcontract under Section 10.1 or 10.3 of the Illinois Purchasing Act (30 ILCS 505/10.1, 505/10.3).
- II. The Vendor certifies that it has not been barred from contracting with a unit of State or local government as a result of a violation of Section 33-E3 or 33-E4 of the Criminal Code of 1961 (720 ILCS 5/33E-3, 5/33E-4)
- III. The Vendor certifies that it is not in default on an educational loan as provided in Public Act 85-827 (5 ILCS 385/1) (a partnership shall be considered barred if any partner is in default on an educational loan).
- IV. The Vendor certifies that it does not pay dues or fees on behalf of its employees or agents, nor subsidizes or otherwise reimburses them for payment of their dues or fees, to any club which unlawfully discriminates (775 ILCS 25/0.01).
- V. Under penalties of perjury, I certify that the name, taxpayer identification number, and legal status listed below are correct.

Name: _____

Taxpayer Identification Number:

Social Security Number _____

or

Employer Identification Number _____

(If you are an individual, enter your name and SSN as it appears on your Social Security Card. If completing this certification for a sole proprietorship, enter the owner's name followed by the name of the business and the owner's SSN. For all other entities, enter the name of the entity as used to apply for the entity's EIN and the EIN.)

Legal Status (check one):

- | | |
|---|---|
| <input type="checkbox"/> Individual | <input type="checkbox"/> Governmental entity |
| <input type="checkbox"/> Owner of Sole Proprietorship | <input type="checkbox"/> Nonresident alien individual |
| <input type="checkbox"/> Partnership | <input type="checkbox"/> Estate or legal trust |
| <input type="checkbox"/> Tax-exempt hospital or extended care facility | <input type="checkbox"/> Foreign corporation, partnership, estate, or trust |
| <input type="checkbox"/> Corporation providing or billing medical and/or health care services | <input type="checkbox"/> Other |
| <input type="checkbox"/> Corporation NOT providing or billing medical and/or health care services | |

VI. This certification is required by the Drug Free Workplace Act (30 ILCS 580/1) for contracts and grants effective January 1, 1992, and thereafter. The Drug Free Workplace Act requires that no grantee or contractor shall receive a grant or be considered for the purposes of being awarded a contract from the State for the procurement of any property or services unless that the grantee or contractor will provide a drug free workplace and that individuals must not engage in the unlawful manufacture, distribution, dispensation, possession or use of

a controlled substance in the performance of the contract or grant. False certification or violation of the certification may result in sanctions including, but not limited to, suspension of contract or grant payments, termination of the contract or grant and debarment of contracting or grant opportunities with the State for at least one (1) year but not more than five (5) years.

CONTRACTOR/GRANTEE: For the purpose of this certification, "grantee" or "contractor" means a corporation, partnership, or other entity with twenty-five (25) or more employees at the time of issuing the grant, or a department, division, or other unit thereof, directly responsible for the specific performance under a contract or grant of \$5,000 or more from the State.

The contractor/grantee certifies and agrees that it will provide a drug free workplace by:

- (a) Publishing a statement:
 - (1) Notifying employees that the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance, including cannabis, is prohibited in the grantee's or contractor's workplace.
 - (2) Specifying the actions that will be taken against employees for violations of such prohibition.
 - (3) Notifying the employee that, as a condition of employment on such contract or grant, the employee will:
 - (A) abide by the terms of the statement; and
 - (B) notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than five (5) days after such conviction.
- (b) Establishing a drug free awareness program to inform employees about:
 - (1) the dangers of drug abuse in the workplace;
 - (2) the grantee's or contractor's policy of maintaining a drug free workplace;
 - (3) any available drug counseling, rehabilitation, and employee assistance programs; and
 - (4) the penalties that may be imposed upon employees for drug violations.
- (c) Providing a copy of the statement required by subparagraph (a) to each employee engaged in the performance of the contract or grant and to post the statement in a prominent place in the workplace.
- (d) Notifying the contracting or granting agency within ten (10) days after receiving notice under part (B) of paragraph (3) of subsection (a) above from an employee or otherwise receiving actual notice of such conviction.

- (e) Imposing a sanction on, or requiring the satisfactory participation in a drug abuse assistance or rehabilitation program by, any employee who is so convicted, as required by section 5 of the Drug Free Workplace Act.
- (f) Assisting employees in selecting a course of action in the event drug counseling, treatment, and rehabilitation is required and indicating that a trained referral team is in place.
- (g) Making a good faith effort to continue to maintain a drug free workplace through implementation of the Drug Free Workplace Act.

INDIVIDUALS: If vendor is an individual, or an individual doing business in the form of a sole proprietorship, the individual certifies that the individual will not engage in the unlawful manufacture, distribution, dispensation, possession or use of a controlled substance in the performance of the contract. Vendor certifies that it will not engage in the unlawful manufacture, distribution, dispensation, possession or use of a controlled substance in the performance of the contract. This requirement applies to contracts of more than \$5000.

VII. Non-discrimination: In compliance with the State and Federal Constitutions, the Illinois Human Rights Act, the U. S. Civil Rights Act, and Section 504 of the Federal Rehabilitation Act, the Department of Central Management Services does not unlawfully discriminate in employment, contracts, or any other activity.

Vendor, its employees and subcontractors, agree not to commit unlawful discrimination and agree to comply with applicable provisions of the Illinois Human Rights Act, the Public Works Employment Discrimination Act, the U.S. Civil Rights Act and Section 504 of the Federal Rehabilitation Act, and rules applicable to each. The equal employment opportunity clause of the Department of Human Rights' rules is specifically incorporated herein.

The Americans with Disabilities Act (42 U.S.C. 12101 et seq.) and the regulations thereunder (28 CFR 35.130) (ADA) prohibit discrimination against persons with disabilities by the State, whether directly or through contractual arrangements, in the provision of any aid, benefit or service. As a condition of receiving this contract, the undersigned vendor certifies that services, programs and activities provided under this contract are and will continue to be in compliance with the ADA.

VIII. Early Retirement. Vendor certifies he/she has informed the director of the agency in writing if he/she was formerly employed by that agency and has received an early retirement incentive under Section 14-108.3 or 16-133.3 of the Illinois Pension Code. Vendor acknowledges and agrees that if such early retirement incentive was received, this contract is not valid unless the official executing the contract has made the appropriate filing with the Auditor General prior to execution.

IX. Retention of Records: The vendor or contractor shall maintain, for a minimum of five years after the completion of the contract, adequate books, records, and supporting documents to verify the amounts, recipients, and uses of all disbursements of funds passing in conjunction with the contract; the contract and all books, records, and supporting documents related to the contract shall be available for review and audit by the Auditor General; and the contractor agrees to cooperate fully with any audit conducted by the Auditor General and to provide full access to all relevant materials. Failure to maintain the books,

records, and supporting documents required by this Section shall establish a presumption in favor of the State for the recovery of any funds paid by the State under the contract for which adequate books, records, and supporting documentation are not available to support their purported disbursement.

X. Sexual Harassment: Effective July 1, 1993, the vendor or contractor shall have written sexual harassment policies that shall include, at a minimum, the following information: (i) the illegality of sexual harassment; (ii) the definition of sexual harassment under State law; (iii) a description of sexual harassment, utilizing examples; (iv) the vendor's internal complaint process including penalties; (v) the legal recourse, investigative and complaint process available through the Department of Human Rights and the Human Rights Commission; (vi) directions on how to contact the Department and Commission; and (vii) protection against retaliation as provided by Section 6-101 of the Illinois Human Rights Act. A copy of the policies shall be provided to the Department upon request.

XI. For contracts exceeding \$10,000, the vendor certifies that neither it nor any substantially-owned affiliated company is participating or shall participate in an international boycott in violation of the provisions of the U.S. Export Administration Act of 1979 or the regulations of the U.S. Department of Commerce promulgated under that Act.

The undersigned acknowledges and agrees that each of the certifications or amendments shall be incorporated into and made a part of the invitation for bids, request for proposals, agreement, contract, amendment, renewal or other similar document to which these certifications are attached.

CONTRACTOR/VENDOR

NAME: _____

BY: _____

TITLE: _____

certif.doc
1994

ASSIGNMENT AND ASSUMPTION AGREEMENT

FOR VALUE RECEIVED, ALTER MANAGEMENT, INC., an Illinois corporation ("Alter") hereby assigns all of its right, title and interest in and to that certain MANAGEMENT AGREEMENT, dated May 1, 1997, between NATIONAL BUILD TO SUIT CLINTON L.L.C., an Illinois limited liability company, as owner, and Alter, as facility servicer, for the property commonly known as 401 South Clinton Street, Chicago, Illinois.

IN CONSIDERATION OF THE FOREGOING ASSIGNMENT, the undersigned PACIFIC MANAGEMENT, INC., an Illinois corporation, does hereby accept the forgoing assignment and agrees to perform the obligations of facility servicer under the said Management Agreement.

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT is effective as of the _____ day of _____, 199__.

ALTER MANAGEMENT, INC.

By: 
Name: Edward F. Gould
Title: President

PACIFIC MANAGEMENT, INC.

By: 
Name: [Signature]
Title: S.O.

ASSIGNMENT AND ASSUMPTION AGREEMENT

This ASSIGNMENT AND ASSUMPTION AGREEMENT (this "Assumption Agreement") is dated as of the ____ day of _____, 1997, and is between NATIONAL BUILD TO SUIT CLINTON L.L.C., an Illinois limited liability company ("Developer") and PUBLIC ASSET SERVICES CORP., an Illinois not-for-profit corporation ("PASC").

PRELIMINARY STATEMENT

Developer owns a multi-story office building located at 401 South Clinton Street, Chicago, Illinois. The building (the "Facility") is legally described in the Management Agreement dated May 1, 1997 ("Management Agreement") attached to this Assumption Agreement as Exhibit A.

Developer has entered into an Installment Purchase Agreement dated as of _____, 1996 ("Installment Purchase Agreement") for the purpose of selling the Facilities to the State of Illinois.

Participations will be issued to finance the purchase. The participations will be due at various times over a period ending on June 30, 2017 subject to acceleration under certain events.

To provide security for the full payment of the participations, certain rights under the Installment Purchase Agreement are being assigned to LaSalle National Bank, N.A., a fiscal agent, and title to the three phases of the Facilities will initially be conveyed to PASC. Upon full payment of the participations, the then grantee will convey title to State.

Developer is responsible for securing management for the Facilities and initially retained Alter Management, Inc., an Illinois corporation for that purpose under the Management Agreement. The interest of Alter Management, Inc. has been assigned to Pacific Management, Inc., an Illinois corporation ("Facility Servicer"). Facility Servicer is entitled to remain as manager for the Facilities at all times until the stated termination of the Management Agreement, as that term may be extended, despite title transfers to or among Developer, PASC, the fiscal agent, their respective substitutes, and the State or its designee (the from time-to-time owner of the Facility is called the "Owner").

The Management Agreement contemplates the assumption of that agreement by the then Owner(s) from time-to-time. This Assumption Agreement satisfies that provision with respect to all transfers to PASC.

NOW THEREFORE, in consideration of the mutual promises herein contained, Developer and PASC agree as follows.

AGREEMENTS

1. Incorporation. The Preliminary Statement is incorporated into this Assumption

Agreement.

2. Assignment. Developer hereby assigns the Management Agreement to PASC, effective as of the date acquired by PASC.

3. Assumption. PASC hereby agrees to assume the rights and obligations of Developer under the Management Agreement as of the date acquired by PASC, provided however that such assumption shall be expressly subject to the Acknowledgment of the State which is being executed and delivered concurrently herewith, a copy of which is attached to this Assumption Agreement as Exhibit B (the "State's Acknowledgment"). PASC is obligated to perform its contract of assumption only to the extent of the State's Acknowledgment.

4. Successors and Assigns. This Assumption Agreement is binding on PASC and its successors and assigns who become Owners.

IN WITNESS WHEREOF, this Assumption Agreement has been executed by the parties hereto, as of the day and year first above written.

PASC:

PUBLIC ASSET SERVICES
CORPORATION

By: 
Name: Michael W. Swift
Title: President

DEVELOPER:

NATIONAL BUILD TO SUIT CLINTON L.L.C.

By: 
Name: Renata Svec
Title: VP

ACKNOWLEDGMENT

THIS ACKNOWLEDGMENT is made for good and valuable consideration by THE STATE OF ILLINOIS, acting by THE DEPARTMENT OF CENTRAL MANAGEMENT SERVICES for the benefit of THE ILLINOIS DEPARTMENT OF PUBLIC AID and the ILLINOIS DEPARTMENT OF HUMAN SERVICES, as purchaser ("Purchaser") under the Installment Purchase Agreement dated as of February 1, 1996, (the "Installment Purchase Agreement") with NATIONAL BUILD TO SUIT CLINTON L.L.C. ("Seller"). The Installment Purchase Agreement pertains to a multi-story office building located at 401 South Clinton Street, Chicago, Illinois (the "Facility").

Purchaser acknowledges that it has entered into the Installment Purchase Agreement with Seller, and that Seller has previously entered into a certain Management Agreement dated May 1, 1997, for the Facility with Alter Management, Inc. who has, in turn, assigned its interest to Pacific Management, Inc. (the "Management Agreement").

Purchaser is executing and delivering this Acknowledgment solely for the purpose of evidencing its agreement (subject to "Appropriations" defined below) to be bound by all of the provisions of the Management Agreement to the extent they bind or benefit the owner of the Facility, and to make the payments required from such owner thereunder (collectively, the "Undertakings"). The Undertakings shall apply to the Facility acquired from Seller by Purchaser or by interim designees on its behalf including (without limitation), Public Asset Services Corp., an Illinois not-for-profit corporation (the "State Designee").

Purchaser's Undertakings are subject to appropriation of funds therefor by the Illinois General Assembly, or the availability of funds held by LaSalle National Bank, N.A., a fiscal agent, and its successors, if any (the "Fiscal Agent"), appointed in connection with participations being issued by the State to finance its purchases under the Installment Purchase Agreement (in either case, "Appropriations"). In addition, the remedies for failures to perform the Undertakings shall be governed by the Management Agreement provided that they do not conflict with this Acknowledgment or agreements with the Fiscal Agent.

Except as provided herein, non-appropriation shall be deemed to occur if on the date (including any applicable grace period on which the first payment of "Maintenance Expenses" in a "Fiscal Year" comes due, there has not been enacted into law appropriations of funds for the payment of the entire amount of Maintenance Expenses determined by the Fiscal Agent or the State Designee, as applicable, to be due during such Fiscal Year under the approved "Facilities Budget." (Terms enclosed in quotations marks have the meanings ascribed to them in the Management Agreement.) Notwithstanding the foregoing, non-appropriation shall not be deemed to have occurred if the Illinois General Assembly is still in session and general appropriations to the agency or agencies occupying the Facilities at the time are not yet determined.

Purchaser agrees that it will use its best efforts to cause the State and the agency or agencies occupying the Facilities to do all things lawfully in their power to request, pursue and obtain Appropriations, including requesting that the Governor include such funds in the funds in the Executive Budget and in supplemental appropriations.

At any time when the Purchaser, the State or any department or agency of the State (collectively, the "State Group") owns the Facility, and provided that no member of the State Group is able to occupy the Facility, such owner may terminate the Management Agreement concurrently upon the sale and transfer of the Facility provided that (a) the transferee is a third party purchaser directly and indirectly unrelated to the State Group and its members, (b) all sums payable by Purchaser under the Installment Purchase Agreement have been fully paid through the date of sale and transfer, and (c) all sums due the manager under the Management Agreement have been fully paid including any thereof calculated with reference to payments described in the preceding clause (b). The State Group shall exercise this termination right by giving the manager under the Management Agreement no less than one hundred eighty days prior written notice.

Dated this _____ day of _____ 199_____.

THE DEPARTMENT OF CENTRAL MANAGEMENT CENTRAL MANAGEMENT SERVICES for the benefit of THE ILLINOIS DEPARTMENT OF PUBLIC AID and THE ILLINOIS DEPARTMENT OF HUMAN SERVICES

By: Michael J. Schwartz
Title: _____ Date: _____

THE ILLINOIS DEPARTMENT OF PUBLIC AID

By: John Waters
Title: Director Date: 1/30/98

THE ILLINOIS DEPARTMENT OF HUMAN SERVICES

By: [Signature]
Title: Secretary Date: 1/28/98

401
S. Clinton

MANAGEMENT AGREEMENT

This Management Agreement (this "Management Agreement") made and entered into as of this 1st day of May, 1997, by and between National Build to Suit Clinton L.L.C., an Illinois limited liability company ("Developer"), and Alter Asset Management, Inc., an Illinois corporation ("Facility Servicer"), having its principal offices at 1980 Springer Drive, Lombard, Illinois 60148-6404.

TERMS AND CONDITIONS

1. Definitions. In addition to the terms defined elsewhere in this Management Agreement, the following terms have the meaning given below unless the context clearly requires otherwise:

"Authorized Representative" means the written designee of Owner.

"Facility" means the property described in Exhibit A attached hereto, and all buildings and facilities thereon, and any improvements subsequently constructed thereon.

"Facility Budget" means the budget prepared by Facility Servicer and approved by Owner pursuant to Section 4.

"Fiscal Year" means the Owner's fiscal year.

"Installment Purchase Agreement" means that certain Installment Purchase Agreement between Owner and the State dated as of _____, as amended from time to time.

"Maintenance Expenses" means expenses of leasing, operating, maintaining, repairing, replacing, remodeling, renovating, altering, upgrading and other capital improvements to the Facility, including the Facility Servicer Fee, payable pursuant to this Management Agreement.

"Operating Account" means LaSalle National Trust, N.A., account number 65-7576-00-8 and such additional bank accounts established by the Facility Servicer for the benefit of Owner.

"Owner" means the from time-to-time owner of all or any portion of the Facility during the Term.

"Facility Servicer Fee" means the fee of Facility Servicer for performing its duties and responsibilities under this Management Agreement and calculated in the manner provided in Section 5.

"State" means the State of Illinois, acting by and through its Department of Central Management Services or acting by and through an agency of the State of Illinois, who is an intended future Owner of the Facility.

"Tenants" mean the tenants under leases for space in the Facility and other occupants of the Facility under the Installment Purchase Agreement or otherwise with the consent of Owner.

"Term" means the period commencing on the date of execution and delivery of this Management Agreement and ending on June 30, 2017, subject one-year extensions elected by Owner by notice to Servicer given at least ninety days before the start of each such annual renewal term.

2. Appointment and Acceptance. Owner hereby hires Facility Servicer as its sole representative and manager for the operation, maintenance, repair, replacement, remodeling, renovation, alteration, upgrading, improvement and management of the Facility for the Term and Facility Servicer hereby accepts such appointment.

3. Duties and Responsibilities of Facility Servicer. Facility Servicer shall perform the services which are enumerated in this Section with respect to the Facility except when performance thereof is prevented by strike, by fire, by other casualty or by any other event beyond the reasonable control of Facility Servicer and except to the extent that the amount necessary to pay for the performance of such services or to pay the Maintenance Expenses and the Facility Servicer Fee when due is not on deposit in the Operating Account. Anything to the contrary contained in this Management Agreement notwithstanding, Facility Servicer shall not be required to expend or apply any funds of Facility Servicer to pay for the performance of this Management Agreement.

(a) Facility Servicer shall (i) cause the efficient and businesslike supervision and inspection of the Facility, (ii) cause the Facility to be maintained in a clean and orderly manner in compliance with all applicable public health and safety laws, ordinances, rules, regulations and insurance policies relating to the use, maintenance and operation of the Facility and according to reasonable standards acceptable to Owner including cleaning, painting, decorating, plumbing, carpentry, grounds care, heating, ventilating and air conditioning services, (iii) supervise routine maintenance and repairs and, subject to the sufficiency of the relevant Facility Budget (iv) contract with qualified contractors for the maintenance and repair of major mechanical systems and elevators and for maintenance employees of Facility Servicer, (v) not make any alteration or addition to the Facility or undertake any major repairs of the Facility if the estimated cost of labor and materials in any one instance is in excess of Five Thousand Dollars (\$5,000.00) unless the cost thereof (1) is included in the relevant Facility Budget, or (2) is approved by Owner, or (3) is an emergency repair, and (vi) give special attention to preventive maintenance and, to the

extent practicable, shall use the services of employees of Facility Servicer.

(b) As requested by Owner, Facility Servicer shall arrange for (i) water, (ii) electricity, (iii) gas, (iv) sewerage, (v) trash disposal, (vi) janitorial services, (vii) vermin extermination, (viii) security, (ix) property and liability insurance and/or (x) third parties to provide for such utilities and services pursuant to such contracts and agreements as may be necessary to secure such utilities and services.

(c) Facility Servicer shall (i) systematically and promptly receive and investigate all service requests from Tenants, (ii) take such action thereon as may be justified, and (iii) keep appropriate records of such requests and action. (iv) Emergency requests shall be received on a twenty-four (24) hour per day basis. (v) Facility Servicer shall use its best efforts to initiate work orders responsive to non-emergency requests within seventy-two (72) hours. (vi) Complaints of a serious nature shall be reported to Owner promptly after investigation. (vii) If requested by Owner, Facility Servicer shall deliver to Owner copies of all service requests and the reports of responses thereto.

(d) Facility Servicer shall (i) if requested by Owner, promptly investigate and make a complete and timely written report to any appropriate insurance company and to Owner with respect to all accidents, claims and potential claims for damage to the Facility and the estimated cost of repair thereof, (ii) prepare for the approval by Owner any reports required by any insurance company in connection therewith, (iii) subject to the approval of Owner, shall settle any claims against any insurance company, including the execution of proofs of loss, and the collection of insurance proceeds.

(e) Facility Servicer shall (i) hire competent employees required to perform the services of Facility Servicer pursuant to this Management Agreement. (ii) All persons so engaged shall be deemed employees of Facility Servicer and not of Owner but all expenses incurred in connection with the employment of such employees shall be Maintenance Expenses. (iii) Facility Servicer shall also hire an off-site Supervisor of Facility (the "Facility Supervisor"), at Facility Servicer's expense and not as a Maintenance Expense, who shall be responsible for the administration and supervision of Facility Servicer's duties hereunder. The Facility Supervisor shall devote sufficient time to the performance of this Management Agreement to properly discharge the Facility Servicer's duties hereunder but such party shall not be required to spend full time and attention in the performance of this Management Agreement. (iv) The

compensation (including fringe benefits) of all employees of Facility Servicer shall be determined solely by Facility Servicer. (v) Owner shall be responsible for the reimbursement of Facility Servicer for all compensation (including fringe benefits) payable to such employees and shall be responsible for local, state and federal taxes and assessments (including, without limitation, social security taxes, unemployment insurance and workers compensation insurance) incident to the employment of such personnel. (vi) Such compensation and expenses (but excluding those attributable to the Facility Supervisor) shall be paid to Facility Servicer from the Operating Account and shall be deemed Maintenance Expenses of the Facility.

(f) In performing its services under this Management Agreement, Facility Servicer may rely on directions, consents and other communications from the Authorized Representative from time to time, and shall not be obligated to inquire into the authority of said party unless Facility Servicer receives a written notice from Owner designating a new Authorized Representative.

(g) Facility Servicer, upon not less than 60 days written notice to Owner, may terminate this Management Agreement effective upon the first day of a calendar month.

4. Facility Budgets At least 60 days before the first day of each Fiscal Year during the Term, Facility Servicer shall deliver to Owner for its approval a budget for the Facility (a "Facility Budget") for the next calendar year substantially in the format of Exhibit B attached hereto, or in such other format as may be established by Facility Servicer and approved by Owner. Each Facility Budget shall estimate for such Facility the amount of those categories of Maintenance Expenses (including the Facility Servicer Fee) which will be incurred in the next calendar year. Owner shall provide Facility Servicer with its approval or disapproval thereof within 30 days after submission to it of the Facility Budget. In the event Owner fails to either approve or disapprove any Facility Budget within said 30 day period, then the approval of Owner shall be deemed to have been given. In the event Owner expressly disapproves of the Facility Budget within said 30 day period, then the written notice of disapproval of Owner shall set forth the reasons of Owner for such disapproval. Within ten days after receipt of such notice of disapproval, Facility Servicer shall provide Owner with an amended and modified Facility Budget. The review and approval procedures set forth herein shall apply to all such resubmittals. Facility Servicer and Owner agree that in the budgeting process, Facility Servicer will advise Owner, and Owner will take into account, the various facts and circumstances forming the basis for any given line item in the proposed Facility Budget; provided, however, that in the event the parties cannot agree on the Facility

Budget, the final determination of Owner with respect thereto shall be conclusive and binding upon Facility Servicer. The Facility Servicer Fee has been established at the outset of this Agreement, and does not require any subsequent approvals from Owner in the annual budgeting process.

5. Facility Servicer Fee. In consideration of the services performed by Facility Servicer, Owner shall pay to Facility Servicer in advance on the first day of each month during the Term a "Facility Servicer Fee" equal to the following:

(a) At all times during which the Installment Purchase Agreement is in effect, the sum of Six Thousand Seventy-Five and no/100 Dollars (\$6,075.00), or

(b) At all times during which the Installment Purchase Agreement as to any portion of the Facility is not in effect for any reason whatsoever, four and one-half percent (4.5%) of the "Gross Collections" collected during the preceding calendar month. "Gross Collections" means all rents including (without limitation) rents payable under Leases and all late payment fees and termination fees, if any thereunder, and all other income derived from the ownership and operation of the Facility and actually collected, but excluding interest on investments, discounts and dividends on insurance, insurance proceeds, security deposits, condemnation proceeds, sale proceeds (unless they are payments under the Installment Purchase Agreement) or refinancing proceeds, if any, and

(c) At all times, regardless of the status of the Installment Purchase Agreement, an amount equal to four and one-half percent (4.5%) of the aggregate of:

(i) all Maintenance Expenses incurred with respect to the Facility during the preceding calendar month, except that for purposes of the calculations set forth in this sub-clause (b)(i) only Maintenance Expenses shall not include the Facility Servicer Fee, and

(ii) all disbursements (other than Maintenance Expenses) for maintenance or management of the Facility or for repairs, replacements, remodeling, renovations, alterations, upgrading and capital improvements to the Facility incurred during the preceding calendar month, and

(iii) all payments, if any, made by the purchaser under the Installment Purchase Agreement during the preceding calendar month other than the "Base Installment Payments" payable thereunder, or other sums, if any, already included under the preceding sub-clauses (i), (ii) and (iii).

(d) In no event shall Facility Servicer be entitled to duplicate payments

for any portion of the Facility under both clauses (a) and (b) for the same period of time.

6. Disbursement of Funds.

(a) Facility Servicer shall cause the following disbursements to be made from the Operating Account when due:

- (i) the Facility Servicer Fee; and
- (ii) all other Maintenance Expenses; and
- (iii) Facility Servicer shall cause any amounts remaining in the Operating Account and not budgeted as a Maintenance Expense to be accounted for in the following year's budget.

(b) If the balance in the Operating Account is at any time insufficient to pay any amount due and payable under this Management Agreement, then Facility Servicer shall so advise Owner and Owner shall promptly deposit the deficiency in the Operating Account. If the balance in the Operating Account is not sufficient for payment of all or any part of any amount due under this Management Agreement during the calendar year in which such payments become due and payable, Facility Servicer shall have the right, but shall not be obligated, to advance such payments. If Facility Servicer advances any portion of such payments for which Owner is responsible or liable under this Management Agreement, then Owner shall pay Facility Servicer within ten days after notification an amount equal to the sum of such payments advanced and the costs incurred by Facility Servicer in making such advance.

7. Records and Reports.

(a) Facility Servicer shall keep true, complete and up-to-date records of the leasing, operation and maintenance of the Facility. Facility Servicer shall furnish to Owner copies of all contracts and agreements related to the Facility.

(b) At all times during the Term, Facility Servicer shall maintain, at its expense, in accordance with generally accepted accounting principles complete books, records and accounts that accurately reflect all receipts from the Facility, all Maintenance Expenses and all other expenditures. Said books, records and accounts shall be available to Owner and its representatives for examination, inspection and audit.

(c) Facility Servicer shall furnish to Owner such information as Owner may request regarding the financial, physical, or operational condition of the Facility.

(d) On or before the twenty-fifth day of each month during the Term, Facility Servicer shall deliver to Owner a statement of receipts and of Maintenance Expenses and other disbursements incurred during the previous month, a schedule of accounts receivable and payable and reconciled bank statements for the Operating Account as of the end of the previous monthly period.

8. Insurance. Owner shall advise Facility Servicer of the insurance coverage to be obtained with respect to the Facility and its operations, and Facility Servicer shall use its best efforts to cause such insurance to be obtained and to be kept in effect during the Term; provided, however, that Facility Servicer shall not be responsible if such insurance is not obtained because it is not available at commercially reasonable rates or if the funds in the Operating Account are insufficient to pay the premiums therefor. Insurance premiums shall be paid from the Operating Account and shall be deemed Maintenance Expenses. All insurance shall be placed with such insurance companies licensed to do business in Illinois and shall provide such scope of coverage, endorsements and minimum limits of liability as are acceptable to Owner and Facility Servicer. Facility Servicer shall be a named insured under all public liability insurance policies affecting the Facility and there shall be a waiver of the right of subrogation from the Insurer with respect to Facility Servicer under all casualty insurance policies.

Any insurance policy issued pursuant to this Section shall provide that Facility Servicer and Owner shall be notified of any proposed cancellation of such policy 30 days prior to the date set for cancellation. The proceeds under such insurance shall be payable to Owner and Facility Servicer, as their interests may appear under the terms and provisions of this Management Agreement.

In the event of any loss, damage, injury or accident involving the Facility, the Owner shall promptly provide or cause to be provided to Facility Servicer written notice thereof and make available or cause to be made available to Facility Servicer all information and documentation relating thereto.

9. Notices. All notices to be given under this Management Agreement shall be in writing and mailed by certified mail return receipt requested to the other party at its address set forth below or at such address as such party may provide in writing from time to time.

If to Facility Servicer: Alter Asset Management, Inc.
1980 Springer Drive
Lombard, Illinois 60148-6404
Attn: Mr. Samuel F. Gould

or if to Developer, as current Owner National Build To Suit Clinton L.L.C.
7303 North Cicero Avenue
Lincolnwood, Illinois 60646
Attn: Mr. Ronald F. Siegel

Any such notice shall be deemed to have been received five days subsequent to mailing. Subsequent Owner(s) shall notify Facility Supervisor of an appropriate address for notices in connection with the delivery of documents establishing such party as a

subsequent Owner under Section 10.

10. Successors and Assigns.

(a) Without the prior written consent of Owner, which consent shall not be unreasonably withheld or delayed, Facility Servicer shall not assign, transfer or convey this Management Agreement or any interest herein without the consent of Owner except to (a) an affiliate of Facility Servicer or to a successor corporation or other business entity into or with which Facility Servicer shall be merged or consolidated or to which substantially all of Facility Servicer's assets may be transferred, or (b) to Pacific Management, Inc., an Illinois corporation.

An "affiliate" of Facility Servicer means (i) a corporation or other entity a majority of the voting power in which is controlled, directly or indirectly, by Facility Servicer or a majority of the shareholders of Facility Servicer, (ii) a corporation or other entity which controls, directly or indirectly, a majority of the voting power in Facility Servicer, or (iii) a corporation or other entity a majority of the voting power in which is controlled, directly or indirectly, by a person, corporation or other entity which also controls, directly or indirectly, a majority of the voting power of Facility Servicer.

(b) If the Facility or any interest therein is voluntarily or involuntarily transferred in any manner (other than possessory interests to Tenants) during the Term, (i) Owner shall not be relieved of its duties and obligations under this Management Agreement, and (ii) no such transfer shall be effective unless and until such assignee (other than an assignee who provides a loan and for whom such assignment is a security device only) assumes the obligations and duties of Owner hereunder. Upon an assumption described in the foregoing sub-clause (ii), the assigning Owner shall be relieved of further duties and obligations under this Management Agreement. The foregoing provisions of this clause (b) shall not apply to any transfer of a Facility to a non-governmental agency where the Facility so transferred is occupied and used solely for non-governmental activities.

(c) The State may acquire replacement Facility for those portions of the Facility which are damaged, destroyed or condemned. It is the intent of the parties that Facility Servicer be afforded the right to manage such replacement Facility on the same terms and conditions as provided in this Agreement. Owner on its own behalf and on behalf of the from time to time successor owner(s) of the Facility agrees to provide timely notice to Facility Servicer of any such replacement, and afford the opportunity described in this clause (c). Nothing in this clause (c) shall be deemed to permit a termination of this Agreement with respect to any portion of the Facility which is damaged, destroyed or condemned in the absence of a substitute management agreement with Facility Servicer for the replacement Facility. The provisions of this clause (c) shall not apply to any replacement Facility which, on the date occupied by Owner, is subject to a management contract with a third party, or where the replacement facility is self-managed by Owner or by a governmental agency.

(d) It is the intent of the parties that covenants, agreements and obligations to

be performed by Owner hereunder shall be binding upon the initial such Owner and its successors and assigns who become owners of any Facility during the Term. This intent is being evidenced by, among other things, the separate acknowledgment of the State which is the ultimate owner of the Facility under the Installment Purchase Agreement. Facility Servicer and Owner are concurrently filing a short form Memorandum of this Management Agreement reflecting the existence of this Management Agreement and that it constitutes a covenant, running with the land. If there is a conflict or inconsistency between such Memorandum and this Management Agreement, this Management Agreement shall control.

(e) Subject to the foregoing provisions of this Section 11, this Management Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto.

11. Defaults. If either party materially defaults for a consecutive period of more than 30 days in observing or performing any of its material obligations under this Management Agreement, it shall be considered to be in default, and the other party shall have all rights and remedies available to it at law or in equity. Notwithstanding the foregoing, (a) no default shall be deemed to have occurred in the absence of notice from the other party specifying the alleged default in reasonable detail, (b) no default shall be deemed to have occurred if the default cannot reasonably be cured within the said 30 day period unless the party responsible for the cure has failed to commence the cure within that period and thereafter has failed to use reasonable diligence and good faith to cure the alleged default, and (c) Facility Servicer shall not be deemed to be in default at any time (i) when its inability to observe or perform its duties or obligations under this Management Agreement is based on a lack of sufficient funds in the Operating Account to pay Maintenance Expenses or other costs, and (ii) unless it has engaged in a deliberate course of action or inaction which shows an actual or deliberate intention to cause a default which, if not intentional, shows an utter indifference to or conscious disregard for, the substantive duties of a material nature imposed on Facility Servicer under this Management Agreement. The failure to pay money shall neither require a notice under the foregoing clause (a) nor allow an extension of the cure period under the foregoing clause (b).

12. Section Headings. All section headings contained in this Management Agreement are for convenience of reference only and are not intended to define or limit the scope of any provision of this Management Agreement.

13. Governing Law. This Management Agreement shall be construed in accordance with, and shall be governed by, the laws of the State of Illinois.

14. Entire Agreement; Severability; Waiver; Amendment. This Management Agreement, which includes all Exhibits and other attachments hereto, and other documents or instruments executed by Owner and Facility Servicer in connection herewith, constitutes the entire agreement between the parties with respect to the management and servicing of the Facility, and this Management Agreement shall not be modified, amended, altered, or changed except with the written consent of both Owner and Facility Servicer. The existing management agreement between Facility Servicer and Developer will be terminated when this Management Agreement becomes

effective. Any provision of this Management Agreement found to be prohibited by law or deemed inoperative at any time shall be ineffective to the extent of such prohibited without invalidating the remainder of this Management Agreement. The waiver by either party hereto of any breach by the other party of any term or condition hereof shall not operate as a waiver of any subsequent breach thereof.

15. Time. Time is of the essence of this Management Agreement and every provision hereof.

IN WITNESS WHEREOF, the parties have executed this Management Agreement by their authorized signatories as of the date first written above.

DEVELOPER and INITIAL OWNER:
NATIONAL BUILD TO SUIT CLINTON L.L.C.

27 N. Main Street, Clinton, CT 06032
By: [Signature]
Name: Robert White
Title: VP

FACILITY SERVICER:
ALTER ASSET MANAGEMENT, INC.

By: [Signature]
Name: Samuel F. Gould
Title: President