



STATE OF ILLINOIS  
EXECUTIVE OFFICE OF THE GOVERNOR  
GOVERNOR'S OFFICE OF MANAGEMENT AND BUDGET  
SPRINGFIELD 62706

**PAT QUINN**  
Governor

March 16, 2011



Dan R. Long  
Executive Director  
Commission on Government Forecasting and Accountability  
703 Stratton Office Building  
Springfield, Illinois 62706

Dear Director Long,

Pursuant to Section 8 of the amended Illinois General Obligation Bond Act, 30 ILCS 330/8 and Section 21 of the amended Illinois General Obligation Bond Act, 30 ILCS 330/21, the Governor's Office of Management and Budget (GOMB) is hereby providing the required Cost of Issuance Disclosure and Truth in Borrowing Disclosure for the negotiated sale of the State of Illinois General Obligation Bonds, Taxable series of February 2011. Copies of the Cost of Issuance Disclosure and Truth in Borrowing Disclosure have been posted on the GOMB web site and shall remain for 30 days. In addition, GOMB is providing copies of all contractual agreements under which costs of issuance were paid to contractors engaged State of Illinois General Obligation Bonds, Taxable series of February 2011.

Should you have any inquiries into this information, please contact me at (312) 814-7279 or via e-mail at [john.sinsheimer@illinois.gov](mailto:john.sinsheimer@illinois.gov).

Sincerely,

A handwritten signature in blue ink, appearing to read "John Sinsheimer".

John Sinsheimer  
Director of Capital Markets  
State of Illinois  
Governors Office of Management and Budget

Attachment

# State of Illinois

## \$3,700,000,000 General Obligation Bonds, Taxable Series of February 2011 Statement of Total General Obligation Debt Service as of Current Issuance

Fiscal Year Ending June 30	New GO Taxable Series of February 2011			Existing GO Capital and Special Purpose			New Total GO Pension Obligation Bonds			Revised Total GO Capital, Special Purpose and Pension Obligation Bonds		
	Principal	Interest	[A]	Principal	Interest	[B]	Principal	Interest	[C]	Principal	Interest	[B+C]
			Total Debt Service			Total			Includes [A] Total			Total
2011			-	911,155,031	642,309,206	1,553,464,237	743,200,000	601,177,049	1,344,377,049	1,654,355,031	1,243,486,255	2,897,841,286
2012		194,500,800	194,500,800	672,473,439	628,144,938	1,300,618,377	793,200,000	785,687,428	1,578,887,428	1,465,673,439	1,413,832,366	2,879,505,805
2013		199,488,000	199,488,000	677,850,751	584,312,794	1,262,163,545	793,200,000	767,750,716	1,560,950,716	1,471,050,751	1,352,063,510	2,823,114,261
2014	100,000,000	199,488,000	299,488,000	679,199,607	534,647,092	1,213,846,699	893,200,000	740,879,544	1,634,079,544	1,572,399,607	1,275,526,636	2,847,926,243
2015	300,000,000	195,462,000	495,462,000	699,400,720	482,331,115	1,181,731,835	1,093,200,000	704,683,372	1,797,883,372	1,792,600,720	1,187,014,487	2,979,615,207
2016	600,000,000	181,929,000	781,929,000	687,091,341	453,238,338	1,140,329,679	700,000,000	656,454,000	1,356,454,000	1,387,091,341	1,109,692,338	2,496,783,679
2017	900,000,000	152,163,000	1,052,163,000	659,286,341	416,215,783	1,075,502,124	1,025,000,000	622,338,000	1,647,338,000	1,684,286,341	1,038,553,783	2,722,840,124
2018	900,000,000	103,878,000	1,003,878,000	635,972,806	375,447,047	1,011,419,854	1,050,000,000	568,615,500	1,618,615,500	1,685,972,806	944,062,547	2,630,035,354
2019	900,000,000	52,893,000	952,893,000	602,312,317	343,384,485	945,696,802	1,075,000,000	511,105,500	1,586,105,500	1,677,312,317	854,489,985	2,531,802,302
2020			-	576,511,629	318,681,671	895,193,301	225,000,000	449,550,000	674,550,000	801,511,629	768,231,671	1,569,743,301
2021			-	560,370,883	284,571,897	844,942,780	275,000,000	438,412,500	713,412,500	835,370,883	722,984,397	1,558,355,280
2022			-	535,967,410	247,117,937	783,085,347	325,000,000	424,800,000	749,800,000	860,967,410	671,917,937	1,532,885,347
2023			-	527,732,922	224,761,913	752,494,835	375,000,000	408,712,500	783,712,500	902,732,922	633,474,413	1,536,207,335
2024			-	491,893,968	191,700,679	683,594,647	450,000,000	390,150,000	840,150,000	941,893,968	581,850,679	1,523,744,647
2025			-	424,283,835	170,116,434	594,400,268	525,000,000	367,200,000	892,200,000	949,283,835	537,316,434	1,486,600,268
2026			-	435,270,000	146,185,583	581,455,583	575,000,000	340,425,000	915,425,000	1,010,270,000	486,610,583	1,496,880,583
2027			-	424,185,000	124,360,167	548,545,167	625,000,000	311,100,000	936,100,000	1,049,185,000	435,460,167	1,484,645,167
2028			-	389,845,000	102,710,200	492,555,200	700,000,000	279,225,000	979,225,000	1,089,845,000	381,935,200	1,471,780,200
2029			-	358,610,000	81,588,433	440,198,433	775,000,000	243,525,000	1,018,525,000	1,133,610,000	325,113,433	1,458,723,433
2030			-	303,500,000	64,691,983	368,191,983	875,000,000	204,000,000	1,079,000,000	1,178,500,000	268,691,983	1,447,191,983
2031			-	259,455,000	50,199,567	309,654,567	975,000,000	159,375,000	1,134,375,000	1,234,455,000	209,574,567	1,444,029,567
2032			-	200,575,000	38,530,540	239,105,540	1,050,000,000	109,650,000	1,159,650,000	1,250,575,000	148,180,540	1,398,755,540
2033			-	199,865,000	28,742,147	228,607,147	1,100,000,000	56,100,000	1,156,100,000	1,299,865,000	84,842,147	1,384,707,147
2034			-	233,035,000	17,290,587	250,325,587	-	-	-	233,035,000	17,290,587	250,325,587
2035			-	146,240,000	7,451,060	153,691,060	-	-	-	146,240,000	7,451,060	153,691,060
2036			-	48,000,000	1,136,850	49,136,850	-	-	-	48,000,000	1,136,850	49,136,850
<b>Total</b>	<b>3,700,000,000</b>	<b>1,279,801,800</b>	<b>4,979,801,800</b>	<b>12,340,082,999</b>	<b>6,559,868,446</b>	<b>18,899,951,445</b>	<b>17,016,000,000</b>	<b>10,140,916,109</b>	<b>27,156,916,109</b>	<b>29,356,082,999</b>	<b>16,700,784,555</b>	<b>46,056,867,554</b>

Issue Dated: 3/10/2011

True Interest Cost: 5.562998%

**State of Illinois**  
**\$3,700,000,000 State of Illinois General Obligation Bonds, Taxable Series of February 2011**  
**Cost of Issuance Disclosure**

Line Item	MBE/WBE	Participation Percentage	Amount	Total
Underwriting Syndicate	Morgan Stanley	20.0%	3,020,000.00	
	Loop Capital Marks	20.0%	3,020,000.00	
	Goldman Sachs	20.0%	3,020,000.00	
	William Blair	8.0%	1,208,000.00	
	Mesirow Financial	8.0%	1,208,000.00	
	Northern Trust	4.0%	604,000.00	
	Edward Jones	4.0%	604,000.00	
	BMO Capital	4.0%	604,000.00	
	RBC Capital	2.4%	362,400.00	
	George K Baum	2.4%	362,400.00	
	Fidelity Capital	2.4%	362,400.00	
	Estrada Hinojosa	2.4%	362,400.00	
	Wells Fargo	2.4%	362,400.00	
				15,100,000.00
			420.00	
			285.00	
			287.55	
			20.00	
			7,500.00	
			84,000.00	
			37,000.00	
			10,000.00	
			20,000.00	
			102,777.78	
				262,290.33
				15,362,290.33
<b>Total Underwriting Expenses</b>				
		<u>Base Fee</u>	<u>Expenses</u>	<u>Total</u>
Bond Counsel	Kutak Rock	150,000.00	10,000.00	160,000.00
Underwriters Counsel	Peck Schaffer & Williams	150,000.00	5,000.00	155,000.00
Financial Advisor	Peralta Garcia Solutions	125,000.00	10,000.00	135,000.00
Disclosure Counsel	Chapman Cutler	150,000.00	5,000.00	155,000.00
Fiscal Advisor	Ron D. Picur	15,000.00		15,000.00
				620,000.00
Rating Agencies	Moody's Investor Services	125,000.00		125,000.00
	Standard and Poor's	185,000.00		185,000.00
	Fitch Ratings	95,000.00		95,000.00
				405,000.00
Printing, shipping, etc	ImageMaster Printing & Delivery	4,769.21		4,769.21
	Digital Assurance Certification, LLP	2,500.00		2,500.00
	Travel and Miscellaneous	31,055.56		31,055.56
				38,324.77
				2,675.23
Remainder to be deposited in Project Funds by the State Treasurer				
			\$ 4.44	16,425,615.10
<b>Total Expenses</b>				
			\$ 5.00	18,500,000.00
Maximum Allowable Expenses (Par amount x .05% or \$5 per \$1,000)				
<b>Bond Insurance</b>				
<b>Total Expenses (Including Bond Insurance)</b>				
				16,425,615.10
<b>MBE/WBE FIRM SUBTOTALS</b>				
	Underwriting Services	MBE/WBE	22.4%	3,382,400.00
	Bond Counsel	MBE/WBE	0.00%	-
	Underwriters Counsel	MBE/WBE	0.00%	-
	Financial Advisory Services	MBE/WBE	100.00%	135,000.00
				3,517,400.00

STATE OF ILLINOIS

GOVERNOR'S OFFICE OF MANAGEMENT AND BUDGET

AGREEMENT FOR LEGAL SERVICES AMENDMENT

Pursuant to the terms and conditions of the AGREEMENT FOR LEGAL SERVICES (this "Agreement"), dated November 5, 2010, by and between Chapman and Cutler LLP, 111 West Monroe Streets, Chicago, Illinois 60603 (the "Contractor"), and the Governor's Office of Management and Budget ("GOMB"), the Contractor and GOMB mutually agree to this Agreement Amendment.

1. The following should be substituted for Article 1 of the Agreement.

**Article 1, TERM:** Subject to the provisions for termination as hereinafter provided, this Agreement shall become effective on the date hereof and shall terminate on March 15, 2011.

2. The following should be substituted for Appendix B of the Agreement.

**DESCRIPTION OF SERVICES:**

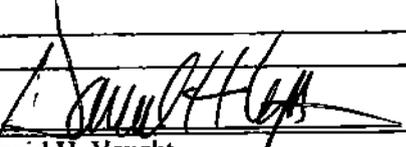
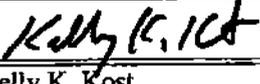
The role of the Contractor is that of Disclosure Counsel solely in connection with pension disclosure language to be used in the Bond Offering (the "Pension Disclosure"). As such, the Contractor shall assist and advise GOMB throughout the course of the Bond Offering transaction. Such services may include, without limitation, the following:

- a. Providing legal counsel to GOMB with respect to the planning, drafting, format and content of the Pension Disclosure.
- b. Advising GOMB with respect to the disclosure rules of the SEC.
- c. Providing a Negative Assurances Letter, dated the date of Closing and addressed to the Underwriters, with respect to the Pension Disclosure.
- d. Consulting with other attorneys at the request of GOMB regarding preparation of Continuing Disclosure Undertakings to ensure consistency.
- e. Delivering a legal memorandum to GOMB prior to Closing with respect to the Pension Disclosure in light of the SEC's order, dated August 18, 2010, instituting cease and desist proceedings against the State of New Jersey.

Upon execution of this Agreement, the Contractor's client will be GOMB and an attorney-client relationship will exist between the Contractor and GOMB. All other transaction participants will retain such counsel as they deem necessary and appropriate to represent their interests in connection with the Pension Disclosure during the course of the Bond Offering

3. All terms, conditions and certifications applicable to the Agreement, except to the extent expressly varied by this Amendment, remain in full force and effect and govern this Amendment.

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

<b>GOMB:</b>  STATE OF ILLINOIS GOVERNOR'S OFFICE OF MANAGEMENT AND BUDGET	<b>CONTRACTOR:</b>  CHAPMAN AND CUTLER LLP
By: 	By: 
David H. Vaught Director	Name: Kelly K. Kost Title: Partner

**STATE OF ILLINOIS  
GOVERNOR'S OFFICE OF MANAGEMENT AND BUDGET**

**AGREEMENT FOR LEGAL SERVICES**

**AGREEMENT FOR LEGAL SERVICES** (this "Agreement"), dated November 5, 2010, by and between Chapman Cutler LLP, 111 West Monroe Street, Chicago, Illinois 60603 (the "Contractor") and the Governor's Office of Management and Budget ("GOMB").

**WHEREAS**, the State of Illinois desires to issue certain bonds (the "Bond Offering") and, in connection therewith, GOMB has a need, as specified in Appendix A of this Agreement, for specialized professional and legal services with regard to the Bond Offering; and

**WHEREAS**, GOMB, in accordance with the Illinois Procurement Code, has selected the Contractor to perform such services, and the Contractor is qualified and has agreed to perform such services.

**NOW, THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

GOMB does hereby agree to retain the Contractor, and the Contractor hereby accepts such retention, upon the terms and conditions hereinafter provided.

**ARTICLE 1, TERM:** Subject to the provisions for termination as hereinafter provided, this Agreement shall become effective on the date hereof and shall terminate on January 31, 2010.

**ARTICLE 2, DUTIES:** The Contractor shall provide the services specified in Appendix B of this Agreement.

**ARTICLE 3, COMPENSATION:** The Contractor shall be compensated by GOMB for the services set forth in Appendix B in accordance with the provisions of Appendix C of this Agreement.

**ARTICLE 4, TERMINATION/EXTENSION:** Either party may terminate this Agreement at any time upon five (5) calendar days' written notice to the other party. Upon termination the Contractor shall be paid for work satisfactorily completed prior to the date of termination in accordance with Appendix C. The term of this Agreement may be extended as agreed in writing by both parties. Any such extension shall be attached to this Agreement and incorporated into the terms of this Agreement.

**ARTICLE 5, BILLING:** The Contractor shall submit an invoice at or subsequent to the closing of the Bond Offering to GOMB for services performed.

- a. Each invoice shall be itemized, listing the services performed.
- b. The amount shown on each invoice for labor costs shall be in accordance with and subject to the rates set forth in Appendix B, as provided in Article 3 hereof.
- c. Each invoice shall include the following certification from the Contractor: "The Contractor hereby certifies that the services supplied and expenses incurred set forth in the attached invoice have met all of the requirements set forth in the Agreement for Legal Services, dated November 5, 2010, between the Contractor and GOMB."
- d. Each invoice shall be signed by the Contractor and shall list the Contractor's tax identification number set forth in Article 20 of this Agreement.

- e. Each invoice for services performed and expenses incurred by the Contractor prior to July 1st of each contract year must be presented to GOMB no later than the following August 1st.
- f. Notwithstanding any other provision of this Agreement to the contrary, GOMB shall not be obligated to make payment to the Contractor on invoices presented after August 1st following the end of a contract year. Failure by the Contractor to present such invoices prior to August 1st may require the Contractor to seek payment of such invoices through the Illinois Court of Claims and the Illinois General Assembly (30 ILCS 105/25).

**ARTICLE 6, PAYMENT:** GOMB will use its reasonable best efforts to secure payment for the services furnished and expenses incurred under this Agreement within sixty (60) days after the date of closing of the Bond Offering. Payment will be made in the amount earned to date of invoice less previous partial payments.

- a. Final payment will be made upon determination by GOMB that all requirements under this Agreement have been completed, which determination shall not be unreasonably withheld. Such final payment will be made subject to adjustment after completion of an audit of the Contractor's records as provided for in this Agreement. GOMB may waive audit at its option.
- b. All recordkeeping shall be in accordance with sound accounting standards.

Notwithstanding anything to the contrary contained in this Agreement or the Appendices hereto, GOMB's obligation to make payment for the services furnished and expenses incurred by the Contractor under this Agreement is expressly contingent upon the occurrence of the closing of the Bond Offering and, absent such closing, GOMB shall have no obligation to make any such payment pursuant to this Agreement or otherwise.

**ARTICLE 7, PROGRESS REPORTS:** The Contractor shall keep GOMB fully informed as to the progress of all matters covered by this Agreement. The Contractor shall promptly furnish GOMB with copies of all documents prepared in connection with the services rendered under this Agreement.

**ARTICLE 8, SUBCONTRACTING:** Subcontracting, assignment, or transfer of all or part of the interests of the Contractor in the work covered by this Agreement or the Contractor's obligations under this Agreement shall be prohibited without the prior written consent of GOMB.

- a. In the event GOMB gives such consent, the terms and conditions of this Agreement shall apply to and bind the party or parties to whom such work is subcontracted, assigned, or transferred as fully and completely as the Contractor is hereby bound and obligated.
- b. Where the Contractor is providing professional and legal services, the names and addresses of all subcontractors utilized by the Contractor with the consent of GOMB shall be listed in an amendment to this Agreement, together with the anticipated payment amount which the subcontractor is expected to receive pursuant to this Agreement (30 ILCS 500/35-40).
- c. The Contractor shall not employ any person or persons employed by GOMB at any time during the term of this Agreement for any work required by the terms of this Agreement.

**ARTICLE 9, WORK PRODUCT:** All documents, data and records produced by the Contractor in carrying out the Contractor's obligations and services hereunder, without limitation and whether preliminary or final, are and shall remain the property of GOMB.

- a. GOMB shall have the right to use all such documents, data and records without restriction or limitation and without compensation to the Contractor, and the Contractor shall have no right or interest therein.
- b. Upon completion of the services hereunder or upon termination of this Agreement, all such documents, data and records shall, at the option of GOMB, be appropriately arranged, indexed and delivered to GOMB by the Contractor.

- c. Any documents, data and records given to or prepared by the Contractor under this Agreement shall not be made available to any outside individual or organization by the Contractor without the prior written approval of GOMB. Any confidential and proprietary, non-public information secured by the Contractor from GOMB in connection with carrying out the services under this Agreement shall be kept confidential unless disclosure of such information is approved in writing by GOMB or unless disclosure otherwise is required by law.

**ARTICLE 10, INABILITY TO PERFORM:** The Contractor agrees that if, because of death or any other occurrence beyond the control of the Contractor, it becomes impossible for any principal or principals of the Contractor to render the services set forth in this Agreement, neither the Contractor nor the surviving principals shall be relieved of their obligations to complete performance hereunder. However, in such an occurrence, GOMB, at its own option, may immediately terminate the Agreement upon written notice to the Contractor.

**ARTICLE 11, EMPLOYMENT STATUS:**

- a. Services rendered pursuant to this Agreement are not rendered as an employee of the State of Illinois and amounts paid pursuant to this Agreement do not constitute compensation paid to an employee.
- b. GOMB does not assume any liability for actions of the Contractor under this Agreement and this Agreement is not subject to the State Indemnification Act (5 ILCS 350/1, et seq.).

**ARTICLE 12, AVAILABILITY OF APPROPRIATIONS (30 ILCS 500/20-60):** GOMB's obligations hereunder shall cease immediately, without further payment being required, in any year for which the General Assembly of the State of Illinois or other legally applicable funding source fails to make an appropriation sufficient to pay such obligation. GOMB shall give the Contractor notice of such termination of funding as soon as practicable after GOMB becomes aware of the failure of funding.

**ARTICLE 13, LIABILITY:** GOMB does not assume any liability for acts or omissions of the Contractor and such liability rests solely with the Contractor in accordance with applicable law.

**ARTICLE 14, BREACH:** Upon any material breach of this Agreement by the Contractor, GOMB may terminate this Agreement without penalty and shall have be entitled to such other relief as may be available in accordance with applicable law. GOMB's failure to declare a breach by the Contractor of this Agreement on one occasion shall not constitute a waiver of such breach or with respect to a breach on another occasion.

**ARTICLE 15, RIGHT TO AUDIT:** The Contractor agrees that GOMB or its representative(s) shall have the right to examine any of the Contractor's records which directly relate to this Agreement (30 ILCS 500/20-65).

**ARTICLE 16, CONFLICT OF INTEREST:** The Contractor agrees to comply with the provisions of the Illinois Procurement Code prohibiting conflicts of interest (30 ILCS 500/50-13 and 50-35) and the terms, conditions and provisions of those provisions apply to this Agreement and are hereby incorporated by reference into and made a part of this Agreement as though they were included herein. If any officer or employee of the State of Illinois has a prohibited interest, this Agreement may be terminated without charge or penalty to GOMB or the State of Illinois.

**ARTICLE 17, LEGAL ABILITY TO CONTRACT:** The Contractor certifies it is under no legal prohibition on contracting with GOMB or the State of Illinois, has no known conflicts of interest, and further specifically certifies that:

- a. The Contractor will comply with the applicable provisions of the U.S. Civil Rights Act, Section 504 of the Federal Rehabilitation Act, the Americans with Disabilities Act (42 U.S.C. 12101 et seq.) and applicable rules in performance under this Agreement.
- b. Neither the Contractor nor any person associated with the Contractor is in default on an educational loan (**5 ILCS 385/3**).
- c. The Contractor has informed the Director of GOMB in writing if any person associated with the Contractor was formerly employed by that agency and has received an early retirement incentive prior to 1993 under Section 14-108.3 or 16-133.3 of the Illinois Pension Code, and acknowledges that contracts made without the appropriate filing with the Auditor General are not payable from the "contractual services" or other appropriation line items. The Contractor or any person associated with the Contractor have not received an early retirement incentive in or after 2002 under Section 14-108.3 or 16-133.3 of the Illinois Pension Code, and acknowledges that contracts in violation of Section 15a of the State Finance Act are not payable from the "contractual services" or other appropriation line items. (**30 ILCS 105/15a**).
- d. Neither the Contractor nor any person associated with the Contractor has been convicted of bribing or attempting to bribe an officer or employee of the State or any other state, nor has made an admission on the record of having so bribed or attempted to bribe (**30 ILCS 500/50-5**).
- e. If the Contractor or any person associated with the Contractor has been convicted of a felony, at least five years have passed after the date of completion of the sentence for such felony, unless no person held responsible by a prosecutor's office for the facts upon which the conviction was based continues to have any involvement with the business (**30 ILCS 500/50-10**).
- f. Neither the Contractor nor any person associated with it is barred from being awarded a contract because the Contractor or any person associated with it is delinquent in the payment of any debt to the State (or if delinquent has entered into a deferred payment plan to pay the debt), and the Contractor acknowledges that GOMB may declare this Agreement void if this certification is false (**30 ILCS 500/50-11**) or if the Contractor or any person associated with it later becomes delinquent and has not entered into a deferred payment plan to pay off the debt. (**30 ILCS 500/50-60**).
- g. The Contractor shall collect and remit Illinois Use Tax on all sales of tangible personal property into the State in accordance with provisions of the Illinois Use Tax Act (**30 ILCS 500/50-12**) and acknowledges that failure to comply can result in the contract being declared void.
- h. Neither the Contractor nor any person associated with it has paid any money or valuable thing to induce any person to refrain from bidding on a State contract, nor has the Contractor or any person associated with it accepted any money or other valuable thing, or acted upon the promise of same, for not bidding on a State contract (**30 ILCS 500/50-25**).
- i. Neither the Contractor nor any person associated with it is in violation of the "Revolving Door" Section of the Illinois Procurement Code (**30 ILCS 500/50-30**).
- j. The Contractor will report to the Illinois Attorney General and the Chief Procurement Officer any suspected collusion or other anticompetitive practice among any bidders, offerors, contractors, proposers or employees of the State (**30 ILCS 500/50-40; 50-45; 50-50**).
- k. The Contractor will, pursuant to the Drug Free Workplace Act, provide a drug free workplace, and shall not permit any person associated with the Contractor to engage in the unlawful manufacture, distribution, dispensation, possession or use of a controlled substance in the performance of the Agreement. This certification applies to contracts of

\$5,000 or more with individuals and to contracts with entities with twenty-five (25) or more employees (30 ILCS 580).

- i. The Contractor does not and shall not participate in an international boycott in violation of the U.S. Export Administration Act of 1979 or the applicable regulations of the U.S. Department of Commerce. This certification applies to contracts that exceed \$10,000 (30 ILCS 582).
- m. Neither the Contractor nor any person associated with it has been convicted of the offense of bid rigging or bid rotating or any similar offense of any state or of the United States (720 ILCS 5/33E-3; E-4).
- n. The Contractor complies with the Illinois Department of Human Rights Act and rules applicable to public contracts, including equal employment opportunity, refraining from unlawful discrimination, and having written sexual harassment policies (775 ILCS 5/2-105).
- o. The Contractor does not pay dues to, or reimburse or subsidize payments by its employees for, any dues or fees to any "discriminatory club" (775 ILCS 25/2).
- p. The Contractor complies with the State Prohibition of Goods from Forced Labor Act that in relation to a public works projects, no foreign-made equipment, materials, or supplies furnished to GOMB or the State of Illinois under the Agreement may be produced in whole or in part by forced labor, convict labor, or indentured labor under penal sanction (PA 93-0307).
- q. The Contractor certifies that no officer, director, partner or other managerial agent of the contracting business has been convicted of a felony under the Sarbanes-Oxley Act of 2003 or a Class 3 or Class 2 felony under the Illinois Securities Law of 1953 for a period of five years prior to the date of the bid or Agreement. The Contractor acknowledges that GOMB shall declare the Agreement void if this certification is false (30 ILCS 500/50-10.5).
- r. The Contractor certifies that it has not committed a willful or knowing violation of the Environmental Protection Act (relating to Civil Penalties under the Environmental Protection Act) within the last five (5) years, and is therefore not barred from being awarded a contract. The Contractor acknowledges that if GOMB later determines that this certification was falsely made, GOMB may declare the Agreement void. (30 ILCS 500/50-14).
- s. The Contractor certifies in accordance with **Public Act 94-0264** that no foreign-made equipment, materials, or supplies furnished to the State under the contract have been produced in whole or in part by the labor of any child under the age of 12.
- t. The Contractor certifies that it is not in violation of Section 50-14.5 of the Illinois Procurement Code, which states: "Owners of residential buildings who have committed a willful or knowing violation of the Lead Poisoning Prevention Act (410 ILCS 45) are prohibited from doing business with the State of Illinois or any State agency until the violation is mitigated."
- u. The Contractor warrants and certifies that it and, to the best of its knowledge, its subcontractors have and will comply with **Executive Order No. 1 (2007)**. The Order generally prohibits contractors and subcontractors from hiring the then-serving Governor's family members to lobby procurement activities of the State, or any other unit of government in Illinois including local governments if that procurement may result in a contract valued at over \$25,000. This prohibition also applies to hiring for that same purpose any former State employee who had procurement authority at any time during the one-year period preceding the procurement lobbying activity.
- v. The Contractor certifies that it has read, understands, and is in compliance with **Public Act 95-971** and will not make or solicit a contribution that will violate the Act. In

general, **Public Act 95-971** contains new registration and reporting requirements for certain vendors, as well as limitations on political contributions by certain vendors and their affiliates. These requirements shall be effective for the duration of the term of office of the incumbent Governor or for a period of 2 years after the end of the contract term, whichever is longer.

The Contractor further certifies, in accordance with **Public Act 95-971**, as applicable:

The Contractor is not required to register as a business entity with the State Board of Elections.

or

The Contractor has registered as a business entity with the State Board of Elections and acknowledges a continuing duty to update the registration as required by the Act. A copy of the official certificate of registration as issued by the State Board of Elections is attached.

The Contractor acknowledges that the State may declare this Contract void without any additional compensation due to the Contractor if this certification is false or if the Contractor (or any of its affiliated persons or entities) engages in conduct that violates **Public Act 95-971**.

**ARTICLE 18, RECORDS AND DOCUMENTATION:** The Contractor shall maintain, for a minimum of three (3) 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 of Illinois for the recovery of any funds paid by the State of Illinois under the contract for which adequate books, records, and supporting documentation are not available to support their purported disbursement (**30 ILCS 500/20-65**).

**ARTICLE 19, SOLICITATION FOR EMPLOYMENT:** The Contractor agrees to give notice to GOMB's Ethics Officer if the Contractor or any person associated with the Contractor solicits or intends to solicit for employment any of GOMB's employees during any part of the procurement process or during the term of the Agreement.

**ARTICLE 20, FEDERAL TAXPAYER IDENTIFICATION NUMBER AND LEGAL STATUS DISCLOSURE:** Under penalties of perjury, the Contractor certifies that the name, taxpayer identification number, and legal status of the Contractor listed below are correct.

**Name:** Chapman and Cutler LLP  
**EIN:** 36-2153731

**Legal Status:**

- |   |   |
|---|---|
| <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"/> Legal Services Corporation   | <input type="checkbox"/> Pharmacy (Non-Corp.)   |
| <input type="checkbox"/> Tax-exempt   | <input type="checkbox"/> Pharmacy/ Funeral Home/ Cemetery (Corp.)   |
| <input type="checkbox"/> Corporation providing or billing medical and/or health care services     | <input checked="" type="checkbox"/> Limited Liability Company<br><i>(select applicable tax classification:)</i> |
| <input type="checkbox"/> Corporation NOT providing or billing medical and/or health care services | <input type="checkbox"/> D = disregarded entity   |
|   | <input type="checkbox"/> C = corporation  |
|   | <input checked="" type="checkbox"/> P = partnership   |

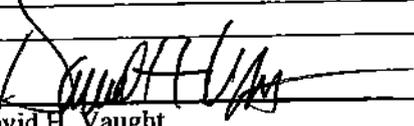
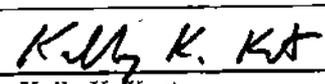
**ARTICLE 21, NOTICES:** All notices required under the terms of this agreement shall be delivered in person or by certified or registered mail with return receipt to the last known address of the parties hereto.

**ARTICLE 22, LAWS OF ILLINOIS:** This Agreement shall be governed in all respects by the internal laws of the State of Illinois, without regard to any conflicts of law rules thereof. Any claim against GOMB or the State of Illinois arising out of this Agreement must be filed exclusively with the Illinois Court of Claims.

**ARTICLE 23, ENTIRE AGREEMENT:** This Agreement contains the entire agreement of the parties hereto with respect to the subject matter hereof, and supersedes all prior commitments, agreements, understandings or representations, whether written or oral, relating to the subject matter hereof. This Agreement may not be changed orally, but only by an agreement in writing signed by the party against whom enforcement of any waiver, modification, extension, or discharge is sought.

*[Remainder of page intentionally left blank.]*

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

<b><u>GOMB:</u></b>  STATE OF ILLINOIS GOVERNOR'S OFFICE OF MANAGEMENT AND BUDGET	<b><u>CONTRACTOR:</u></b>  CHAPMAN AND CUTLER LLP
By: 	By: 
David H. Vaught Director	Name: Kelly K. Kost Title: Partner

## APPENDIX A

### NEED FOR SERVICE:

GOMB is responsible for overseeing the issuance of the bonds to be issued in the Bond Offering, including without limitation the preparation of the legal documentation required in connection therewith.

Such legal documentation requires the disclosure of certain items pursuant to applicable law, and GOMB requires specialized legal services from Disclosure Counsel in connection with the preparation of such disclosure.

Therefore, it is necessary for GOMB to obtain these specialized legal services and opinions from a qualified Disclosure Counsel.

## APPENDIX B

### DESCRIPTION OF SERVICES:

The role of the Contractor is that of Disclosure Counsel solely in connection with pension disclosure language to be used in the Bond Offering (the "*Pension Disclosure*"). As such, the Contractor shall assist and advise GOMB throughout the course of the Bond Offering transaction. Such services may include, without limitation, the following:

- a. Providing such legal counsel to GOMB with respect to the planning, drafting, format and content of the Pension Disclosure.
- b. Advising GOMB with respect to the disclosure rules of the SEC in connection with the Pension Disclosure.

Upon execution of this Agreement, the Contractor's client will be GOMB and an attorney-client relationship will exist between the Contractor and GOMB. All other transaction participants will retain such counsel as they deem necessary and appropriate to represent their interests in connection with the Pension Disclosure during the course of the issuance of the Bond Offering.

## APPENDIX C

### COMPENSATION FOR SERVICES:

The Contractor shall receive, as full payment for services under this Agreement in accordance with the provisions established below, an amount not to exceed \$155,000.

### BILLING RATE FOR LABOR:

The Contractor shall be paid at a rate equal to the following schedule:

The Contractor shall be paid a fee of \$150,000.

In addition, the Contractor shall be paid an amount not to exceed \$5,000 for reimbursement of reasonable, out-of-pocket expenses paid by the Contractor and approved in advance by GOMB.

Payment for legal fees and related expenses associated with the sale of the Bonds shall be made solely from the proceeds of the Bond Offering and is expressly contingent on the closing of the Bond Offering.

**STATE OF ILLINOIS  
GOVERNOR'S OFFICE OF MANAGEMENT AND BUDGET  
AGREEMENT FOR FINANCIAL ADVISORY AMEMDMENT**

Pursuant to the terms and conditions of the AGREEMENT FOR LEGAL SERVICES (this "Agreement"), dated November 5, 2010, by and between Peralta Garcia Solutions, LLC , 1000 W. Monroe Street - Suite 1W, Chicago, Illinois 60607 (the "Contractor") and the Governor's Office of Management and Budget ("GOMB"), the Contractor and GOMB mutually agree to this Amendment.

1. The following should be substituted for Article 1 of the Agreement.

**Article 1, TERM:** Subject to the provisions for termination as hereinafter provided, this Agreement shall become effective on the date hereof and shall terminate on March 15, 2011.

2. The following should be substituted for Appendix C of the Agreement.

**COMPENSATION FOR SERVICES:**

The Contractor shall receive, as full payment for services under this Agreement in accordance with the provisions established below, an amount not to exceed \$135,000.

**BILLING RATE FOR LABOR:**

The Contractor shall be paid at a rate equal to the following schedule:

The Contractor shall be paid fees at its standard hourly billable rates up to an amount not to exceed \$125,000.

In addition, the Contractor shall be paid an amount not to exceed \$10,000 for reimbursement of reasonable, out-of-pocket expenses paid by the Contractor, including reimbursement of transcript costs as well as costs related to the publishing of notices, as approved in advance by GOMB.

Payment for legal fees associated with the sale of the Bonds shall be made from proceeds of the Bond Offering and is expressly contingent on the closing of the Bond Offering.

3. All terms, conditions and certifications applicable to the Agreement, except to the extent expressly varied by this Amendment, remain in full force and effect and govern this Amendment.

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

<p><b><u>ON BEHALF OF GOMB:</u></b></p> <p>STATE OF ILLINOIS GOVERNOR'S OFFICE OF MANAGEMENT AND BUDGET</p>	<p><b><u>CONTRACTOR:</u></b></p> <p>PERALTA GARCIA SOLUTIONS, LLC</p>
<p>By: </p>	<p>By: </p>
<p>David H. Vaught Director</p>	<p>Name: GAIL GARCIA STEFFEN Title: PRINCIPAL</p>

**STATE OF ILLINOIS  
GOVERNOR'S OFFICE OF MANAGEMENT AND BUDGET  
AGREEMENT FOR FINANCIAL ADVISORY SERVICES**

**AGREEMENT FOR FINANCIAL ADVISORY SERVICES** (this "Agreement"), dated November 5, 2010, by and between Peralta Garcia Solutions, LLC, 1000 W. Monroe Street - Suite 1W, Chicago, Illinois 60607 (the "Contractor") and the Governor's Office of Management and Budget ("GOMB").

**WHEREAS**, GOMB, in accordance with the Illinois Procurement Code, conducted a competitive Request for Proposal process in June 2009 for Financial Advisory Services with regard to the offering of its State of Illinois Bonds and Certificates, including General Obligation Bonds and Certificates and Build Illinois Bonds;

**WHEREAS**, the Contractor was selected from among several firms on the basis of overall ability to perform such financial advisory services and taking into consideration total cost to the State of Illinois;

**WHEREAS**, GOMB has a need, as specified in Appendix A, for specialized professional and Financial Advisory Services with regard to the Bond Offering;

**WHEREAS**, the Contractor is qualified and has agreed to perform such services; and

**NOW, THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

GOMB does hereby agree to retain the Contractor, and the Contractor hereby accepts such retention, upon the terms and conditions hereinafter provided.

**ARTICLE 1, TERM:** Subject to the provisions for termination as hereinafter provided, this Agreement shall become effective on the date hereof and shall terminate on February 28, 2011.

**ARTICLE 2, DUTIES:** The Contractor shall provide the services specified in Appendix B.

**ARTICLE 3, COMPENSATION:** The Contractor shall be compensated by GOMB for the services contracted for in accordance with the provisions of Appendix C of this Agreement.

**ARTICLE 4, TERMINATION/EXTENSION:** Either party may terminate this Agreement at any time upon five (5) calendar days written notice to the other party. Upon termination the Contractor shall be paid for work satisfactorily completed prior to the date of termination. The term of this Agreement may be extended for a similar or lesser term if agreed to upon in writing and signed by both parties. Any such extension shall be attached to this Agreement and made a part herein as though it were incorporated and included herein.

**ARTICLE 5, BILLING:** The Contractor shall submit an invoice at or subsequent to the closing of the Bond Offering to GOMB for services performed.

- a. Each invoice shall be itemized, listing the services performed.

- b. The amount shown on each invoice for labor costs shall be in accordance with the rates described herein under "Compensation."
- c. Each invoice shall include the following certification from the Contractor: "The Contractor hereby certifies that the services supplied and expenses incurred set forth in the attached invoice have met all of the requirements set forth in the Agreement for Legal Services, dated November 5, 2010, between the Contractor and GOMB."
- d. Each invoice shall be signed by the Contractor and shall list the Contractor's tax identification number set forth in Article 20 of this Agreement.
- e. Each invoice for services performed and expenses incurred by the Contractor prior to July 1st of each contract year must be presented to GOMB no later than the following August 1st.
- f. Notwithstanding any other provision of this Agreement to the contrary, GOMB shall not be obligated to make payment to the Contractor on invoices presented after August 1st following the end of a contract year. Failure by the Contractor to present such invoices prior to August 1st may require the Contractor to seek payment of such invoices through the Illinois Court of Claims and the Illinois General Assembly (30 ILCS 105/25).

**ARTICLE 6, PAYMENT:** GOMB will use its reasonable best efforts to secure payment for the services furnished and expenses incurred under this Agreement within sixty (60) days after the date of closing of the Bond Offering. Payment will be made in the amount earned to date of invoice less previous partial payments.

- a. Final payment will be made upon determination by GOMB that all requirements under this Agreement have been completed, which determination shall not be unreasonably withheld. Such final payment will be made subject to adjustment after completion of an audit of the Contractor's records as provided for in this Agreement. GOMB may waive audit at its option.
- b. All recordkeeping shall be in accordance with sound accounting standards.

Notwithstanding anything to the contrary contained in this Agreement or the Appendices hereto,, GOMB's (and GOMB's, until such time as GOMB shall have become party to this Agreement) obligation to make payment for the services furnished and expenses incurred by the Contractor under this Agreement is expressly contingent upon the occurrence of the closing of the Bond Offering and, absent such closing, GOMB (and GOMB) shall have no obligation to make any such payment pursuant to this Agreement or otherwise.

**ARTICLE 7, PROGRESS REPORTS:** The Contractor shall keep GOMB fully informed as to the progress of all matters covered by this Agreement. The Contractor shall promptly furnish GOMB with copies of all documents prepared in connection with the services rendered under this Agreement.

**ARTICLE 8, SUBCONTRACTING:** Subcontracting, assignment, or transfer of all or part of the interests of the Contractor in the work covered by this Agreement or the Contractor's obligations under this Agreement shall be prohibited without the prior written consent of GOMB.

- a. In the event GOMB gives such consent, the terms and conditions of this Agreement shall apply to and bind the party or parties to whom such work is subcontracted, assigned, or transferred as fully and completely as the Contractor is hereby bound and obligated.
- b. Where the Contractor is providing professional and Financial Advisory Services, the names and addresses of all subcontractors utilized by the Contractor with the consent of GOMB shall be listed in an amendment to this Agreement together with the anticipated amount of money which the subcontractor is expected to receive pursuant to this Agreement (30 ILCS 500/35-40).
- c. The Contractor shall not employ any person or persons employed by GOMB at any time during the term of this Agreement for any work required by the terms of this Agreement.

**ARTICLE 9, WORK PRODUCT:** All documents, data and records produced by the Contractor in carrying out the Contractor's obligations and services hereunder, without limitation and whether preliminary or final, shall become and remain the property of GOMB.

- a. GOMB shall have the right to use all such documents, data and records without restriction or limitation and without compensation to the Contractor and the Contractor shall have no right or interest therein.
- b. Upon completion of the services hereunder or at the termination of this Agreement, all such documents, data and records shall, at the option of GOMB, be appropriately arranged, indexed and delivered to GOMB by the Contractor.
- c. Any documents, data and records given to or prepared by the Contractor under this Agreement shall not be made available to any outside individual or organization by the Contractor without prior written approval of GOMB. Any confidential and proprietary, non-public information secured by the Contractor from GOMB or GOMB in connection with carrying out the services under this Agreement shall be kept confidential unless disclosure of such information is approved in writing by GOMB or unless disclosure otherwise is required by law.

**ARTICLE 10, INABILITY TO PERFORM:** The Contractor agrees that if, because of death or any other occurrence beyond the control of the Contractor, it becomes impossible for any principal or principals of the Contractor to render the services set forth in the Agreement, neither the Contractor nor the surviving principals shall be relieved of their obligations to complete performance thereunder. However, in such an occurrence, GOMB, at its own option, may immediately terminate the Agreement upon written notice to the Contractor.

**ARTICLE 11, EMPLOYMENT STATUS:**

- a. Services rendered pursuant to this Agreement are not rendered as an employee of the State of Illinois and amounts paid pursuant to this Agreement do not constitute compensation paid to an employee.
- b. GOMB does not assume any liability for actions of the Contractor under this Agreement and this Agreement is not subject to the State Indemnification Act (5 ILCS 350/1, et seq.).

**ARTICLE 12, AVAILABILITY OF APPROPRIATIONS (30 ILCS 500/20-60):** GOMB's obligations hereunder shall cease immediately, without further payment being required, in any year for which the General Assembly of the State of Illinois or other legally applicable funding source fails to make an appropriation sufficient to pay such obligation. GOMB shall give the Contractor notice of such termination for funding as soon as practicable after GOMB becomes aware of the failure of funding.

**ARTICLE 13, LIABILITY:** GOMB does not assume any liability for acts or omissions of the Contractor and such liability rests solely with the Contractor in accordance with applicable law.

**ARTICLE 14, BREACH:** Any material breach of this Agreement by the Contractor will allow GOMB to terminate this Agreement without penalty and have other available relief in accordance with applicable law. Failure to declare a breach on one occasion does not act as a waiver to declare a breach on another occasion.

**ARTICLE 15, RIGHT TO AUDIT:** The Contractor agrees that GOMB or its representative(s) shall have the right to examine any of the Contractor's records which directly relate to this Agreement (30 ILCS 500/20-65).

**ARTICLE 16, CONFLICT OF INTEREST:** The Contractor agrees to comply with the provisions of the Illinois Procurement Code prohibiting conflicts of interest (30 ILCS 500/50-13 and 50-35) and the

terms, conditions and provisions of those Sections apply to this Agreement and are made a part of this Agreement the same as though they were incorporated and included herein. If any State of Illinois officer or employee has a prohibited interest, this Agreement may be cancelled without charge or penalty to GOMB or the State of Illinois.

**ARTICLE 17, LEGAL ABILITY TO CONTRACT:** The Contractor certifies it is under no legal prohibition on contracting with GOMB, GOMB or the State of Illinois, has no known conflicts of interest and further specifically certifies that:

- a. The Contractor will comply with applicable provisions of the U.S. Civil Rights Act, Section 504 of the Federal Rehabilitation Act, the Americans with Disabilities Act (42 U.S.C. 12101 et seq.) and applicable rules in performance under this Agreement.
- b. Neither the Contractor nor any person associated with the Contractor is in default on an educational loan (5 ILCS 385/3).
- c. The Contractor has informed the Director of GOMB in writing if any person associated with the Contractor was formerly employed by that agency and has received an early retirement incentive prior to 1993 under Section 14-108.3 or 16-133.3 of the Illinois Pension Code, and acknowledges that contracts made without the appropriate filing with the Auditor General are not payable from the "contractual services" or other appropriation line items. The Contractor or any person associated with the Contractor have not received an early retirement incentive in or after 2002 under Section 14-108.3 or 16-133.3 of the Illinois Pension Code, and acknowledges that contracts in violation of Section 15a of the State Finance Act are not payable from the "contractual services" or other appropriation line items. (30 ILCS 105/15a).
- d. Neither the Contractor nor any person associated with the Contractor has been convicted of bribing or attempting to bribe an officer or employee of the State or any other state, nor has made an admission on the record of having so bribed or attempted to bribe (30 ILCS 500/50-5).
- e. If the Contractor or any person associated with the Contractor has been convicted of a felony, at least five years have passed after the date of completion of the sentence for such felony, unless no person held responsible by a prosecutor's office for the facts upon which the conviction was based continues to have any involvement with the business (30 ILCS 500/50-10).
- f. Neither the Contractor nor any person associated with it is barred from being awarded a contract because the Contractor or any person associated with it is delinquent in the payment of any debt to the State (or if delinquent has entered into a deferred payment plan to pay the debt), and the Contractor acknowledges that GOMB may declare this Agreement void if this certification is false (30 ILCS 500/50-11) or if the Contractor or any person associated with it later becomes delinquent and has not entered into a deferred payment plan to pay off the debt. (30 ILCS 500/50-60).
- g. The Contractor shall collect and remit Illinois Use Tax on all sales of tangible personal property into the State in accordance with provisions of the Illinois Use Tax Act (30 ILCS 500/50-12) and acknowledges that failure to comply can result in the contract being declared void.
- h. Neither the Contractor nor any person associated with it has paid any money or valuable thing to induce any person to refrain from bidding on a State contract, nor has the Contractor or any person associated with it accepted any money or other valuable thing, or acted upon the promise of same, for not bidding on a State contract (30 ILCS 500/50-25).
- i. Neither the Contractor nor any person associated with it is in violation of the "Revolving Door" Section of the Illinois Procurement Code (30 ILCS 500/50-30).

- j. The Contractor will report to the Illinois Attorney General and the Chief Procurement Officer any suspected collusion or other anticompetitive practice among any bidders, offerors, contractors, proposers or employees of the State (30 ILCS 500/50-40; 50-45; 50-50).
- k. The Contractor will, pursuant to the Drug Free Workplace Act, provide a drug free workplace, and shall not permit any person associated with the Contractor to engage in the unlawful manufacture, distribution, dispensation, possession or use of a controlled substance in the performance of the Agreement. This certification applies to contracts of \$5,000 or more with individuals and to contracts with entities with twenty-five (25) or more employees (30 ILCS 580).
- l. The Contractor does not and shall not participate in an international boycott in violation of the U.S. Export Administration Act of 1979 or the applicable regulations of the U.S. Department of Commerce. This certification applies to contracts that exceed \$10,000 (30 ILCS 582).
- m. Neither the Contractor nor any person associated with it has been convicted of the offense of bid rigging or bid rotating or any similar offense of any state or of the United States (720 ILCS 5/33E-3; E-4).
- n. The Contractor complies with the Illinois Department of Human Rights Act and rules applicable to public contracts, including equal employment opportunity, refraining from unlawful discrimination, and having written sexual harassment policies (775 ILCS 5/2-105).
- o. The Contractor does not pay dues to, or reimburse or subsidize payments by its employees for, any dues or fees to any "discriminatory club" (775 ILCS 25/2).
- p. The Contractor complies with the State Prohibition of Goods from Forced Labor Act that in relation to a public works projects, no foreign-made equipment, materials, or supplies furnished to GOMB or the State under the Agreement may be produced in whole or in part by forced labor, convict labor, or indentured labor under penal sanction (PA 93-0307).
- q. The Contractor certifies that no officer, director, partner or other managerial agent of the contracting business has been convicted of a felony under the Sarbanes-Oxley Act of 2003 or a Class 3 or Class 2 felony under the Illinois Securities Law of 1953 for a period of five years prior to the date of the bid or Agreement. The Contractor acknowledges that GOMB (or GOMB until such time as GOMB shall have become party to this Agreement) shall declare the Agreement void if this certification is false (30 ILCS 500/50-10.5).
- r. The Contractor certifies that it has not committed a willful or knowing violation of the Environmental Protection Act (relating to Civil Penalties under the Environmental Protection Act) within the last five (5) years, and is therefore not barred from being awarded a contract. The Contractor acknowledges that if GOMB later determines that this certification was falsely made, GOMB may declare the Agreement void. (30 ILCS 500/50-14).
- s. The Contractor certifies in accordance with Public Act 94-0264 that no foreign-made equipment, materials, or supplies furnished to the State under the contract have been produced in whole or in part by the labor of any child under the age of 12.
- t. The Contractor certifies that it is not in violation of Section 50-14.5 of the Illinois Procurement Code, which states: "Owners of residential buildings who have committed a willful or knowing violation of the Lead Poisoning Prevention Act (410 ILCS 45) are prohibited from doing business with the State of Illinois or any State agency until the violation is mitigated."

- u. The Contractor warrants and certifies that it and, to the best of its knowledge, its subcontractors have and will comply with Executive Order No. 1 (2007). The Order generally prohibits contractors and subcontractors from hiring the then-serving Governor's family members to lobby procurement activities of the State, or any other unit of government in Illinois including local governments if that procurement may result in a contract valued at over \$25,000. This prohibition also applies to hiring for that same purpose any former State employee who had procurement GOMB at any time during the one-year period preceding the procurement lobbying activity.
- v. The Contractor certifies that it has read, understands, and is in compliance with Public Act 95-971 and will not make or solicit a contribution that will violate the Act. In general, Public Act 95-971 contains new registration and reporting requirements for certain vendors, as well as limitations on political contributions by certain vendors and their affiliates. These requirements shall be effective for the duration of the term of office of the incumbent Governor or for a period of 2 years after the end of the contract term, whichever is longer.

The Contractor further certifies, in accordance with Public Act 95-971, as applicable:

The Contractor is not required to register as a business entity with the State Board of Elections.

or

The Contractor has registered as a business entity with the State Board of Elections and acknowledges a continuing duty to update the registration as required by the Act. A copy of the official certificate of registration as issued by the State Board of Elections is attached.

The Contractor acknowledges that the State may declare this Contract void without any additional compensation due to the Contractor if this certification is false or if the Contractor (or any of its affiliated persons or entities) engages in conduct that violates Public Act 95-971.

**ARTICLE 18, RECORDS AND DOCUMENTATION:** The Contractor shall maintain, for a minimum of three (3) 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 of Illinois for the recovery of any funds paid by the State of Illinois under the contract for which adequate books, records, and supporting documentation are not available to support their purported disbursement (30 ILCS 500/20-65).

**ARTICLE 19, SOLICITATION FOR EMPLOYMENT:** The Contractor agrees to give notice to GOMB's Ethics Officer if the Contractor or any person associated with the Contractor solicits or intends to solicit for employment any of GOMB's or GOMB's employees during any part of the procurement process or during the term of the Agreement.

**ARTICLE 20, FEDERAL TAXPAYER IDENTIFICATION NUMBER AND LEGAL STATUS DISCLOSURE:** Under penalties of perjury, I certify that the name, taxpayer identification number, and legal status listed below are correct.

Name: Peralta Garcia Solutions, LLC  
 EIN: 22-8807342

Legal Status

- |  |   |
|--|---|
| <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"/> Financial Advisory Services Corporation                                     | <input type="checkbox"/> Pharmacy (Non-Corp.)   |
| <input type="checkbox"/> Tax-exempt  | <input type="checkbox"/> Pharmacy/Funeral Home/Cemetery (Corp.)   |
| <input type="checkbox"/> Corporation providing or billing<br>medical and/or health care services     | <input checked="" type="checkbox"/> Limited Liability Company (select<br>applicable tax classification) |
| <input type="checkbox"/> Corporation NOT providing or billing<br>medical and/or health care services | <input type="checkbox"/> D = disregarded entity   |
|  | <input type="checkbox"/> C = corporation  |
|  | <input checked="" type="checkbox"/> P = partnership   |

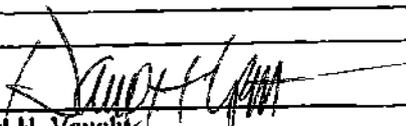
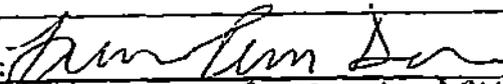
**ARTICLE 21, NOTICES:** All notices required under the terms of this agreement shall be delivered in person or by certified or registered mail with return receipt to the last known address of the parties hereto.

**ARTICLE 22, LAWS OF ILLINOIS:** This Agreement shall be governed in all respects by the internal laws of the State of Illinois, without regard to any conflicts of law rules thereof. Any claim against GOMB or the State of Illinois arising out of this Agreement must be filed exclusively with the Illinois Court of Claims.

**ARTICLE 23, ENTIRE AGREEMENT:** This Agreement contains the entire agreement of the parties hereto with respect to the subject matter hereof, and supersedes all prior commitments, agreements, understandings or representations, whether written or oral, relating to the subject matter hereof. The Agreement may not be changed orally, but only by agreement in writing signed by the party against whom enforcement of any waiver, modification, extension, or discharge is sought.

*[Remainder of page intentionally left blank.]*

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

<b>ON BEHALF OF GOMB:</b>  STATE OF ILLINOIS GOVERNOR'S OFFICE OF MANAGEMENT AND BUDGET	<b>CONTRACTOR:</b>  PERALTA GARCIA SOLUTIONS, LLC
By: 	By: 
David H. Vaught Director	Name: LETICIA PERALTA DAVIS Title: PRINCIPAL

## APPENDIX A

### NEED FOR SERVICE:

GOMB is responsible for overseeing the issuance of the bonds to be issued in the Bond Offering, including without limitation financial advisory services required in connection therewith.

Therefore, it is necessary for GOMB to obtain these specialized financial advisory services and opinions from a qualified financial advisory firm.

## **APPENDIX B**

### **DESCRIPTION OF SERVICES:**

The role of the Contractor is that of Financial Advisor. As such, the Contractor shall assist and advise GOMB, as necessary or appropriate, throughout the course of the Bond Offering transaction. Such services may include, without limitation, the following:

1. Provide advise GOMB concerning the security, structure, terms and conditions of the financing related to the issuance of the Bonds
2. Provide other advisory services related to the offering as requested by the GOMB.
3. Facilitate communication as requested between GOMB and the investment community, including rating agencies, underwriters and prospective purchasers.
4. Advise GOMB in connection with any negotiations relating to the bond Offering.
5. Communicate with appropriate counsel, including bond counsel, on behalf of GOMB.
6. Facilitate the preparation of all necessary documentation related to the issuance of the Bonds.
7. Take such incidental or related actions on behalf of GOMB as may be appropriate.
8. The Contractor shall perform the Services in full compliance with all applicable federal and State law, regulation, tax rulings, judicial and administrative orders and decrees, and also subject to and in compliance with MSRB Rule G-38.

**APPENDIX C**

**COMPENSATION FOR SERVICES:**

The Contractor shall receive, as full payment for services under this Agreement in accordance with the provisions established below, an amount not to exceed \$120,000.

**BILLING RATE FOR LABOR:**

The Contractor shall be paid at a rate equal to the following schedule:

The Contractor shall be paid a fee of \$115,000.

In addition, the Contractor shall be paid an amount not to exceed \$5,000 for reimbursement of reasonable, out-of-pocket expenses paid by the Contractor and approved in advance by GOMB.

Payment for all Services shall be made solely from the proceeds of the Bond Offering and is expressly contingent on the closing of the Bond Offering.

**STATE OF ILLINOIS  
GOVERNOR'S OFFICE OF MANAGEMENT AND BUDGET**

**AGREEMENT FOR LEGAL SERVICES AMEMDMENT**

Pursuant to the terms and conditions of the AGREEMENT FOR LEGAL SERVICES (this "Agreement"), dated November 5, 2010, by and between Kutak Rock LLP, One South Wacker Drive, Suite 2050, Chicago, Illinois 60606 (the "Contractor") and the Governor's Office of Management and Budget ("GOMB"), the Contractor and GOMB mutually agree to this Agreement Amendment.

1. The following should be substituted for Article 1 of the Agreement.

**Article 1, TERM:** Subject to the provisions for termination as hereinafter provided, this Agreement shall become effective on the date hereof and shall terminate on March 15, 2011.

2. The following should be substituted for Appendix C of the Agreement.

**COMPENSATION FOR SERVICES:**

The Contractor shall receive, as full payment for services under this Agreement in accordance with the provisions established below, an amount not to exceed \$160,000.

**BILLING RATE FOR LABOR:**

The Contractor shall be paid at a rate equal to the following schedule:

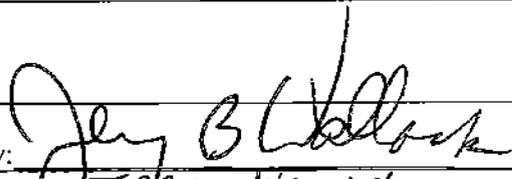
The Contractor shall be paid a fee of \$150,000.

In addition, the Contractor shall be paid an amount not to exceed \$10,000 for reimbursement of out-of-pocket expenses paid by the Contractor, including reimbursement of transcript costs as well as costs related to the publishing of notices, as approved in advance by GOMB.

Payment for legal fees associated with the sale of the Bonds shall be made from proceeds of the Bond Offering and is expressly contingent on the closing of the Bond Offering.

3. All terms, conditions and certifications applicable to the Agreement, except to the extent expressly varied by this Amendment, remain in full force and effect and govern this Amendment.

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

<b><u>AUTHORITY:</u></b>  STATE OF ILLINOIS GOVERNOR'S OFFICE OF MANAGEMENT AND BUDGET	<b><u>CONTRACTOR:</u></b>  KUTAK ROCK LLP
By: 	By: 
David H. Vaught Director	Name: JERRY B WALLACK Title: PARTNER

**STATE OF ILLINOIS  
GOVERNOR'S OFFICE OF MANAGEMENT AND BUDGET**

**AGREEMENT FOR LEGAL SERVICES**

**AGREEMENT FOR LEGAL SERVICES** (this "Agreement"), dated November 5, 2010, by and between Kutak Rock LLP, One South Wacker Drive, Suite 2050, Chicago, Illinois 60606 (the "Contractor") and the Governor's Office of Management and Budget ("GOMB").

**WHEREAS**, GOMB, in accordance with the Illinois Procurement Code, conducted a competitive Request for Proposal process in June 2009 for legal services with regard to the offering of its State of Illinois Bonds and Certificates, including General Obligation Bonds and Certificates and Build Illinois Bonds;

**WHEREAS**, the Contractor was selected from among several firms on the basis of overall ability to perform such legal services and taking into consideration total cost to GOMB;

**WHEREAS**, GOMB desires to issue bonds (the "Bond Offering"), and, in connection therewith, GOMB has a need, as specified in Appendix A of this Agreement, for specialized professional and legal services with regard to the Bond Offering; and

**WHEREAS**, the Contractor is qualified and has agreed to perform such services.

**NOW, THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

GOMB does hereby agree to retain the Contractor, and the Contractor hereby accepts such retention, upon the terms and conditions hereinafter provided.

**ARTICLE 1, TERM:** Subject to the provisions for termination as hereinafter provided, this Agreement shall become effective on the date hereof and shall terminate on January 31, 2010.

**ARTICLE 2, DUTIES:** The Contractor shall provide the services specified in Appendix B of this Agreement.

**ARTICLE 3, COMPENSATION:** The Contractor shall be compensated by GOMB for the services set forth in Appendix B in accordance with the provisions of Appendix C of this Agreement.

**ARTICLE 4, TERMINATION/EXTENSION:** Either party may terminate this Agreement at any time upon five (5) calendar days' written notice to the other party. Upon termination, the Contractor shall be paid for work satisfactorily completed prior to the date of termination in accordance with Appendix C. The term of this Agreement may be extended as agreed in writing by both parties. Any such extension shall be attached to this Agreement and incorporated into the terms of this Agreement.

**ARTICLE 5, BILLING:** The Contractor shall submit an invoice at or subsequent to the closing of the Bond Offering to GOMB for services performed.

- a. Each invoice shall be itemized, listing the services performed.
- b. The amount shown on each invoice for labor costs shall be in accordance with and subject to the rates set forth in Appendix B, as provided in Article 3 hereof.

- c. Each invoice shall include the following certification from the Contractor: "The Contractor hereby certifies that the services supplied and expenses incurred set forth in the attached invoice have met all of the requirements set forth in the Agreement for Legal Services, dated November 5, 2010, between the Contractor and GOMB."
- d. Each invoice shall be signed by the Contractor and shall list the Contractor's tax identification number set forth in Article 20 of this Agreement.
- e. Each invoice for services performed and expenses incurred by the Contractor prior to July 1st of each contract year must be presented to GOMB no later than the following August 1st.
- f. Notwithstanding any other provision of this Agreement to the contrary, GOMB shall not be obligated to make payment to the Contractor on invoices presented after August 1st following the end of a contract year. Failure by the Contractor to present such invoices prior to August 1st may require the Contractor to seek payment of such invoices through the Illinois Court of Claims and the Illinois General Assembly (30 ILCS 105/25).

**ARTICLE 6, PAYMENT:** GOMB will use its reasonable best efforts to secure payment for the services furnished and expenses incurred under this Agreement within sixty (60) days after the date of closing of the Bond Offering. Payment will be made in the amount earned to date of invoice less previous partial payments.

- a. Final payment will be made upon determination by GOMB that all requirements under this Agreement have been completed, which determination shall not be unreasonably withheld. Such final payment will be made subject to adjustment after completion of an audit of the Contractor's records as provided for in this Agreement. GOMB may waive audit at its option.
- b. All recordkeeping shall be in accordance with sound accounting standards.

Notwithstanding anything to the contrary contained in this Agreement or the Appendices hereto, GOMB's obligation to make payment for the services furnished and expenses incurred by the Contractor under this Agreement is expressly contingent upon the occurrence of the closing of the Bond Offering and, absent such closing, GOMB shall have no obligation to make any such payment pursuant to this Agreement or otherwise.

**ARTICLE 7, PROGRESS REPORTS:** The Contractor shall keep GOMB fully informed as to the progress of all matters covered by this Agreement. The Contractor shall promptly furnish GOMB with copies of all documents prepared in connection with the services rendered under this Agreement.

**ARTICLE 8, SUBCONTRACTING:** Subcontracting, assignment, or transfer of all or part of the interests of the Contractor in the work covered by this Agreement or the Contractor's obligations under this Agreement shall be prohibited without the prior written consent of GOMB.

- a. In the event GOMB gives such consent, the terms and conditions of this Agreement shall apply to and bind the party or parties to whom such work is subcontracted, assigned, or transferred as fully and completely as the Contractor is hereby bound and obligated.
- b. Where the Contractor is providing professional and legal services, the names and addresses of all subcontractors utilized by the Contractor with the consent of GOMB shall be listed in an amendment to this Agreement, together with the anticipated payment amount which the subcontractor is expected to receive pursuant to this Agreement (30 ILCS 500/35-40).
- c. The Contractor shall not employ any person or persons employed by GOMB at any time during the term of this Agreement for any work required by the terms of this Agreement.

**ARTICLE 9, WORK PRODUCT:** All documents, data and records produced by the Contractor in carrying out the Contractor's obligations and services hereunder, without limitation and whether preliminary or final, are and shall remain the property of GOMB.

- a. GOMB shall have the right to use all such documents, data and records without restriction or limitation and without compensation to the Contractor, and the Contractor shall have no right or interest therein.
- b. Upon completion of the services hereunder or upon termination of this Agreement, all such documents, data and records shall, at the option of GOMB, be appropriately arranged, indexed and delivered to GOMB by the Contractor.
- c. Any documents, data and records given to or prepared by the Contractor under this Agreement shall not be made available to any outside individual or organization by the Contractor without the prior written approval of GOMB. Any confidential and proprietary, non-public information secured by the Contractor from GOMB in connection with carrying out the services under this Agreement shall be kept confidential unless disclosure of such information is approved in writing by GOMB or unless disclosure otherwise is required by law.

**ARTICLE 10, INABILITY TO PERFORM:** The Contractor agrees that if, because of death or any other occurrence beyond the control of the Contractor, it becomes impossible for any principal or principals of the Contractor to render the services set forth in this Agreement, neither the Contractor nor the surviving principals shall be relieved of their obligations to complete performance hereunder. However, in such an occurrence, GOMB, at its own option, may immediately terminate the Agreement upon written notice to the Contractor.

**ARTICLE 11, EMPLOYMENT STATUS:**

- a. Services rendered pursuant to this Agreement are not rendered as an employee of the State of Illinois and amounts paid pursuant to this Agreement do not constitute compensation paid to an employee.
- b. GOMB does not assume any liability for actions of the Contractor under this Agreement and this Agreement is not subject to the State Indemnification Act (5 ILCS 350/1, et seq.).

**ARTICLE 12, AVAILABILITY OF APPROPRIATIONS (30 ILCS 500/20-60):** GOMB's obligations hereunder shall cease immediately, without further payment being required, in any year for which the General Assembly of the State of Illinois or other legally applicable funding source fails to make an appropriation sufficient to pay such obligation. GOMB shall give the Contractor notice of such termination of funding as soon as practicable after GOMB becomes aware of the failure of funding.

**ARTICLE 13, LIABILITY:** GOMB does not assume any liability for acts or omissions of the Contractor and such liability rests solely with the Contractor in accordance with applicable law.

**ARTICLE 14, BREACH:** Upon any material breach of this Agreement by the Contractor, GOMB may terminate this Agreement without penalty and shall have be entitled to such other relief as may be available in accordance with applicable law. GOMB's failure to declare a breach by the Contractor of this Agreement on one occasion shall not constitute a waiver of such breach or with respect to a breach on another occasion.

**ARTICLE 15, RIGHT TO AUDIT:** The Contractor agrees that GOMB or its representative(s) shall have the right to examine any of the Contractor's records which directly relate to this Agreement (30 ILCS 500/20-65).

**ARTICLE 16, CONFLICT OF INTEREST:** The Contractor agrees to comply with the provisions of the Illinois Procurement Code prohibiting conflicts of interest (30 ILCS 500/50-13 and 50-35) and the

terms, conditions and provisions of those provisions apply to this Agreement and are hereby incorporated by reference into and made a part of this Agreement as though they were included herein. If any officer or employee of the State of Illinois has a prohibited interest, this Agreement may be terminated without charge or penalty to GOMB.

**ARTICLE 17, LEGAL ABILITY TO CONTRACT:** The Contractor certifies it is under no legal prohibition on contracting with GOMB or the State of Illinois, has no known conflicts of interest, and further specifically certifies that:

- a. The Contractor will comply with the applicable provisions of the U.S. Civil Rights Act, Section 504 of the Federal Rehabilitation Act, the Americans with Disabilities Act (42 U.S.C. 12101 et seq.) and applicable rules in performance under this Agreement.
- b. Neither the Contractor nor any person associated with the Contractor is in default on an educational loan (**5 ILCS 385/3**).
- c. The Contractor has informed GOMB in writing if any person associated with the Contractor was formerly employed by that agency and has received an early retirement incentive prior to 1993 under Section 14-108.3 or 16-133.3 of the Illinois Pension Code, and acknowledges that contracts made without the appropriate filing with the Auditor General are not payable from the “contractual services” or other appropriation line items. The Contractor or any person associated with the Contractor have not received an early retirement incentive in or after 2002 under Section 14-108.3 or 16-133.3 of the Illinois Pension Code, and acknowledges that contracts in violation of Section 15a of the State Finance Act are not payable from the “contractual services” or other appropriation line items. (**30 ILCS 105/15a**).
- d. Neither the Contractor nor any person associated with the Contractor has been convicted of bribing or attempting to bribe an officer or employee of the State or any other state, nor has made an admission on the record of having so bribed or attempted to bribe (**30 ILCS 500/50-5**).
- e. If the Contractor or any person associated with the Contractor has been convicted of a felony, at least five years have passed after the date of completion of the sentence for such felony, unless no person held responsible by a prosecutor’s office for the facts upon which the conviction was based continues to have any involvement with the business (**30 ILCS 500/50-10**).
- f. Neither the Contractor nor any person associated with it is barred from being awarded a contract because the Contractor or any person associated with it is delinquent in the payment of any debt to the State (or if delinquent has entered into a deferred payment plan to pay the debt), and the Contractor acknowledges that GOMB may declare this Agreement void if this certification is false (**30 ILCS 500/50-11**) or if the Contractor or any person associated with it later becomes delinquent and has not entered into a deferred payment plan to pay off the debt. (**30 ILCS 500/50-60**).
- g. The Contractor shall collect and remit Illinois Use Tax on all sales of tangible personal property into the State in accordance with provisions of the Illinois Use Tax Act (**30 ILCS 500/50-12**) and acknowledges that failure to comply can result in the contract being declared void.
- h. Neither the Contractor nor any person associated with it has paid any money or valuable thing to induce any person to refrain from bidding on a State contract, nor has the Contractor or any person associated with it accepted any money or other valuable thing, or acted upon the promise of same, for not bidding on a State contract (**30 ILCS 500/50-25**).
- i. Neither the Contractor nor any person associated with it is in violation of the “Revolving Door” Section of the Illinois Procurement Code (**30 ILCS 500/50-30**).

- j. The Contractor will report to the Illinois Attorney General and the Chief Procurement Officer any suspected collusion or other anticompetitive practice among any bidders, offerors, contractors, proposers or employees of the State (30 ILCS 500/50-40; 50-45; 50-50).
- k. The Contractor will, pursuant to the Drug Free Workplace Act, provide a drug free workplace, and shall not permit any person associated with the Contractor to engage in the unlawful manufacture, distribution, dispensation, possession or use of a controlled substance in the performance of the Agreement. This certification applies to contracts of \$5,000 or more with individuals and to contracts with entities with twenty-five (25) or more employees (30 ILCS 580).
- l. The Contractor does not and shall not participate in an international boycott in violation of the U.S. Export Administration Act of 1979 or the applicable regulations of the U.S. Department of Commerce. This certification applies to contracts that exceed \$10,000 (30 ILCS 582).
- m. Neither the Contractor nor any person associated with it has been convicted of the offense of bid rigging or bid rotating or any similar offense of any state or of the United States (720 ILCS 5/33E-3; E-4).
- n. The Contractor complies with the Illinois Department of Human Rights Act and rules applicable to public contracts, including equal employment opportunity, refraining from unlawful discrimination, and having written sexual harassment policies (775 ILCS 5/2-105).
- o. The Contractor does not pay dues to, or reimburse or subsidize payments by its employees for, any dues or fees to any "discriminatory club" (775 ILCS 25/2).
- p. The Contractor complies with the State Prohibition of Goods from Forced Labor Act that in relation to a public works projects, no foreign-made equipment, materials, or supplies furnished to GOMB or the State of Illinois under the Agreement may be produced in whole or in part by forced labor, convict labor, or indentured labor under penal sanction (PA 93-0307).
- q. The Contractor certifies that no officer, director, partner or other managerial agent of the contracting business has been convicted of a felony under the Sarbanes-Oxley Act of 2003 or a Class 3 or Class 2 felony under the Illinois Securities Law of 1953 for a period of five years prior to the date of the bid or Agreement. The Contractor acknowledges that GOMB shall declare the Agreement void if this certification is false (30 ILCS 500/50-10.5).
- r. The Contractor certifies that it has not committed a willful or knowing violation of the Environmental Protection Act (relating to Civil Penalties under the Environmental Protection Act) within the last five (5) years, and is therefore not barred from being awarded a contract. The Contractor acknowledges that if GOMB later determines that this certification was falsely made, GOMB may declare the Agreement void. (30 ILCS 500/50-14).
- s. The Contractor certifies in accordance with Public Act 94-0264 that no foreign-made equipment, materials, or supplies furnished to GOMB under the contract have been produced in whole or in part by the labor of any child under the age of 12.
- t. The Contractor certifies that it is not in violation of Section 50-14.5 of the Illinois Procurement Code, which states: "Owners of residential buildings who have committed a willful or knowing violation of the Lead Poisoning Prevention Act (410 ILCS 45) are prohibited from doing business with the State of Illinois or any State agency until the violation is mitigated."
- u. The Contractor warrants and certifies that it and, to the best of its knowledge, its subcontractors have and will comply with Executive Order No. 1 (2007). The Order

generally prohibits contractors and subcontractors from hiring the then-serving Governor's family members to lobby procurement activities of the State, or any other unit of government in Illinois including local governments if that procurement may result in a contract valued at over \$25,000. This prohibition also applies to hiring for that same purpose any former State employee who had procurement authority at any time during the one-year period preceding the procurement lobbying activity.

- v. The Contractor certifies that it has read, understands, and is in compliance with **Public Act 95-971** and will not make or solicit a contribution that will violate the Act. In general, **Public Act 95-971** contains new registration and reporting requirements for certain vendors, as well as limitations on political contributions by certain vendors and their affiliates. These requirements shall be effective for the duration of the term of office of the incumbent Governor or for a period of 2 years after the end of the contract term, whichever is longer.

The Contractor further certifies, in accordance with **Public Act 95-971**, as applicable:

The Contractor is not required to register as a business entity with the State Board of Elections.

or

The Contractor has registered as a business entity with the State Board of Elections and acknowledges a continuing duty to update the registration as required by the Act. A copy of the official certificate of registration as issued by the State Board of Elections is attached.

The Contractor acknowledges that the State may declare this Contract void without any additional compensation due to the Contractor if this certification is false or if the Contractor (or any of its affiliated persons or entities) engages in conduct that violates **Public Act 95-971**.

**ARTICLE 18, RECORDS AND DOCUMENTATION:** The Contractor shall maintain, for a minimum of three (3) 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 of Illinois for the recovery of any funds paid by the State of Illinois under the contract for which adequate books, records, and supporting documentation are not available to support their purported disbursement (30 ILCS 500/20-65).

**ARTICLE 19, SOLICITATION FOR EMPLOYMENT:** The Contractor agrees to give notice to GOMB's Ethics Officer if the Contractor or any person associated with the Contractor solicits or intends to solicit for employment any of GOMB's employees during any part of the procurement process or during the term of the Agreement.

**ARTICLE 20, FEDERAL TAXPAYER IDENTIFICATION NUMBER AND LEGAL STATUS DISCLOSURE:** Under penalties of perjury, the Contractor certifies that the name, taxpayer identification number, and legal status of the Contractor listed below are correct.

**Name:** Kutak Rock LLP  
**EIN:** 47-0597598

**Legal Status:**

<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"/> Legal Services Corporation	<input type="checkbox"/> Pharmacy (Non-Corp.)
<input type="checkbox"/> Tax-exempt	<input type="checkbox"/> Pharmacy/ Funeral Home/ Cemetery (Corp.)
<input type="checkbox"/> Corporation providing or billing medical and/or health care services	<input checked="" type="checkbox"/> Limited Liability Company (select applicable tax classification:)
<input type="checkbox"/> Corporation NOT providing or billing medical and/or health care services	<input type="checkbox"/> D = disregarded entity
	<input type="checkbox"/> C = corporation
	<input checked="" type="checkbox"/> P = partnership

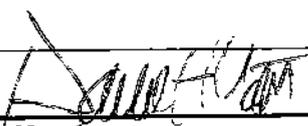
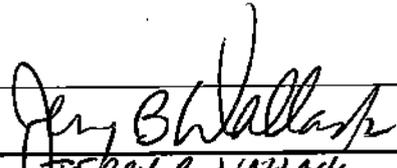
**ARTICLE 21, NOTICES:** All notices required under the terms of this agreement shall be delivered in person or by certified or registered mail with return receipt to the last known address of the parties hereto.

**ARTICLE 22, LAWS OF ILLINOIS:** This Agreement shall be governed in all respects by the internal laws of the State of Illinois, without regard to any conflicts of law rules thereof. Any claim against GOMB or the State of Illinois arising out of this Agreement must be filed exclusively with the Illinois Court of Claims.

**ARTICLE 23, ENTIRE AGREEMENT:** This Agreement contains the entire agreement of the parties hereto with respect to the subject matter hereof, and supersedes all prior commitments, agreements, understandings or representations, whether written or oral, relating to the subject matter hereof. This Agreement may not be changed orally, but only by an agreement in writing signed by the party against whom enforcement of any waiver, modification, extension, or discharge is sought.

*[Remainder of page intentionally left blank.]*

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

<b><u>AUTHORITY:</u></b>  STATE OF ILLINOIS GOVERNOR'S OFFICE OF MANAGEMENT AND BUDGET	<b><u>CONTRACTOR:</u></b>  KUTAK ROCK LLP
By: 	By: 
David H. Vaught Director	Name: JERRY B. WAWACK Title: PARTNER

## APPENDIX A

### NEED FOR SERVICE:

GOMB is responsible for overseeing the issuance of the bonds to be issued in the Bond Offering, including without limitation the preparation of the legal documentation required in connection therewith.

The financial community requires an approving opinion by a qualified bond counsel as to the legality of the Bonds.

Therefore, it is necessary for GOMB to obtain these specialized legal services and opinions from a qualified bond counsel.

## **APPENDIX B**

### **DESCRIPTION OF SERVICES:**

The role of the Contractor is that of Bond Counsel. As such, the Contractor shall assist and advise GOMB, the underwriter(s) and underwriter's counsel as necessary or appropriate, and at the direction of all or any of them, throughout the course of the Bond Offering transaction. Such services may include, without limitation, the following:

1. Providing legal counsel to GOMB with respect to the planning, drafting, format and content of the Official Statement and Official Notice of Bond Sale, if applicable, for the Bond Offering.
2. Consulting with other attorneys at the request of GOMB regarding preparation of Continuing Disclosure Undertakings to ensure consistency.
3. Drafting and preparing supporting documents included in the transcript with respect to the Bond Offering, including without limitation a Bond Order authorizing the issuance of Bonds, proceedings of GOMB confirming the sale of the Bonds, and other miscellaneous and closing documents.
4. Furnishing the printer with Bond forms and text of approving opinions, examining the printer's proofs, approving the final printer's proof, and authorizing the printer to proceed with printing Bonds, if applicable.
5. Examining all executed documents evidencing the proceedings authorizing the issuance and sale of the Bonds.
6. Attending the sale and delivery of the Bonds.
7. Providing final approving legal opinions to GOMB and the purchasers of the Bonds.
8. Providing such other legal counsel and review as may be requested by GOMB with respect to the Bond Offering.

## APPENDIX C

### COMPENSATION FOR SERVICES:

The Contractor shall receive, as full payment for services under this Agreement in accordance with the provisions established below, an amount not to exceed \$155,000.

### BILLING RATE FOR LABOR:

The Contractor shall be paid at a rate equal to the following schedule:

The Contractor shall be paid a fee of \$150,000.

In addition, the Contractor shall be paid an amount not to exceed \$5,000 for reimbursement of out-of-pocket expenses paid by the Contractor, including reimbursement of transcript costs as well as costs related to the publishing of notices, as approved in advance by GOMB.

Payment for legal fees and related expenses associated with the sale of the Bonds shall be made solely from the proceeds of the Bond Offering and is expressly contingent on the closing of the Bond Offering.

# Certificate of Registration

**STATE BOARD OF ELECTIONS**

**Registration No. 15862**

**Kutak Rock LLP**

Suite 2050  
One South Wacker Drive  
Chicago IL 60606-4614

Information for this business last updated on:

Friday, August 20, 2010

Certificate produced on Thursday, October 21, 2010 at 2:34 PM



**STATE OF ILLINOIS  
GOVERNOR'S OFFICE OF MANAGEMENT AND BUDGET**

**AGREEMENT FOR LEGAL SERVICES AMEMDMENT**

Pursuant to the terms and conditions of the AGREEMENT FOR LEGAL SERVICES (this "Agreement"), dated November 5, 2010, by and between Peck, Shaffer & Williams LLP, 30 North LaSalle Street, Suite 2010, Chicago, Illinois 60602 Peck, Shaffer & Williams LLP, 437 Madison Avenue, New York, New York, 10022 (the "Contractor") and the Governor's Office of Management and Budget ("GOMB"), the Contractor and GOMB mutually agree to this Amendment.

1. The following should be substituted for Article 1 of the Agreement.

**Article 1. TERM:** Subject to the provisions for termination as hereinafter provided, this Agreement shall become effective on the date hereof and shall terminate on March 15, 2011.

2. The following should be substituted for Appendix C of the Agreement.

**COMPENSATION FOR SERVICES:**

The Contractor shall receive, as full payment for services under this Agreement in accordance with the provisions established below, an amount not to exceed \$155,000.

**BILLING RATE FOR LABOR:**

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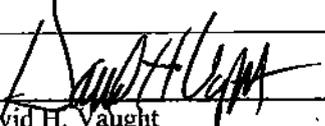
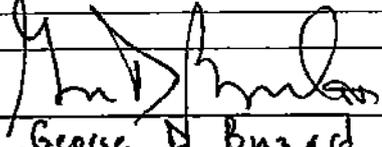
The Contractor shall be paid fees at its standard hourly billable rates up to an amount not to exceed \$150,000.

In addition, the Contractor shall be paid an amount not to exceed \$5,000 for reimbursement of reasonable, out-of-pocket expenses paid by the Contractor, including reimbursement of transcript costs as well as costs related to the publishing of notices, as approved in advance by GOMB.

Payment for legal fees associated with the sale of the Bonds shall be made from proceeds of the Bond Offering and is expressly contingent on the closing of the Bond Offering.

3. All terms, conditions and certifications applicable to the Agreement, except to the extent expressly varied by this Amendment, remain in full force and effect and govern this Amendment.

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

<b><u>ON BEHALF OF GOMB:</u></b>	<b><u>CONTRACTOR:</u></b>
STATE OF ILLINOIS GOVERNOR'S OFFICE OF MANAGEMENT AND BUDGET	PECK, SHAFFER & WILLIAMS, LLP
By: 	By: 
David H. Vaught Director	Name: George D. Bugard Title: Partner

**STATE OF ILLINOIS  
GOVERNOR'S OFFICE OF MANAGEMENT AND BUDGET**

**AGREEMENT FOR LEGAL SERVICES**

**AGREEMENT FOR LEGAL SERVICES** (this "Agreement"), dated November 5, 2010, by and between Peck, Shaffer & Williams LLP, 30 North LaSalle Street, Suite 2010, Chicago, Illinois 60602 Peck, Shaffer & Williams LLP, 437 Madison Avenue, New York, New York, 10022 (the "Contractor")

**WHEREAS**, GOMB, in accordance with the Illinois Procurement Code, conducted a competitive Request for Proposal process in June 2009 for legal services with regard to the offering of its State of Illinois Bonds and Certificates, including General Obligation Bonds and Certificates and Build Illinois Bonds;

**WHEREAS**, the Contractor was selected from among several firms on the basis of overall ability to perform such legal services and taking into consideration total cost to GOMB;

**WHEREAS**, GOMB desires to issue bonds (the "Bond Offering"), and, in connection therewith, GOMB has a need, as specified in Appendix A of this Agreement, for specialized professional and legal services with regard to the Bond Offering; and

**WHEREAS**, the Contractor is qualified and has agreed to perform such services.

**WITNESSETH**, that GOMB does hereby agree to retain the Contractor and the Contractor hereby accepts such retention upon the terms and conditions hereinafter provided.

**NOW, THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

GOMB does hereby agree to retain the Contractor, and the Contractor hereby accepts such retention, upon the terms and conditions hereinafter provided.

**ARTICLE 1, TERM:** Subject to the provisions for termination as hereinafter provided, this Agreement shall become effective on the date hereof and shall terminate on February 28, 2011.

**ARTICLE 2, DUTIES:** The Contractor shall provide the services specified in Appendix B.

**ARTICLE 3, COMPENSATION:** The Contractor shall be compensated by GOMB for the services contracted for in accordance with the provisions of Appendix C of this Agreement.

**ARTICLE 4, TERMINATION/EXTENSION:** Either party may terminate this Agreement at any time upon five (5) calendar days written notice to the other party. Upon termination the Contractor shall be paid for work satisfactorily completed prior to the date of termination. The term of this Agreement may be extended for a similar or lesser term if agreed to upon in writing and signed by both parties. Any such extension shall be attached to this Agreement and made a part herein as though it were incorporated and included herein.

**ARTICLE 5, BILLING:** The Contractor shall submit an invoice at or subsequent to the closing of the Bond Offering to GOMB for services performed.

- a. Each invoice shall be itemized, listing the services performed.
- b. The amount shown on each invoice for labor costs shall be in accordance with and subject to the rates set forth in Appendix B, as provided in Article 3 hereof.
- c. Each invoice shall include the following certification from the Contractor: "The Contractor hereby certifies that the services supplied and expenses incurred set forth in the attached invoice have met all of the requirements set forth in the Agreement for Legal Services, dated November 5, 2010, between the Contractor and GOMB."
- d. Each invoice shall be signed by the Contractor and shall list the Contractor's tax identification number set forth in Article 20 of this Agreement.
- e. Each invoice for services performed and expenses incurred by the Contractor prior to July 1st of each contract year must be presented to GOMB no later than the following August 1st.
- f. Notwithstanding any other provision of this Agreement to the contrary, GOMB shall not be obligated to make payment to the Contractor on invoices presented after August 1st following the end of a contract year. Failure by the Contractor to present such invoices prior to August 1st may require the Contractor to seek payment of such invoices through the Illinois Court of Claims and the Illinois General Assembly (**30 ILCS 105/25**).

**ARTICLE 6, PAYMENT:** GOMB will use its reasonable best efforts to secure payment for the services furnished and expenses incurred under this Agreement within sixty (60) days after the date of closing of the Bond Offering. Payment will be made in the amount earned to date of invoice less previous partial payments.

- a. Final payment will be made upon determination by GOMB that all requirements under this Agreement have been completed, which determination shall not be unreasonably withheld. Such final payment will be made subject to adjustment after completion of an audit of the Contractor's records as provided for in this Agreement. GOMB may waive audit at its option.
- b. All recordkeeping shall be in accordance with sound accounting standards.

Notwithstanding anything to the contrary contained in this Agreement or the Appendices hereto, GOMB's obligation to make payment for the services furnished and expenses incurred by the Contractor under this Agreement is expressly contingent upon the occurrence of the closing of the Bond Offering and, absent such closing, GOMB shall have no obligation to make any such payment pursuant to this Agreement or otherwise.

**ARTICLE 7, PROGRESS REPORTS:** The Contractor shall keep GOMB fully informed as to the progress of all matters covered by this Agreement. The Contractor shall promptly furnish GOMB with copies of all documents prepared in connection with the services rendered under this Agreement.

**ARTICLE 8, SUBCONTRACTING:** Subcontracting, assignment, or transfer of all or part of the interests of the Contractor in the work covered by this Agreement or the Contractor's obligations under this Agreement shall be prohibited without the prior written consent of GOMB.

- a. In the event GOMB gives such consent, the terms and conditions of this Agreement shall apply to and bind the party or parties to whom such work is subcontracted, assigned, or transferred as fully and completely as the Contractor is hereby bound and obligated.
- b. Where the Contractor is providing professional and legal services, the names and addresses of all subcontractors utilized by the Contractor with the consent of GOMB shall be listed in an amendment to this Agreement, together with the anticipated payment amount which the subcontractor is expected to receive pursuant to this Agreement (**30 ILCS 500/35-40**).

- c. The Contractor shall not employ any person or persons employed by GOMB at any time during the term of this Agreement for any work required by the terms of this Agreement.

**ARTICLE 9, WORK PRODUCT:** All documents, data and records produced by the Contractor in carrying out the Contractor's obligations and services hereunder, without limitation and whether preliminary or final, are and shall remain the property of GOMB.

- a. GOMB shall have the right to use all such documents, data and records without restriction or limitation and without compensation to the Contractor, and the Contractor shall have no right or interest therein.
- b. Upon completion of the services hereunder or upon termination of this Agreement, all such documents, data and records shall, at the option of GOMB, be appropriately arranged, indexed and delivered to GOMB by the Contractor.
- c. Any documents, data and records given to or prepared by the Contractor under this Agreement shall not be made available to any outside individual or organization by the Contractor without the prior written approval of GOMB. Any confidential and proprietary, non-public information secured by the Contractor from GOMB in connection with carrying out the services under this Agreement shall be kept confidential unless disclosure of such information is approved in writing by GOMB or unless disclosure otherwise is required by law.

**ARTICLE 10, INABILITY TO PERFORM:** The Contractor agrees that if, because of death or any other occurrence beyond the control of the Contractor, it becomes impossible for any principal or principals of the Contractor to render the services set forth in this Agreement, neither the Contractor nor the surviving principals shall be relieved of their obligations to complete performance hereunder. However, in such an occurrence, GOMB, at its own option, may immediately terminate the Agreement upon written notice to the Contractor.

**ARTICLE 11, EMPLOYMENT STATUS:**

- a. Services rendered pursuant to this Agreement are not rendered as an employee of the State of Illinois and amounts paid pursuant to this Agreement do not constitute compensation paid to an employee.
- b. GOMB does not assume any liability for actions of the Contractor under this Agreement and this Agreement is not subject to the State Indemnification Act (5 ILCS 350/1, et seq.).

**ARTICLE 12, AVAILABILITY OF APPROPRIATIONS (30 ILCS 500/20-60):** GOMB's obligations hereunder shall cease immediately, without further payment being required, in any year for which the General Assembly of the State of Illinois or other legally applicable funding source fails to make an appropriation sufficient to pay such obligation. GOMB shall give the Contractor notice of such termination of funding as soon as practicable after GOMB becomes aware of the failure of funding.

**ARTICLE 13, LIABILITY:** GOMB does not assume any liability for acts or omissions of the Contractor and such liability rests solely with the Contractor in accordance with applicable law.

**ARTICLE 14, BREACH:** Upon any material breach of this Agreement by the Contractor, GOMB may terminate this Agreement without penalty and shall have be entitled to such other relief as may be available in accordance with applicable law. GOMB's failure to declare a breach by the Contractor of this Agreement on one occasion shall not constitute a waiver of such breach or with respect to a breach on another occasion.

**ARTICLE 15, RIGHT TO AUDIT:** The Contractor agrees that GOMB or its representative(s) shall have the right to examine any of the Contractor's records which directly relate to this Agreement (30 ILCS 500/20-65).

**ARTICLE 16, CONFLICT OF INTEREST:** The Contractor agrees to comply with the provisions of the Illinois Procurement Code prohibiting conflicts of interest (30 ILCS 500/50-13 and 50-35) and the terms, conditions and provisions of those provisions apply to this Agreement and are hereby incorporated by reference into and made a part of this Agreement as though they were included herein. If any officer or employee of the State of Illinois has a prohibited interest, this Agreement may be terminated without charge or penalty to GOMB.

**ARTICLE 17, LEGAL ABILITY TO CONTRACT:** The Contractor certifies it is under no legal prohibition on contracting with GOMB or the State of Illinois, has no known conflicts of interest, and further specifically certifies that:

- a. The Contractor will comply with the applicable provisions of the U.S. Civil Rights Act, Section 504 of the Federal Rehabilitation Act, the Americans with Disabilities Act (42 U.S.C. 12101 et seq.) and applicable rules in performance under this Agreement.
- b. Neither the Contractor nor any person associated with the Contractor is in default on an educational loan (5 ILCS 385/3).
- c. The Contractor has informed GOMB in writing if any person associated with the Contractor was formerly employed by that agency and has received an early retirement incentive prior to 1993 under Section 14-108.3 or 16-133.3 of the Illinois Pension Code, and acknowledges that contracts made without the appropriate filing with the Auditor General are not payable from the "contractual services" or other appropriation line items. The Contractor or any person associated with the Contractor have not received an early retirement incentive in or after 2002 under Section 14-108.3 or 16-133.3 of the Illinois Pension Code, and acknowledges that contracts in violation of Section 15a of the State Finance Act are not payable from the "contractual services" or other appropriation line items. (30 ILCS 105/15a).
- d. Neither the Contractor nor any person associated with the Contractor has been convicted of bribing or attempting to bribe an officer or employee of the State or any other state, nor has made an admission on the record of having so bribed or attempted to bribe (30 ILCS 500/50-5).
- e. If the Contractor or any person associated with the Contractor has been convicted of a felony, at least five years have passed after the date of completion of the sentence for such felony, unless no person held responsible by a prosecutor's office for the facts upon which the conviction was based continues to have any involvement with the business (30 ILCS 500/50-10).
- f. Neither the Contractor nor any person associated with it is barred from being awarded a contract because the Contractor or any person associated with it is delinquent in the payment of any debt to the State (or if delinquent has entered into a deferred payment plan to pay the debt), and the Contractor acknowledges that GOMB may declare this Agreement void if this certification is false (30 ILCS 500/50-11) or if the Contractor or any person associated with it later becomes delinquent and has not entered into a deferred payment plan to pay off the debt. (30 ILCS 500/50-60).
- g. The Contractor shall collect and remit Illinois Use Tax on all sales of tangible personal property into the State in accordance with provisions of the Illinois Use Tax Act (30 ILCS 500/50-12) and acknowledges that failure to comply can result in the contract being declared void.
- h. Neither the Contractor nor any person associated with it has paid any money or valuable thing to induce any person to refrain from bidding on a State contract, nor has the Contractor or any person associated with it accepted any money or other valuable thing,

- or acted upon the promise of same, for not bidding on a State contract (**30 ILCS 500/50-25**).
- i. Neither the Contractor nor any person associated with it is in violation of the "Revolving Door" Section of the Illinois Procurement Code (**30 ILCS 500/50-30**).
  - j. The Contractor will report to the Illinois Attorney General and the Chief Procurement Officer any suspected collusion or other anticompetitive practice among any bidders, offerors, contractors, proposers or employees of the State (**30 ILCS 500/50-40; 50-45; 50-50**).
  - k. The Contractor will, pursuant to the Drug Free Workplace Act, provide a drug free workplace, and shall not permit any person associated with the Contractor to engage in the unlawful manufacture, distribution, dispensation, possession or use of a controlled substance in the performance of the Agreement. This certification applies to contracts of \$5,000 or more with individuals and to contracts with entities with twenty-five (25) or more employees (**30 ILCS 580**).
  - l. The Contractor does not and shall not participate in an international boycott in violation of the U.S. Export Administration Act of 1979 or the applicable regulations of the U.S. Department of Commerce. This certification applies to contracts that exceed \$10,000 (**30 ILCS 582**).
  - m. Neither the Contractor nor any person associated with it has been convicted of the offense of bid rigging or bid rotating or any similar offense of any state or of the United States (**720 ILCS 5/33E-3; E-4**).
  - n. The Contractor complies with the Illinois Department of Human Rights Act and rules applicable to public contracts, including equal employment opportunity, refraining from unlawful discrimination, and having written sexual harassment policies (**775 ILCS 5/2-105**).
  - o. The Contractor does not pay dues to, or reimburse or subsidize payments by its employees for, any dues or fees to any "discriminatory club" (**775 ILCS 25/2**).
  - p. The Contractor complies with the State Prohibition of Goods from Forced Labor Act that in relation to a public works projects, no foreign-made equipment, materials, or supplies furnished to GOMB or the State of Illinois under the Agreement may be produced in whole or in part by forced labor, convict labor, or indentured labor under penal sanction (**PA 93-0307**).
  - q. The Contractor certifies that no officer, director, partner or other managerial agent of the contracting business has been convicted of a felony under the Sarbanes-Oxley Act of 2003 or a Class 3 or Class 2 felony under the Illinois Securities Law of 1953 for a period of five years prior to the date of the bid or Agreement. The Contractor acknowledges that GOMB shall declare the Agreement void if this certification is false (**30 ILCS 500/50-10.5**).
  - r. The Contractor certifies that it has not committed a willful or knowing violation of the Environmental Protection Act (relating to Civil Penalties under the Environmental Protection Act) within the last five (5) years, and is therefore not barred from being awarded a contract. The Contractor acknowledges that if GOMB later determines that this certification was falsely made, GOMB may declare the Agreement void. (**30 ILCS 500/50-14**).
  - s. The Contractor certifies in accordance with **Public Act 94-0264** that no foreign-made equipment, materials, or supplies furnished to GOMB under the contract have been produced in whole or in part by the labor of any child under the age of 12.
  - t. The Contractor certifies that it is not in violation of Section 50-14.5 of the Illinois Procurement Code, which states: "Owners of residential buildings who have committed a willful or knowing violation of the Lead Poisoning Prevention Act (**410 ILCS 45**) are

prohibited from doing business with the State of Illinois or any State agency until the violation is mitigated.”

- u. The Contractor warrants and certifies that it and, to the best of its knowledge, its subcontractors have and will comply with **Executive Order No. 1 (2007)**. The Order generally prohibits contractors and subcontractors from hiring the then-serving Governor’s family members to lobby procurement activities of the State, or any other unit of government in Illinois including local governments if that procurement may result in a contract valued at over \$25,000. This prohibition also applies to hiring for that same purpose any former State employee who had procurement authority at any time during the one-year period preceding the procurement lobbying activity.
- v. The Contractor certifies that it has read, understands, and is in compliance with **Public Act 95-971** and will not make or solicit a contribution that will violate the Act. In general, **Public Act 95-971** contains new registration and reporting requirements for certain vendors, as well as limitations on political contributions by certain vendors and their affiliates. These requirements shall be effective for the duration of the term of office of the incumbent Governor or for a period of 2 years after the end of the contract term, whichever is longer.

The Contractor further certifies, in accordance with **Public Act 95-971**, as applicable:

The Contractor is not required to register as a business entity with the State Board of Elections.

or

The Contractor has registered as a business entity with the State Board of Elections and acknowledges a continuing duty to update the registration as required by the Act. A copy of the official certificate of registration as issued by the State Board of Elections is attached.

The Contractor acknowledges that the State may declare this Contract void without any additional compensation due to the Contractor if this certification is false or if the Contractor (or any of its affiliated persons or entities) engages in conduct that violates **Public Act 95-971**.

**ARTICLE 18, RECORDS AND DOCUMENTATION:** The Contractor shall maintain, for a minimum of three (3) 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 of Illinois for the recovery of any funds paid by the State of Illinois under the contract for which adequate books, records, and supporting documentation are not available to support their purported disbursement (**30 ILCS 500/20-65**).

**ARTICLE 19, SOLICITATION FOR EMPLOYMENT:** The Contractor agrees to give notice to GOMB’s Ethics Officer if the Contractor or any person associated with the Contractor solicits or intends to solicit for employment any of GOMB’s employees during any part of the procurement process or during the term of the Agreement.

**ARTICLE 20, FEDERAL TAXPAYER IDENTIFICATION NUMBER AND LEGAL STATUS DISCLOSURE:** Under penalties of perjury, I certify that the name, taxpayer identification number, and legal status listed below are correct.

**Name:** Peck, Shaffer & Williams LLP  
**EIN:** 31-0577039

Legal Status

- |  |  |
|--|--|
| <input type="checkbox"/> Individual  | <input type="checkbox"/> Governmental entity   |
| <input type="checkbox"/> Owner of sole proprietorship  | <input type="checkbox"/> Nonresident alien individual  |
| <input checked="" type="checkbox"/> Partnership  | <input type="checkbox"/> Estate or legal trust   |
| <input type="checkbox"/> Legal Services Corporation  | <input type="checkbox"/> Pharmacy (Non-Corp.)  |
| <input type="checkbox"/> Tax-exempt  | <input type="checkbox"/> Pharmacy/Funeral Home/Cemetery (Corp.)                              |
| <input type="checkbox"/> Corporation providing or billing<br>medical and/or health care services     | <input type="checkbox"/> Limited Liability Company (select<br>applicable tax classification) |
| <input type="checkbox"/> Corporation NOT providing or billing<br>medical and/or health care services | <input type="checkbox"/> D = disregarded entity  |
|  | <input type="checkbox"/> C = corporation   |
|  | <input type="checkbox"/> P = partnership   |

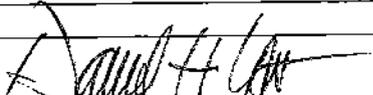
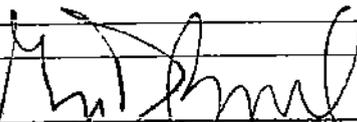
**ARTICLE 21, NOTICES:** All notices required under the terms of this agreement shall be delivered in person or by certified or registered mail with return receipt to the last known address of the parties hereto.

**ARTICLE 22, LAWS OF ILLINOIS:** This Agreement shall be governed in all respects by the internal laws of the State of Illinois, without regard to any conflicts of law rules thereof. Any claim against GOMB or the State of Illinois arising out of this Agreement must be filed exclusively with the Illinois Court of Claims.

**ARTICLE 23, ENTIRE AGREEMENT:** This Agreement contains the entire agreement of the parties hereto with respect to the subject matter hereof, and supersedes all prior commitments, agreements, understandings or representations, whether written or oral, relating to the subject matter hereof. This Agreement may not be changed orally, but only by an agreement in writing signed by the party against whom enforcement of any waiver, modification, extension, or discharge is sought.

*[Remainder of page intentionally left blank.]*

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

<b>ON BEHALF OF GOMB:</b>  <b>STATE OF ILLINOIS GOVERNOR'S OFFICE OF MANAGEMENT AND BUDGET</b>	<b>CONTRACTOR:</b>  <b>PECK, SHAFFER &amp; WILLIAMS, LLP</b>
By: 	By: 
David H. Vaught Director	Name: George Buzak Title: Partner

## APPENDIX A

### NEED FOR SERVICE:

GOMB is responsible for overseeing the issuance of the bonds to be issued in the Bond Offering, including without limitation the preparation of the legal documentation required in connection therewith.

The financial community requires an approving opinion by a qualified Underwriter's Counsel as to the legality of the Bonds.

Therefore, it is necessary for GOMB to obtain these specialized legal services and opinions from a qualified Underwriter's Counsel and is expressly contingent on the closing of the Bond Offering.

## APPENDIX B

### DESCRIPTION OF SERVICES:

The role of the Contractor is that of Underwriter's Counsel and, as such, the Contractor shall assist and advise GOMB, the underwriter(s) and underwriter's counsel as necessary or appropriate, and at the direction of all or any of them, throughout the course of the transaction. Such services may include the following:

- a. Providing such legal counsel to GOMB with respect to the planning, drafting, format and content of the Official Statement and Official Notice of Bond Sale, if applicable, for the Bond Offering undertaken by GOMB.
- b. Drafting and preparation of supporting documents included in the transcript with respect to the Bond Offering, including a Bond Order authorizing the issuance of Bonds, proceedings of the Director of GOMB and GOMB and the Governor confirming sale of the Bonds, and other miscellaneous and closing documents.
- c. Furnishing Bond printer with Bond forms and text of approving opinions, examining printer's proof, approving final printer's proof, authorizing printer to proceed with printing Bonds, if applicable.
- d. Examination of all executed documents evidencing the proceedings authorizing the issuance and sale of the Bonds.
- e. Attendance at the sale and delivery of the Bonds.
- f. Providing final approving legal opinions to GOMB and the purchaser of the Bonds.
- g. Providing such other legal counsel and review as may be requested by GOMB with respect to the Bonds and sale of the Bonds.
- h. Advise GOMB with respect to the disclosure rules of the SEC.
- i. Consult with other attorneys at the request of GOMB regarding preparation of Continuing Disclosure Undertakings to ensure consistency.

## APPENDIX C

### COMPENSATION FOR SERVICES:

The Contractor shall receive, as full payment for services under this Agreement in accordance with the provisions established below, an amount not to exceed \$130,000.

### BILLING RATE FOR LABOR:

The Contractor shall be paid at a rate equal to the following schedule:

The Contractor shall be paid fees at its standard hourly billable rates up to an amount not to exceed \$125,000.

In addition, the Contractor shall be paid an amount not to exceed \$5,000 for reimbursement of reasonable, out-of-pocket expenses paid by the Contractor, including reimbursement of transcript costs as well as costs related to the publishing of notices, as approved in advance by GOMB.

# Certificate of Registration



Registration No. 15913

**Peck, Shaffer & Williams LLP**

30 North LaSalle Street, Suite 2010

Chicago IL 60602

Information for this business last updated on:

Tuesday, September 29, 2009

Certificate produced on Tuesday, September 29, 2009 at 6:32 PM

