

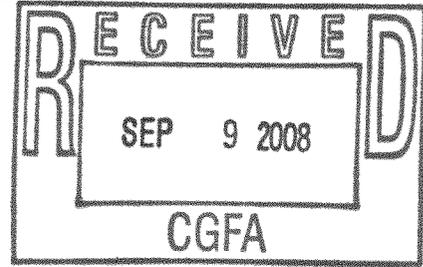


ILLINOIS

Rod R. Blagojevich, Governor

DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

James P. Sledge, Director



September 8, 2008

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

Dear Executive Director Long,

We are in receipt of your correspondences of August 22, 2008 regarding additional information requested of the Department of Central Management Services (CMS) by the Commission. CMS respectfully responds as follows:

- In response to question four, CMS indicated that the Department "has not contacted the owner regarding a purchase of part of all of the building. CMS was, however, informed by the using agency that the using agency had approached the owner regarding the purchase...". Please provide the Commission with the date the using agency approached the owner with regard to the purchase. Also, please provide the date and any correspondence related to the sentence "CMS was also informed that the option to purchase clause contains a provision that may require the purchase to be above the usual fair market value."**

CMS does not have information as to date in which IDOT first contacted the owner with regards to any inquiries into purchasing part of all of the building.

The "Option to Purchase" portion (please see attached) of the lease, first paragraph third sentence, states that:

"The purchase price for the Leased Premises shall be the greater of (a) its 'Fair Market Value,' or (b) the 'Adjusted Purchase Cost,' plus in either case, the 'Transaction Costs.'"

Please feel free to contact me if I could be of further assistance in this matter.

Respectfully,

Marcia Armstrong
Deputy Director
Bureau of Property Management

OPTION TO PURCHASE
Lease No. 4577
Illinois Dept. of Transportation
3215 Executive Drive, Springfield, IL

Provided Tenant is not then in default hereunder, Tenant shall have the right and option to purchase, for cash, the Landlord's entire interest in the entire Leased Premises at any time during the Term. Tenant shall give written notice to Landlord of its desire to exercise this option. The purchase price for the Leased Premises shall be the greater of (a) its "Fair Market Value," or (b) the "Adjusted Purchase Cost," plus in either case, the "Transaction Costs."

The "Fair Market Value" of the Leased Premises shall be established by mutual agreement of the parties. If Landlord and Tenant fail to agree on such value within 30 days after the date of Tenant's notice exercising the option, the Fair Market Value shall be established by appraisal as follows. Landlord shall name an appraiser by giving notice to Tenant within 10 days after the lapse of the 30-day period referred to above. Tenant shall, within 10 days thereafter, name a second appraiser by notice to Landlord. The two appraisers so appointed shall name a third appraiser within 10 days after the appointment of the second appraiser. If Landlord, Tenant or the two appraisers fail to appoint the corresponding appraiser within the designated time periods, then the appraiser(s) may be appointed by the Chief Judge of the court for the district in which the Leased Premises is located. If said Chief Judge shall be requested to appoint an appraiser(s) and shall refuse to do so, then such appointment or appointment may be made by such bar association president or arbitration association as Landlord shall determine. The appraisers so selected shall be qualified by education, experience and training to appraise the Leased Premises. Acting independently of each other, each of said three appraisers, within 60 days after appointment of the third appraiser, shall submit to Landlord and Tenant a written report and appraisal stating his opinion as to the value of the Leased Premises for the purpose of a cash sale, free of existing encumbrances. The two appraisals which are closest in amount shall be averaged and the resulting amount shall be conclusively deemed to be the Fair Market Value of the Leased Premises.

The "Adjusted Purchase Cost" means the "Original Cost," compounded for each of the two quantities comprising the Original Cost at the rate of five percent per annum over a period of time commencing on the date stated below and ending on the closing date for the transfer of the Leased Premises to Tenant. The commencement dates are: as to the quantity described in clause (a) below: January 4, 1999 which is date on which Landlord acquired such property, and as to each quantity described in clause (b) below: December 31 of the year in which such amounts were expended.

The "Original Cost" is sum of (a) all amounts expended by Landlord to purchase the Leased Premises, including but not limited to (i) the gross purchase price thereof, (ii) closing costs, brokerage fees and other amounts paid to third parties in connection with the closing of that purchase, plus (b) the sum of the costs expended by Landlord for all capital improvements including additions to the Leased Premises, including but not limited to the following items: (i) purchase price for any land acquisition, plus brokers' commissions and closing costs, less prorations, if any, (ii) "hard" construction costs, (iii) design, engineering and related "soft" costs.

(iii) testing and preparing necessary analyses or studies in connection with the entitlements, including environmental reports, biological reports, cultural or archeological reports, wetlands reports and other similar analyses (iv) permits and fees such as zoning permits, use permits, map amendments or other similar permits, (v) survey, (vi) title insurance, (vii) legal fees, development fees, and fees for other professionals and consultants, (viii) financing costs, (ix) insurance costs, (x) construction period interest, and (xi) general office costs associated with pursuing the project, including telephone, postage, copying and overhead of the Landlord's managing agent; and other similar expenses. Landlord shall certify all sums described in this paragraph to Tenant.

"Transaction Costs" means the sum of (1) the cost, if any, of any prepayment penalty, premium, yield maintenance charge or other sum payable to any third party to obtain a full release of mortgage financing encumbering all or any portion of the Leased Premises as of the closing date for the transfer of the Leased Premises to Tenant, plus (2) closing costs and other amounts paid to third parties in connection with the transfer of the Leased Premises to Tenant.

The closing of the transfer of the Leased Premises to Tenant shall occur in the Springfield, Illinois offices of a title insurance company (or its affiliate) licensed to insure titles in the State of Illinois selected by Landlord, on a date mutually selected by Landlord and Tenant that is not later than 90 days after the purchase price shall have been determined, as extended (if required) to comply with the administrative procedures (if any) imposed by the Landlord's lender with respect to disposition of the mortgage financing encumbering the Leased Premises. Landlord shall convey good and marketable title to the Leased Premises subject to all covenants, conditions of record, roads and highways, easements, this Lease (and for such purpose, any matter that is Tenant's responsibility under the Lease shall be considered a permitted exception to title), general real estate taxes and special assessments, if any, that are not yet due or payable, and acts done or suffered by Tenant or any party claiming by, through or under Tenant. The closing shall otherwise be conducted in accordance with the customs and practices then in effect for commercial real estate transactions in Springfield, Illinois.

If the closing of the transfer of the Leased Premises to Tenant pursuant to this option does not occur for any reason other than due to Landlord's default, then Landlord may elect any of the following remedies: (i) to terminate the proposed transfer in which event Tenant shall reimburse Landlord for any out-of-pocket costs incurred in connection with proposed transfer and Tenant's option to purchase the Leased Premises shall be cancelled and of no further force and effect; (ii) to seek specific performance to compel Tenant to proceed with the transfer, or (iii) seek damages for Tenant's failure to perform. If the closing of the transfer of the Leased Premises to Tenant pursuant to this option does not close due to Landlord's default, Tenant shall be entitled to specific performance as its sole and exclusive remedy.