



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

PAT QUINN
Governor

July 29, 2010

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 following transaction:

Competitive sale of the State of Illinois General Obligation Bonds, Taxable Build America Bonds, June Series 2010

Copies of the cost of issuance disclosure and truth in borrowing disclosures 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 in each of the transaction listed above.

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

Sincerely,

A handwritten signature in black ink, appearing to read "John Sinsheimer", followed by a horizontal line.

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

Attachment

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

THIS AGREEMENT, entered into by and between Drinker, Biddle & Reath, LLP, 191 N. Wacker Drive, Suite 3700, 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 among several firms on the basis of overall ability to perform such legal services, and taking into consideration total cost to the State of Illinois;

WHEREAS, GOMB has a need, as specified in Appendix A, for professional and legal services with regard to the offerings of the State of Illinois General Obligation Bonds, Taxable Build America Bonds, June Series 2010-4, Competitive Sale and 2010-5, Negotiated Sale (the "Bonds"); and

WHEREAS, the Contractor is qualified to and has agreed to perform such professional and specialized 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.

ARTICLE 1, TERM: Subject to the provisions for termination as hereinafter provided, this Agreement shall become effective on May 17, 2010 and will terminate on August 31, 2010.

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 established in 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 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 Bonds 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. All such invoices shall also contain a statement which reads substantially as follows: The Contractor hereby certifies that the services supplied and expenses incurred as stated in the attached invoice have met all of the required standards set forth in the Contractual Agreement for Legal Services.

- d. All such invoices shall be signed by the Contractor and shall set out the Contractor's tax identification number as set forth in Article 20 of this Agreement.
- e. All invoices 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 in order to ensure prompt payment under this Agreement.
- f. Notwithstanding any other provision of this Agreement, 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 best efforts to secure payment for the services furnished and expenses incurred under this Agreement within sixty (60) days after the date of closing. Payment will be made in the amount earned to date of invoice less previous partial payments.

- a. Final payment shall 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.

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 shall be prohibited without prior 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 artistic 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 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 assumes no 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 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 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 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 contract 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 contract.

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: Drinker, Biddle & Reath LLP

EIN: 23-1423089

Legal Status

Individual

Owner of sole proprietorship

Partnership

Legal Services Corporation

Tax-exempt

Corporation providing or billing medical and/or health care services

Corporation NOT providing or billing medical and/or health care services

Governmental entity

Nonresident alien individual

Estate or legal trust

Pharmacy (Non-Corp.)

Pharmacy/Funeral Home/Cemetery (Corp.)

Limited Liability Company (select applicable tax classification)

D = disregarded entity

C = corporation

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 laws of the State of Illinois. Any claim against GOMB or the State of Illinois arising out of this Agreement must be filed exclusively with the Illinois Court of Claims.

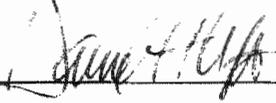
ARTICLE 23, ENTIRE AGREEMENT: This instrument contains the entire agreement of the parties. The Agreement may not be changed orally, but only by agreement in writing signed by the party whom enforcement of any waiver, modification, extension, or discharge is sought.

IN WITNESS WHEREOF, the parties hereunto set their hands and seals.

<SIGNATURE PAGE FOLLOWS>

IN WITNESS WHEREOF, the parties hereto duly authorize this Agreement by affixing their signatures below.

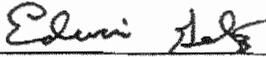
STATE OF ILLINOIS
GOVERNOR'S OFFICE OF
MANAGEMENT AND BUDGET



David H. Vaught
Director
Governor's Office of Management and Budget

Date: _____

DRINKER, BIDDLE & REATH, LLP



Name: Edwin Getz

Title: Managing Partner

Date: 6/10/2010

APPENDIX A

NEED FOR SERVICE:

GOMB is responsible for the issuance of all State of Illinois Bonds and Certificates.

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:

- 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 sale undertaken by GOMB.
- b. Drafting and preparation of supporting documents included in the transcript with respect to Bond issue, including Bond Order authorizing the issuance of Bonds, proceedings of the Director of GOMB and 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, reimbursement of the Contractor's reasonable, actual direct costs incurred in fulfilling the terms of this Agreement, in accordance with the rates and provisions established below, to an amount not to exceed \$156,000 during the term of this Agreement.

The Contractor shall be paid a total fee of \$20,000 for State of Illinois General Obligation Bonds, Taxable Build America Bonds, June Series 2010-4, Competitive Sale; plus, the Contractor shall be paid an amount not to exceed \$1,000 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.

The Contractor shall be paid a total fee of \$125,000 for State of Illinois General Obligation Bonds, Taxable Build America Bonds, June Series 2010-5, Negotiated Sale; plus, 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.

Certificate of Registration

STATE BOARD OF ELECTIONS

Registration No. 10267

Drinker Biddle and Reath LLP

One Logan Square
18th and Cherry Streets
Philadelphia PA 19103

Information for this business last updated on:
Monday, August 24, 2009

Certificate produced on Monday, August 24, 2009 at 5:59 PM



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

THIS AGREEMENT, entered into by and between Acacia Financial Group, Inc., Four Greentree Center, Suite 206, Maltron, NJ 08053 (the "Contractor"), and the Governor's Office of Management and Budget ("GOMB").

WHEREAS, in June 2009, GOMB conducted a competitive Request for Proposal process, in accordance with the Illinois Procurement Code, for financial advisory services related to the offering by the State of Illinois (the "State") of certain bonds and certificates, including General Obligation Bonds and Certificates and Build Illinois Bonds;

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

WHEREAS, GOMB has a need for professional and specialized financial advisory services with regard to the offering of the State of Illinois General Obligation Bonds, Taxable Build America Bonds, June Series 2010-4, Competitive Sale and 2010-5, Negotiated Sale (the "Bonds"); and

WHEREAS, the Contractor is qualified and has agreed to perform such professional and specialized 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.

ARTICLE 1, TERM: Subject to the provisions for termination as hereinafter provided, this Agreement shall become effective on May 17, 2010 and will terminate on August 31, 2010.

ARTICLE 2, DUTIES: The Contractor shall provide financial advisory services. The principal matters for which the State requires the Contractor's financial advisory services (collectively the "Services") are:

- a. The Contractor agrees to act as financial advisor, and to perform financial advisory services related to the offering of Bonds which may be issued by the State during the term of this Agreement. The Contractor shall, in accordance with the Agreement:
 - i. advise GOMB concerning the security, structure, terms and conditions of the financing related to the issuance of the Bonds;
 - ii. facilitate communication as requested between GOMB and the investment community, including rating agencies, underwriters and prospective purchasers;
 - iii. advise GOMB in connection with any negotiations relating to the Bonds to be offered;
 - iv. communicate with appropriate counsel, including bond counsel, on behalf of GOMB;
 - v. facilitate the preparation of all necessary documentation related to the issuance of Bonds; and
 - vi. take such incidental or related actions on behalf of GOMB or the State as may be appropriate.
- b. 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.

ARTICLE 3, COMPENSATION: The Contractor shall be compensated for Services as set forth in Appendix A, the terms of which are incorporated herein this Agreement, based on the total principal amount of each Series of Bonds issued during the term hereof this Agreement. Notwithstanding any provision to the contrary, the Contractor's total compensation for Services shall not exceed \$151,000.

ARTICLE 4, TERMINATION/EXTENSION: Either party may terminate this Agreement at any time upon five (5) calendar day's 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 hereof as though it were incorporated and included herein.

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

- a. Each invoice shall be itemized, listing the services performed.
- b. The amount shown for costs on all invoices shall be in accordance with the rates described in the "Compensation" provisions hereof.
- c. All such invoices shall also contain a statement which reads substantially as follows: The Contractor hereby certifies that the services supplied and expenses incurred as stated in the attached invoice have met all of the required standards set forth in the Agreement for Services.
- d. All such invoices shall be signed by the Contractor's authorized representative and shall include the Contractor's tax identification number as set forth in Article 20 hereof this Agreement.
- e. All invoices 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 in order to ensure prompt payment under this Agreement.
- f. Notwithstanding any other provision of this Agreement, GOMB shall not be obligated to make payment to the Contractor on invoices presented after August 1st following the end of a contract year. Contractor's failure to present such invoices prior to the above date may compel 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 best efforts to secure payment for Services within sixty (60) days after its receipt of an invoice as set forth above. Any prior partial payment shall be netted from the sum of the payment described herein.

- a. Final payment shall be made upon GOMB's determination that all requirements hereunder have been met, which determination shall not be unreasonably withheld. Such final payment will be made subject to adjustment after completion of an audit of 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.

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

ARTICLE 8, SUBCONTRACTING: Subcontracting, assignment, or transfer of any part of the interest of Contractor in the Services is prohibited without prior 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. The names and addresses of all subcontractors utilized by the Contractor with GOMB consent shall be listed in an amendment to this Agreement together with the anticipated amount of compensation 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 its obligations and providing 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, limitation or compensation to the Contractor and the Contractor shall have no right or interest therein.
- b. Upon completion of the Services or upon termination hereof, all such documents, data and records shall, at GOMB's option be appropriately arranged, indexed and delivered to it 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 person or entity by the Contractor without GOMB's prior written approval. Any confidential and proprietary, non-public information secured from GOMB by the Contractor in connection with providing the Services shall be kept confidential unless disclosure of such information is previously approved in writing by GOMB or is otherwise required by law.

ARTICLE 10, INABILITY TO PERFORM: The Contractor agrees that if, because of death or any other occurrence beyond Contractor's control, it becomes impossible for any principal of the Contractor to render the Services, neither Contractor nor any surviving principals shall be relieved of the obligation 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 and amounts paid pursuant hereto do not constitute compensation paid to an employee.
- b. GOMB assumes no 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 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: GOMB may terminate this Agreement without penalty and shall have recourse to all relief available under applicable law in the event of any material breach hereof by Contractor. 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 and its representatives shall have the right to examine any Contractor 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 such Sections shall apply hereto and are made a part hereof this Agreement as though they were incorporated and included herein. If any State officer or employee has a prohibited interest, this Agreement may be cancelled without charge or penalty to GOMB or the State.

ARTICLE 17, LEGAL ABILITY TO CONTRACT: The Contractor certifies that it is under no legal prohibition on contracting with GOMB or the State, 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 of its principals is in default on an educational loan (5 ILCS 385/3).
- c) The Contractor has informed the GOMB Director in writing if any of its employees was formerly employed by GOMB and 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. No principal of Contractor received an early retirement incentive in or after 2002 under Section 14-108.3 or 16-133.3 of the Pension Code, and Contractor 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) The Contractor has not been convicted of bribing or attempting to bribe an officer or employee of the State or any other governmental unit, nor has the Contractor or any of its principals made an admission on the record of having so bribed or attempted to bribe (30 ILCS 500/50-5).
- e) If the Contractor has been convicted of a felony, at least 5 years have passed since completion of the sentence therefor, 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) The Contractor is not barred from being awarded a contract because the Contractor 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 the Agreement void if this certification is false (30 ILCS 500/50-11) or if the Contractor 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 and acknowledges that failure to comply can result in the contract being declared void (30 ILCS 500/50-12).
- h) The Contractor has not paid any money or valuable thing to induce any person to refrain from bidding on a State contract, nor has the Contractor 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) The Contractor is not 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 GOMB’s 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 engage in the unlawful manufacture, distribution, dispensation, possession or use of a controlled substance in the performance of the Agreement. This certification applies to: all contracts of \$5,000 or more with individuals; and, to entities with 25 or more employees (30 ILCS 580).
- l) The Contractor is not participating 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 all contracts exceeding \$10,000 (30 ILCS 582).
- m) The Contractor has not 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, 5/33E-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 of Illinois Prohibition of Goods from Forced Labor Act and acknowledges that no foreign-made equipment, materials, or supplies furnished 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 none of its officers, directors, partners or other managerial agents 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 5 years prior to the date of its bid or this 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 by the State. If GOMB later determines that this certification was falsely made by the Contractor, the Contractor acknowledges that GOMB may declare the contract void. (30 ILCS 500/50-14).
- s) The Contractor certifies that no foreign-made equipment, materials, or supplies furnished to the State hereunder was produced in whole or part by the labor of any child under the age of 12 (PA 94-0264).
- 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 are prohibited from doing business with the State of Illinois or any State agency until the violation is mitigated" (410 ILCS 45).
- 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
- X 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 for the recovery of any funds it has paid under the Agreement 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 contract.

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: Acacia Financial Group, Inc.

EIN: 20-4775407

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 type="checkbox"/> Limited Liability Company (select applicable tax classification) |
| <input checked="" 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 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 laws of the State of Illinois. Any claim against the 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 instrument contains the entire agreement of the parties. The Agreement may not be changed orally, but only by agreement in writing signed by the party whom enforcement of any waiver, modification, extension, or discharge is sought.

IN WITNESS WHEREOF, the parties hereunto set their hands and seals, on the day and in the year written below.

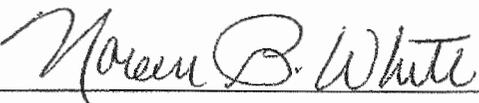
<SIGNATURE PAGE FOLLOWS>

IN WITNESS WHEREOF, the parties hereto duly authorize this Agreement by affixing their signatures below.

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

David H. Vaught
Director
Date: _____

ACACIA FINANCIAL GROUP, INC.



Name: Noreen P. White
Title: Co-President
Date: May 18, 2010

APPENDIX A

COMPENSATION:

Subject to the limitations set forth in this Agreement, the Contractor shall be paid a fee of \$20,000 for State of Illinois General Obligation Bonds, Taxable Build America Bonds, June Series 2010-4, Competitive Sale; plus, an amount not to exceed \$1,000 for reimbursement of out-of-pocket expenses paid by the Contractor and approved in advance by GOMB

Subject to the limitations set forth in this Agreement, the Contractor shall be paid a fee of \$125,000 for State of Illinois General Obligation Bonds, Taxable Build America Bonds, June Series 2010-5, Negotiated Sale; plus, an amount not to exceed \$5,000 for reimbursement of out-of-pocket expenses paid by the Contractor and approved in advance by GOMB

Payment for financial advisory fees associated with the sale of the Bonds shall be made from proceeds of the Bond issuance.

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

THIS AGREEMENT, entered into by and between Shanahan & Shanahan LLP, 230 West Monroe Street, Suite 230, 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 among several firms on the basis of overall ability to perform such legal services, and taking into consideration total cost to the State of Illinois;

WHEREAS, GOMB has a need, as specified in Appendix A, for professional and legal services with regard to the offering of the State of Illinois General Obligation Bonds, Taxable Build America Bonds, Series 2010-4, Competitive Sale of June 2010 and State of Illinois General Obligation Bonds, Taxable Build America Bonds, Series 2010-5, Negotiated Sale of June 2010 (the "Bonds"); and

WHEREAS, the Contractor is qualified to and has agreed to perform such professional and specialized 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.

ARTICLE 1, TERM: Subject to the provisions for termination as hereinafter provided, this Agreement shall become effective on May 17, 2010 and will terminate on August 31, 2010.

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 established in 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 Bonds 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. All such invoices shall also contain a statement which reads substantially as follows: The Contractor hereby certifies that the services supplied and expenses incurred as stated in the attached invoice have met all of the required standards set forth in the Contractual Agreement for Legal Services.

- d. All such invoices shall be signed by the Contractor and shall set out the Contractor's tax identification number as set forth in Article 20 hereof this Agreement.
- e. All invoices 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 in order to ensure prompt payment under this Agreement.
- f. Notwithstanding any other provision of this Agreement, 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 best efforts to secure payment for the services furnished and expenses incurred under this Agreement within sixty (60) days after the date of closing. Payment will be made in the amount earned to date of invoice less previous partial payments.

- a. Final payment shall 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.

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 shall be prohibited without prior 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 artistic 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 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 assumes no 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.

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- 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)**.
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- 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 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**).
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- 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**).
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- 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.
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- 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.

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Name: **Shanahan & Shanahan LLP**
EIN: **27-0332911**

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 medical and/or health care services | <input type="checkbox"/> Limited Liability Company (select applicable tax classification) |
| | <input type="checkbox"/> D = disregarded entity |

Corporation NOT providing or billing
medical and/or health care services

_____ C = corporation
_____ 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 laws of the State of Illinois. Any claim against GOMB or the State of Illinois arising out of this Agreement must be filed exclusively with the Illinois Court of Claims.

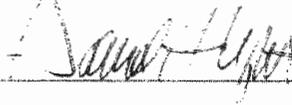
ARTICLE 23, ENTIRE AGREEMENT: This instrument contains the entire agreement of the parties. The Agreement may not be changed orally, but only by agreement in writing signed by the party whom enforcement of any waiver, modification, extension, or discharge is sought.

IN WITNESS WHEREOF, the parties hereunto set their hands and seals.

<SIGNATURE PAGE FOLLOWS>

IN WITNESS WHEREOF, the parties hereto duly authorize this Agreement by affixing their signatures below.

STATE OF ILLINOIS
GOVERNOR'S OFFICE OF
MANAGEMENT AND BUDGET



David H. Vaught
Director
Governor's Office of Management and Budget

Date: _____

SHANAHAN & SHANAHAN LLP



Name: James A. Shanahan

Title: Partner

Date: June 7, 2010

APPENDIX A

NEED FOR SERVICE:

GOMB is responsible for the issuance of all State of Illinois Bonds and Certificates.

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 underwriter's counsel and, as such, the Contractor shall assist and advise GOMB the underwriter(s) as necessary or appropriate, and at the direction of both or either, 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 sale undertaken by GOMB.
- b. Drafting and preparation of supporting documents included in the transcript with respect to Bond issue, including Bond Order authorizing the issuance of Bonds, proceedings of the Director of GOMB and 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, reimbursement of the Contractor's reasonable, actual direct costs incurred in fulfilling the terms of this Agreement, in accordance with the rates and provisions established below, to an amount not to exceed \$146,000, during the term of this Agreement.

Subject to the limitations set forth in this Agreement, the Contractor shall be paid a fee of \$20,000 for State of Illinois General Obligation Bonds, Taxable Build America Bonds, June Series 2010-4, Competitive Sale; plus, an amount not to exceed \$1,000 for reimbursement of out-of-pocket expenses paid by the Contractor and approved in advance by GOMB

Subject to the limitations set forth in this Agreement, the Contractor shall be paid a fee of \$115,000 for State of Illinois General Obligation Bonds, Taxable Build America Bonds, June Series 2010-5, Negotiated Sale; plus, an amount not to exceed \$10,000 for reimbursement of out-of-pocket expenses paid by the Contractor and approved in advance by GOMB

Certificate of Registration

STATE BOARD OF ELECTIONS

Registration No. 18704

Shanahan & Shanahan LLP

230 W. Monroe St, Suite 2620

Chicago IL 60606

Information for this business last updated on:

Tuesday, May 18, 2010

Certificate produced on Tuesday, May 18, 2010 at 2:02 PM

