F98000001922

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Requestor's Name

660 East Jefferson Street

Address

Tallahassee, FL 32301 222-1092

City State Zip Phone

CORPORATION(S) NAME

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DIVISION OF CORPORATIONS
98 APR 22 PM 2:03

EFFECTIVE DATE
5/1/98

HQ Hidden River, Inc.

merging into: 000001249680--8
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*****70.00 *****70.00

Chicago Suites Inc.

( ) Profit
( ) NonProfit
( ) Limited Liability Company
( ) Foreign

( ) Amendment
( ) Dissolution/Withdrawal

(X) Merger
( ) Mark

( ) Limited Partnership
( ) Reinstatement
( ) Limited Liability Partnership
( ) Certified Copy

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( ) Reservation
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ARTICLES OF MERGER
Merger Sheet

MERGING:

HQ HIDDEN RIVER, INC., a FL corp., #P94000014745

into

CHICAGO SUITES, INC., a Delaware corporation F98000001922

File date: April 22, 1998 , effective May 1, 1998

Corporate Specialist: Susan Payne

DOMESTIC CORPORATION AND FOREIGN CORPORATION

ARTICLES OF MERGER

The undersigned corporations, pursuant to Section 607.1107 of the Florida Business Corporation Act hereby execute the following Articles of Merger:

FIRST: The names of the corporations proposing to merge and the names of the states or countries under the laws of which such corporations are organized are as follows:

Name of corporation	State/country of incorporation
HQ Hidden River, Inc.	Florida
Chicago Suites, Inc.	Delaware

SECOND: The laws of the State of Delaware permit such merger and Chicago Suites, Inc. is complying with those laws in effecting the merger.

THIRD: Chicago Suites, Inc., as the surviving corporation, complies with Section 607.1105 F.S. and HQ Hidden River, Inc. complies with the applicable provisions of Sections 607.1101 - 607.1104 F.S.

FOURTH: The plan of merger is as follows:

See Exhibit A attached hereto and incorporated by reference.

FIFTH: The effective date of the certificate of merger shall be the 1st day of May 1998.

SIXTH: The plan of merger was adopted by all of the shareholders of HQ Hidden River, Inc. on the 9th day of March, 1998 and was adopted by the sole shareholder of Chicago Suites, Inc. on the 20th day of April, 1998.

EFFECTIVE DATE
5/1/98

FILED
SECRETARY OF STATE
DIVISION OF CORPORATIONS
98 APR 22 PM 2:03

(FLA - 2089-8/2/90)

\\\DC - 68149/6 - 0631445.02

Signed this 21st day of April, 1998.

CHICAGO SUITES, INC.

By: _____
Name: Joseph D. Wallace
Title: President

HQ HIDDEN RIVER, INC.

By: _____
Name: Ronald R. Whitehouse
Title: Chairman of the Board/CEO

(FLA - 2089-8/2/90)

EXHIBIT A

AGREEMENT AND PLAN OF MERGER

AMONG

CHICAGO SUITES, INC., A WHOLLY-OWNED SUBSIDIARY OF OMNIOFFICES, INC., AND

HQ CHICAGO, INC.,
HQ LOOP, INC.,
HQ LISLE, INC.,
HQ WACKER, INC.,
HQ BANNOCKBURN, INC.,
HQ INDIANAPOLIS, INC.,
HQ MERIDIAN, INC.,
ANRON, INC.,
HQ ROCKY POINT, INC.,
RONETTE, INC.,
HQ HIDDEN RIVER, INC.,
HQ BOCA RATON, INC.,
HQ PLANTATION, INC.,
LAJOLLA ESM, INC.,
HQ RANCHO BERNARDO, INC.,
EXECUTIVE SUITE MANAGEMENT, INC., AND
DEL MAR ESM INC.

DATED AS OF

MARCH 13, 1998

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AGREEMENT AND PLAN OF MERGER

THIS AGREEMENT AND PLAN OF MERGER (this "Merger Agreement") is dated as of March 13, 1998 by and among OMNIOFFICES, INC., a Delaware corporation ("OmniOffices"), CHICAGO SUITES, INC., a Delaware corporation ("NEWCO"), HQ CHICAGO, INC., an Illinois corporation ("HQ-Chicago"), HQ LOOP, INC., an Illinois corporation ("HQ-Loop"), HQ LISLE, INC., an Illinois corporation ("HQ-Lisle"), HQ WACKER, INC., an Illinois corporation ("HQ-Wacker"), HQ BANNOCKBURN, INC., an Illinois corporation ("HQ-Bannockburn"), HQ INDIANAPOLIS, INC., an Indiana corporation ("HQ-Indianapolis"), HQ MERIDIAN, INC., an Indiana corporation ("HQ-Meridian"), ANRON, INC., a Florida corporation ("Anron"), HQ ROCKY POINT, INC., a Florida corporation ("HQ-Rocky Point"), RONETTE, INC., a Florida corporation ("Ronette"), HQ HIDDEN RIVER, INC., a Florida corporation ("HQ-Hidden River"), HQ BOCA RATON, INC., a Florida corporation ("HQ-Boca Raton"), HQ PLANTATION, INC., a Florida corporation ("HQ-Plantation"), LAJOLLA ESM, INC., a California corporation ("LaJolla ESM"), HQ RANCHO BERNARDO, INC., a California corporation ("HQ-Rancho Bernardo"), EXECUTIVE SUITE MANAGEMENT, INC., a California corporation ("ESM"), DEL MAR ESM INC., a California corporation ("Del Mar ESM"), and Ronald Whitehouse (the "Stockholder"), the sole stockholder of HQ-Chicago, HQ-Loop, HQ-Lisle, HQ-Wacker, HQ-Bannockburn, HQ-Indianapolis, HQ-Meridan, Anron, HQ-Rocky Point, Ronette, HQ-Hidden River, HQ-Boca Raton, HQ-Plantation, LaJolla ESM, HQ-Rancho Bernardo, ESM, and Del Mar ESM (each a "Merging Company," together the "Merging Companies")

RECITALS:

A. The Board of Directors of NEWCO and the Boards of Directors of each Merging Company deem it advisable and in the best interests of each of their respective stockholders that each Merging Company shall merge with and into NEWCO upon the terms and conditions contained herein (individually the "Merger," and collectively the "Mergers").

B. OmniOffices, NEWCO, the Merging Companies, Stockholder, and CarrAmerica Realty Corporation ("CarrAmerica")desire to make certain representations, warranties and agreements in connection with the Mergers.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements hereinafter set forth, the parties hereto hereby agree as follows:

1. DEFINITIONS

For all purposes of this Merger Agreement, certain capitalized terms not otherwise defined herein shall have the meanings set forth in Exhibit A.

2. THE MERGERS

2.1. The Mergers

Upon the terms and subject to the conditions set forth in this Merger Agreement, and in accordance with the General Corporation Law of the State of Delaware, as amended ("DGCL"), and the laws of the jurisdictions in which the Merging Companies are formed, each Merging Company shall be merged with and into NEWCO, with NEWCO as the surviving corporation (sometimes referred to herein as the "Surviving Corporation"). As a result of the Mergers, the separate corporate existence of each Merging Company shall cease and NEWCO shall continue as the surviving corporation of each Merger.

2.2. Closing

The closing of the Mergers (the "Closing") will take place at 10:00 a.m., local time on the date specified by the parties, which (subject to satisfaction or waiver of the conditions set forth in Sections 9 and 10) shall be no later than the third business day after satisfaction or waiver of the conditions set forth in Sections 9 and 10 (the "Closing Date"), at the offices of Hogan & Hartson L.L.P., 555 Thirteenth Street, Washington, D.C. 20004, unless another date or place is agreed to in writing by the parties.

2.3. Effective Time

As soon as practicable following the satisfaction or waiver of the conditions set forth in Sections 9 and 10, NEWCO and each Merging Company shall execute a Certificate of Merger substantially in the form attached hereto as Exhibit B (the "Certificate of Merger"), in accordance with the DGCL and file the same with the Office of the Secretary of State of the State of Delaware (the "Delaware Secretary of State"), shall make all other filings and recordings required, with respect to the Mergers, under the DGCL and shall execute and file all other documents required by the applicable laws of the jurisdiction in which such Merging Company is organized necessary to effect the Mergers, including without limitation those attached hereto as Exhibit B. Each Merger shall become effective (the time at which each such Merger becomes effective being referred to hereinafter as the "Effective Time") upon the acceptance for filing of the Certificates of Merger (or equivalent documents) with respect thereto by the Delaware Secretary of State and the relevant governmental authority of the jurisdiction in which the relevant Merging Company is organized.

2.4. Effect of the Merger

At the Effective Time with respect to each Merger, the effect of such Merger shall be as provided in the applicable provisions of the DGCL and the applicable laws of the jurisdiction in which the relevant Merging Company is organized. Without limiting the generality of the foregoing, and subject thereto, at the Effective Time with respect to each Merger, the Surviving Corporation shall possess all the rights, privileges, immunities, and franchises, of a public as well as of a private nature, of each of NEWCO and the relevant Merging Company. All property, real, personal, and mixed, and all debts due on any

account, including subscriptions to shares, and all other choses in action, and every other interest of or belonging to or due to each of NEWCO and the relevant Merging Company shall vest in the Surviving Corporation without any further act or deed. The title to any real estate or any interest therein vested in either of NEWCO and the relevant Merging Company shall not revert nor in any way become impaired by reason of the relevant Merger. The Surviving Corporation shall be responsible and liable for all of the liabilities and obligations of each of NEWCO and the Merging Companies. A claim of or against or a pending proceeding by or against NEWCO or the relevant Merging Company may be prosecuted as if the relevant Merger had not taken place, or the Surviving Corporation may be substituted in the place of the NEWCO or the relevant Merging Company, as the case may be. Neither the rights of creditors nor any liens upon the property of NEWCO or any Merging Company shall be impaired by any Merger. The Surviving Corporation shall continue its corporate existence under the laws of the State of Delaware.

2.5. Effect of Merger on Certificate of Incorporation and Bylaws

The Certificate of Incorporation of NEWCO (the "NEWCO Certificate of Incorporation") and the Bylaws of NEWCO (the "NEWCO Bylaws"), as in effect immediately prior to the Effective Time, shall be the Certificate of Incorporation and Bylaws of the Surviving Corporation and shall continue in full force and effect after each Merger until further amended in accordance with applicable Delaware law.

2.6. Directors and Officers

The directors and officers of the Surviving Corporation shall consist of the directors and officers of NEWCO immediately prior to the Effective Time with respect to each Merger, who shall continue to serve for the balance of their unexpired terms or their earlier death, resignation or removal.

2.7. Conversion of Securities

At the Effective Time with respect to each Merger, by virtue of such Merger and without any action on the part of the parties hereto, or the holders of any of the following securities:

(a) Each share of capital stock of each Merging Company, issued and outstanding prior to the Effective Time shall be converted into and become a right to receive a portion of the Merger Consideration (as more fully described in Section 2.9).

(b) All shares of capital stock of the Merging Companies held in the treasury of each Merging Company immediately prior to the Effective Time shall be canceled and extinguished and no payment shall be made with respect thereto.

(c) With respect to each Merger, at the Effective Time of such Merger all shares of capital stock of the relevant Merging Company shall no longer be outstanding and shall automatically be canceled and retired and shall cease to exist, and each certificate previously representing any such shares shall thereafter represent the right to

receive the property into which such capital stock was converted in such Merger as more fully described in **Section 2.9** below. Certificates previously representing shares of capital stock of the relevant Merging Company shall be exchanged for the consideration as more fully described in **Section 2.9** below upon the surrender of such certificates in accordance with the provisions of **Section 2.12**, without interest. In any event, if between the date of this Merger Agreement and the Effective Time of the relevant Merger the outstanding shares of capital stock of the relevant Merging Company shall have been changed into a different number of shares or a different class, by reason of any stock dividend, subdivision, reclassification, recapitalization, split, combination or exchange of shares, the consideration to be delivered in such Merger shall be correspondingly adjusted to reflect such stock dividend, subdivision, reclassification, recapitalization, split, combination or exchange of shares.

2.8. Stock Transfer Books

At the Effective Time with respect to each Merger, the stock transfer books of the relevant Merging Company with respect to all shares of capital stock of each of the relevant Merging Companies shall be closed and no further registration of transfers of such shares of capital stock shall thereafter be made on the records of each of the relevant Merging Companies.

2.9. Merger Consideration

As a result of the merger of the Merging Companies into NEWCO, the assets of the Merging Companies will become the assets of NEWCO, and the Merger Consideration (as defined below) will be delivered to the Stockholder in exchange for the canceled shares. It is the intention of the parties that the Mergers and the resulting issuance of the Installment Notes (as defined below) will be treated for federal income tax purposes in accordance with Revenue Ruling 69-6. Pursuant to Treasury Reg. Sec. 1.453-11(a)(2), the Stockholder will be treated as receiving the Installment Note from NEWCO in exchange for the canceled capital stock of the Merging Companies.

The Stockholder and the Escrow Agent shall each be entitled to receive an Installment Note in the forms attached hereto as Exhibit C-1 (the "Installment Notes"). The Installment Note delivered to the Stockholder shall be in the original principal amount of fifty two million five hundred thousand dollars ($52,500,000). The Installment Note delivered to the Escrow Agent shall be in the original principal amount of two million five hundred thousand dollars ($2,500,000) and shall be held by the Escrow Agent pursuant to the Claims Escrow Agreement attached hereto as Exhibit C-2. At Closing, OmniOffices and NEWCO will cause to be issued two stand-by letters of credit in the form attached hereto as Exhibit C-3 in amounts equal to the principal of and 31 days interest on the Installments Notes issued to the Stockholder and the Escrow Agent, respectively. At Closing, OmniOffices and NEWCO will cause to be issued a guaranty in the form attached hereto as Exhibit C-4. The principal amount of the Installment Note delivered to the Stockholder shall be subject to increase pursuant to **Section 3.3(g)**. The combined principal amounts of the Installment Notes, along with any increase or decrease in the Merger Consideration pursuant to **Sections 3.3(g)** and **3.7**, without duplication, are sometimes referred to as the "Merger Consideration". The Merger Consideration above has

been allocated by the parties according to the Merger Consideration allocation schedule attached hereto as Exhibit K (the "Allocation Schedule").

2.10. Delivery of Merger Consideration

At Closing, OmniOffices or NEWCO shall deliver the Installment Notes to the Stockholder and the Escrow Agent pursuant to the terms of this Merger Agreement.

2.11. Buyer Escrow Deposit

Upon execution of this Merger Agreement, Two Million Dollars ($2,000,000) (the **"Buyer Escrow Deposit"**) shall be delivered by OmniOffices or NEWCO to the Escrow Agent, to be held in escrow and distributed in accordance with the terms of an escrow agreement to be entered into as of the date hereof and substantially in the form attached hereto as Exhibit D (the **"Breakup Escrow Agreement"**).

2.12. Cancellation of Certificates

At the Closing, certificates representing all of the issued and outstanding shares of capital stock of the Merging Companies shall be surrendered for cancellation in the Mergers. Each such certificate shall be delivered to NEWCO and canceled, and, simultaneously with such delivery and cancellation, the consideration into which such capital stock shall have been converted in the Mergers shall be delivered to the persons entitled thereto. From and after the Effective Time, each certificate which prior to the Effective Time represented shares of capital stock of any Merging Company shall be deemed to represent only the right to receive the consideration contemplated herein, and the Stockholder shall cease to have any rights with respect to the shares of capital stock formerly represented thereby, except as otherwise provided herein or by law.

3. ADDITIONAL UNDERTAKINGS AND COVENANTS

OmniOffices and NEWCO, on the one hand, and each Merging Company and the Stockholder, on the other hand, hereby covenant and agree with each other as follows:

3.1. Consents and Approvals

(a) OmniOffices, NEWCO, each Merging Company and the Stockholder shall use their commercially reasonable efforts to secure such consents, authorizations and approvals of governmental and supragovernmental authorities and of private persons or entities with respect to the transactions contemplated by this Merger Agreement, and to the performance of all other obligations of such parties hereunder, as may be required by any applicable statute or regulation of the United States or any country, state or other jurisdiction or by any Agreement of any kind whatsoever to which OmniOffices, NEWCO, any Merging Company or the Stockholder is a party or by which OmniOffices, NEWCO, any Merging Company or the Stockholder is bound. To the extent required by a landlord in connection with obtaining a required consent by such landlord to the transaction

contemplated by this Merger Agreement under an existing real property lease in which a Merging Company is the Tenant, OmniOffices will execute a guaranty to guaranty the obligations of NEWCO under such real property leases from and after the Effective Time. In connection with seeking such consents, no Merging Company will offer a guaranty of OmniOffices without the prior consent of OmniOffices.

(b) OmniOffices, NEWCO, each Merging Company and the Stockholder shall (i) cooperate in the filing of all forms, notifications, reports and information, if any, required or reasonably deemed advisable pursuant to applicable statutes, rules, regulations or orders of any governmental or supragovernmental authority in connection with the transactions contemplated by this Merger Agreement and (ii) use their respective good faith efforts to cause any applicable waiting periods thereunder to expire and any objections to the transactions contemplated hereby to be withdrawn before the Closing.

(c) In addition to the obligations set forth in **Section 3.1(b)**, as promptly as practicable, and in any event no later than fifteen (15) days following the execution of this Merger Agreement, each Merging Company, the Stockholder, OmniOffices and NEWCO shall complete any filing that may be required pursuant to Hart-Scott-Rodino, or shall mutually agree that no such filing is required; provided, however, if OmniOffices or NEWCO determines that additional preparation time is necessary to file under Hart-Scott-Rodino, the parties agree to complete such filing no later than thirty (30) days from the date hereof. Each Merging Company, the Stockholder, OmniOffices and NEWCO shall diligently take (or fully cooperate in the taking of) all actions, and provide any additional information, required or reasonably requested in order to comply with the requirements of Hart-Scott-Rodino. OmniOffices or NEWCO shall pay the Hart-Scott-Rodino filing fee.

(d) The Merging Companies and Stockholder shall use their commercially reasonable efforts to secure consents to the transactions contemplated by this Merger Agreement, to the extent available, from the landlords for the real property leases located at One Magnificent Mile, 980 North Michigan Avenue, Chicago, IL; Chatham Centre Northwest, 1901 Roselle Road, Schaumburg, IL 60195; 1600 Corporate Center, 1600 Golf Road, Rolling Meadows, IL; Plaza East, 4370 La Jolla Village Drive, San Diego, CA 92122; and 101 West Ohio Street, Indianapolis, IN. In the event any of the consents described in this **Section 3.1(d)** are not obtained prior to Closing, NEWCO may elect, in lieu of merging with the Merging Company which is the tenant under the real property lease as to which such consent was not obtained, to purchase all of the outstanding capital stock of such Merging Company from the Stockholder for the amount of the Merger Consideration allocated to such Merging Company set forth on the Allocation Schedule and otherwise on the same terms and conditions as set forth in this Merger Agreement, mutatis mutandis.

3.2. Access to the Merging Companies Information; Due Diligence Period

(a) Each Merging Company shall, through the Closing Date, provide to representatives of OmniOffices and NEWCO access during regular business hours to the offices, books, Agreements, records (including, without limitation, tax returns and correspondence with accountants), officers, directors, employees, consultants and contractors of the Merging Companies; provided, however, that such access shall be upon reasonable notice and shall not unreasonably disrupt the personnel and operations of any

Merging Company. The Merging Companies will furnish representatives of OmniOffices and NEWCO such financial and operating data and other information with respect to the businesses and assets of the Merging Companies as OmniOffices or NEWCO may reasonably request, including, without limitation financial statements, books and records and Agreements with clients, customers, vendors, lessors, licensors and suppliers of the Merging Companies. It is further understood and agreed that none of OmniOffices, NEWCO or their representatives shall contact any of the employees, customers, suppliers, lessors or other associates or Affiliates of the Merging Companies or the Stockholder, whether in person, by telephone, by mail or by other means of communications, in each case without the prior consent of the Stockholder.

(b) Prior to Closing, each of OmniOffices, NEWCO, the Merging Company, the Stockholder and the representatives thereof shall hold all information provided to it pursuant to this Merger Agreement (or in connection with the transactions contemplated hereby) in accordance with, and subject to the terms of, that certain Confidentiality Agreement dated as of December 22, 1997 by and among OmniOffices and the Whitehouse Companies on behalf of the Merging Companies and the Stockholder (the "Confidentiality Agreement").

3.3. Operation of Businesses of the Merging Companies

(a) The Merging Companies shall, through the Closing Date, (i) preserve their business organizations and their present relationships with customers, suppliers, consultants, employees and any other persons having business relations with them in the Ordinary Course of Business, and (ii) maintain all of their respective assets in customary repair and condition, except when failure to so preserve or maintain would not, in the aggregate, have a Material Adverse Effect.

(b) Except as disclosed on **Schedule 3.3(b)**, as agreed upon in writing by OmniOffices or as contemplated by this Merger Agreement or as reasonably required to carry out their obligations hereunder, each Merging Company shall, through the Closing Date, conduct their respective businesses only in the Ordinary Course of Business and, in addition, not: (i) issue any capital stock or any options, warrants or other rights to subscribe for or purchase any of their capital stock or any securities convertible into or exchangeable for their capital stock; (ii) make any capital expenditures, or enter into any commitment therefor, aggregating more than $50,000; (iii) directly or indirectly redeem, purchase or otherwise acquire any of their capital stock; (iv) effect a split, reclassification or other change in or of any of their capital stock; (v) amend their certificate or articles of incorporation or their bylaws; (vi) grant any increase in the compensation payable or to become payable after the Closing by any Merging Company to officers or employees of any Merging Company, other than as provided for under existing Agreements previously disclosed to OmniOffices or increases in an employee's annual compensation in the Ordinary Course of Business pursuant to such Merging Company's existing wage and salary program, up to a maximum increase of 10%, or enter into any bonus, insurance, pension or other benefit plan, payment or arrangement for or with any of such officers or employees to be payable after the Closing; (vii) borrow or agree to borrow any funds, or directly or indirectly guarantee or agree to guarantee the obligations of others; (viii) enter into any Agreement other than in the Ordinary Course of Business which may have a

material effect on their businesses and operations; (ix) place, or allow to be placed, an Encumbrance on any of their assets; (x) cancel any indebtedness owing to any Merging Company (other than loans to the Stockholder) or any Claims which any Merging Company may possess, or waive any rights, which waiver would have a Material Adverse Effect; (xi) sell, assign or transfer any Intellectual Property; (xii) sell or otherwise dispose of any interest in any asset (other than in the Ordinary Course of Business); (xiii) violate any Law, the violation of which would have a Material Adverse Effect; (xiv) commit any act or omit to do any act, or engage in any activity or transaction or incur any obligation (by conduct or otherwise), which would, individually or in the aggregate, have a Material Adverse Effect; (xv) commit any act or omit to do any act, or engage in any activity or transaction which would constitute a breach of any Merging Company's franchisee agreement with HQ Network Systems, Inc. or (xvi) make any loan or advance to a stockholder, officer or director of any Merging Company or to any other person, firm or corporation. Prior to the Closing Date, each Merging Company (i) will not do or agree to do any of the things listed in clauses (a) through (r) of **Section 4.9,** (ii) will maintain each Merging Company's assets in accordance with **Section 4.11** and (iii) will maintain all insurance, which shall meet the requirements of **Section 4.12.**

(c) Each Merging Company shall notify OmniOffices promptly of any material adverse change in the business, operations, financial condition, assets or liabilities of such Merging Company, including, without limitation, information (including, without limitation, copies of all Documents relating thereto) concerning all Claims instituted, threatened or asserted against or affecting any Merging Company or their respective businesses or assets at law or in equity, before or by any court or governmental authority.

(d) Until the Closing, each Merging Company shall keep proper books of record and account in which true and complete entries will be made of all transactions prepared on a basis consistent with prior periods, and shall supply to OmniOffices monthly unaudited statements of income of such Merging Company, prepared in compliance with **Section 4.6**, as soon as practicable after the end of each month, and such other Documents (financial or otherwise) as OmniOffices shall reasonably request.

(e) Each Merging Company shall inform and discuss with OmniOffices on a reasonably regular and ongoing basis the management of the businesses and assets of such Merging Company, including, without limitation, any material new Agreements or transactions proposed to be entered into or persons (at management level or above) proposed to be employed or terminated by such Merging Company, and any other significant developments relating to the businesses or assets of such Merging Company; provided, however, that OmniOffices shall have no express or implied power, authority or responsibility with respect to any Merging Company, or their businesses, assets or Agreements.

(f) Each Merging Company will pay, or will establish in financial statements furnished to OmniOffices pursuant to **Sections 3.3(d)** or **4.6** adequate reserves for the payment of, all Taxes due and payable for or with respect to the period up to and including the Closing Date (without regard to whether or not such Taxes are disputed) other than Extra Taxes (as such term is defined in **Section 3.11(g)**) or other than Taxes

attributable to Stockholder for which none of the Merging Companies, NEWCO, or OmniOffices has any liability.

(g) OmniOffices, NEWCO, the Merging Companies and the Stockholder recognize that capital equipment expenditures and architectural fees have been made by certain Merging Companies with respect to the business centers and in the amounts identified on Exhibit E attached hereto (together the "New Centers"). OmniOffices and NEWCO agree that the principal amount of the Installment Note payable to the Stockholder, and the Merger Consideration, shall be increased by (i) the amount of capital equipment expenditures and architectural fees paid prior to the Closing Date with respect to the New Centers and (ii) all other development costs for the New Centers incurred by the Merging Company after January 22, 1998 (collectively, "New Center Development Costs"). Exhibit E hereto lists the actual capital expenditures incurred at the New Centers through the day immediately prior to the date hereof.

3.4. Disclosure

If, at any time prior to Closing, any party hereto becomes aware of any information which would cause any of the conditions set forth in **Sections 9.1, 10.1 or 10.4** not to be satisfied, such party covenants that it will promptly inform the party to which such condition relates.

3.5. News Releases

None of OmniOffices, NEWCO, any Merging Company, the Stockholder or CarrAmerica shall issue or approve any news release or other public announcement concerning the transactions contemplated by this Merger Agreement without the prior approval of OmniOffices and the Stockholder (which approval shall not be unreasonably withheld). Notwithstanding the immediately preceding sentence if CarrAmerica or OmniOffices determines, in good faith but in its sole discretion, that a public announcement or news release is necessary or appropriate to comply with securities laws or recognized national exchange requirements, such announcement or release shall not be deemed to violate the immediately preceding sentence.

3.6. Non-Competition

The Stockholder, to induce OmniOffices to enter into and consummate this Merger Agreement, shall execute and deliver at the Closing a non-competition agreement, dated as of the Closing Date, substantially in the form of Exhibit F (the "Non-Competition Agreement").

3.7. Merger Consideration Adjustment

(a) As soon as practicable after the Closing, but in no event later than thirty (30) days following the Closing, NEWCO, with the cooperation of the Stockholder, shall prepare, in accordance with GAAP, as modified by the definitions of Current Assets and Current Liabilities, a balance sheet reflecting each Business Unit's Current Assets and

Current Liabilities as of the Closing Date (the "Closing Balance Sheet"). Such Closing Balance Sheet shall be pro rated to reflect adjustments for a partial month. The Stockholder and OmniOffices shall use their commercially reasonable efforts to resolve any disputes with respect to the Closing Balance Sheet. If such disputes, including the determination of any monthly pro rations hereunder, cannot be resolved within ten (10) days following delivery of the Closing Balance Sheet by NEWCO to the Stockholder, a firm of independent public accountants of recognized standing selected by NEWCO and the Stockholder (which may not be the regular auditors of any of the Merging Companies or NEWCO) shall resolve the disputed portions of the Closing Balance Sheet. The firm's resolution of such disputes shall be binding on OmniOffices, NEWCO and the Stockholder. One-half of the cost of retaining such accounting firm shall be borne by NEWCO and the other half shall be borne by the Stockholder.

(b) If the Current Assets reflected on the final Closing Balance Sheet exceed the Current Liabilities, NEWCO shall promptly pay (but in no event shall such payment be made prior to the expiration of thirty five (35) days from the Closing Date) to the Stockholder in cash an amount equal to such excess of Current Assets over Current Liabilities, which amount shall constitute an increase in the Merger Consideration with respect to the Business Unit having such increase. If the Current Liabilities reflected on the final Closing Balance Sheet exceed the Current Assets, the Stockholder agrees to promptly pay (but in no event shall such payment be made prior to the expiration of thirty five (35) days from the Closing Date) to NEWCO cash in an amount equal to such excess of Current Liabilities over Current Assets, which amount shall constitute a decrease in the Merger Consideration with respect to the Business Unit having such decrease. (The obligation of either NEWCO or the Stockholder under this **Section 3.7(b)** being referred to herein as the "Merger Consideration Adjustment.") Any Merger Consideration Adjustment made hereunder shall be calculated for each applicable Business Unit.

3.8. Replacement of Letter of Credit

NEWCO acknowledges that American National Bank has issued a letter of credit in the amount of $425,000 for the benefit of the HQ-Chicago attached as an exhibit to the Disclosure Schedule (the "Letter of Credit") and has entered into a reimbursement agreement attached as an exhibit to the Disclosure Schedule in favor of the Landlord. At Closing, NEWCO shall provide commercially reasonable and similar replacement letter of credit or, at the option of NEWCO, other collateral satisfactory to the beneficiary of the Letter of Credit.

3.9. Employees

(a) NEWCO hereby agrees to offer "at will" employment to the employees listed on Schedule 3.9 (other than Ronald Whitehouse, Patricia Haddock Whitehouse and Scott Elsasser) at the annual salary, Continuing Bonus, commission, and hourly wage at the level indicated thereon as well as benefits equal to those provided to comparably situated employees of OmniOffices. The Continuing Bonus will be administered by NEWCO in a manner consistent with the past practices of the Merging Companies. If requested by the Stockholder, the Merging Companies will accrue on the Closing Balance Sheets referenced in **Section 3.7(b)** a total of up to $1,000,000 for purposes of paying

special bonuses following the Closing to their employees (the "Special Bonus"). The Merging Companies will provide NEWCO with a list showing how the bonus payments are to be made among the Merging Companies' employees and NEWCO will utilize the Special Bonus to pay such special bonuses net of all appropriate tax and benefit withholdings.

(b) NEWCO agrees to enter into a severance agreement between NEWCO and Sally Warren, Annette Reizburg, Donald Kerl, Ann Grant and Nancy Herhahn (the "Key Employees" in the form attached hereto as **Exhibit G** at Closing.

(c) Notwithstanding anything in this Agreement to the contrary, NEWCO agrees to adopt a severance policy for exempt employees (other than the employees identified in **Section 3.9(b)** and other than but other than Ronald Whitehouse, Patricia Haddock Whitehouse and Scott Elsasser) prior to Closing which will provide that in the event that any such exempt employee (as such term is currently defined by the Merging Companies) hired prior to January 22, 1998, is terminated (x) for any reason other than for cause, such employee will be entitled to receive severance equal to six-months' salary, or (y) for cause but for reasons other than for gross dereliction of duties or illegal activity, such employee will be entitled to receive severance equal to one-month's salary, for every year of employment up to a maximum of six-months' salary. For purposes of this Section 3.9(c), "cause" shall mean (i) dishonesty of a material nature which directly relates to the performance of such employee's duties, (ii) such employee is convicted of a felony or a crime involving moral turpitude, (iii) the failure of such employee to perform any of his or her material duties as identified by such employee's immediate supervisor or a vice president of NEWCO, and (iv) any material breach of such employee's material duties under the employee handbook of NEWCO; provided, however, that for purposes of clauses (iii) and (iv), such employee is given notice of his or her breach and a thirty (30) day period in which to cure such breach. NEWCO shall have no obligations to continue the severance benefits provided for under this Section 3.9(c) or any severance policy adopted pursuant to this section, after the expiration of one (1) year following the Closing Date.

3.10. Termination of 401(k) Plan

Immediately prior to Closing, the Merging Companies will contribute to their 401(k) Plan all employee deferrals and any related matching or other employer contributions. One day prior to Closing, the Merging Companies will terminate their 401(k) Plans. After Closing, all employees will be eligible to participate in the Qualified Plan provided to similarly situated employees and OmniOffices or NEWCO will be responsible for closing and winding up the affairs of the Merging Companies' 401(k) Plan and, at OmniOfficers' and NEWCO's expense, will apply to the Internal Revenue Service for a determination letter to the effect that the termination of the plan will not affect the qualified status of the plan. Upon receipt of a favorable determination letter from the Internal Revenue Service, OmniOffices or NEWCO will direct the trustees of the Merging Companies' 401(k) Plan to distribute or transfer assets pursuant to and in compliance with the terms of the Merging Companies' 401(k) Plan and the governing provisions of the Code.

3.11. Certain Tax Matters

(a) *Allocation of Merger Consideration.* OmniOffices, NEWCO, each of the Merging Companies and the Stockholder agree that the Merger Consideration and the liabilities of the Merging Companies (plus other relevant items) will be allocated to the assets of the Merging Companies for all purposes (including Tax and financial accounting) as shown on the Allocation Schedule attached hereto as **Exhibit K**. The parties further agree that prior to the filing of the Merging Companies' fiscal year tax returns and the tax returns for the period beginning January 1, 1998 and ending on the Closing Date, that they will agree upon the tax basis of Code Section 1245 property and the allocation of goodwill. OmniOffices, NEWCO, each of the Merging Companies and Stockholder will file all Tax Returns (including amended returns and claims for refund) and information reports in a manner consistent with such allocation.

(b) *S Corporation Status.* Neither a Merging Company nor the Stockholder will revoke such Merging Company's election to be taxed as an S corporation within the meaning of Sections 1361 and 1362 of the Code. Neither a Merging Company nor the Stockholder will take or allow any action (other than the sale of a Merging Company's stock pursuant to this Agreement) that would result in the termination of a Merging Company's status as a validly electing S corporation within the meaning of Sections 1361 and 1362 of the Code.

(c) *Tax Periods Ending On or Before the Effective Time.* Stockholder shall prepare or cause to be prepared and file or cause to be filed all Tax Returns for the Merging Companies for all periods ending on or prior to the Effective Time which are filed after the Effective Time. Stockholder shall permit OmniOffices or NEWCO to review and comment on each such Tax Return described in the preceding sentence prior to filing. To the extent permitted by applicable law, the Stockholder shall include any income, gain, loss, deduction or other tax items for such periods on Stockholder's Tax Return in a manner consistent with the Schedule K-1s which are part of such returns. The Stockholder shall reimburse OmniOffices or NEWCO for any Taxes of the Merging Companies with respect to such periods within fifteen days after payment by OmniOffices or NEWCO or the Merging Companies of such Taxes to the extent such Taxes are (i) not reflected in the reserve for Tax Liability (rather than any reserve for deferred Taxes established to reflect timing differences between book and Tax income) shown on the face of the Closing Balance Sheet or (ii) taken into account for the purpose of calculating the Merger Consideration Adjustment pursuant to Section 3.7 hereof; provided, however, Stockholder will not have any reimbursement obligations for Extra Taxes as that term is defined in Section 3.11(g).

(d) *Cooperation on Tax Matters.*

(i) OmniOffices, NEWCO, and the Stockholder shall cooperate fully, as and to the extent reasonably requested by the other party, in connection with the filing of Tax Returns pursuant to this Section and any audit, litigation or other proceeding with respect to Taxes. Such cooperation shall include retaining and (upon the other party's request) providing records and information which are reasonably relevant to any such audit, litigation or other proceeding and making employees available on a mutually

convenient basis to provide additional information and explanation of any material provided hereunder. NEWCO and the Stockholder agree (a) to retain all books and records with respect to Tax matters pertinent to the Merging Companies relating to any taxable period beginning before Closing Date until the expiration of the statute of limitations (and, to the extent notified by OmniOffices or NEWCO or Stockholder, any extensions thereof) of the respective taxable periods, and to abide by all record retention agreements entered into with any taxing authority, and (b) to give the other party reasonable written notice prior to the transferring, destroying or discarding any such books and records and, if the other party so requests, each of the Merging Companies or the Stockholder, as the case may be, shall allow the other party to take possession of such books and records.

(ii) OmniOffices, NEWCO, and Stockholder further agree, upon request, to use their best efforts to obtain any certificate or other document from any governmental authority or any other person as may be necessary to mitigate, reduce or eliminate any Tax that could be imposed (including, but not limited to, with respect to the transactions contemplated hereby).

(e) *Tax Sharing Agreements.* All tax sharing agreements or similar agreements with respect to or involving any of the Merging Companies shall be terminated as of the Effective Time and, after the Effective Time, NEWCO shall not be bound thereby or have any liability thereunder.

(f) *Certain Taxes.* All transfer, documentary, sales, use, stamp, registration and other such Taxes and fees (including any penalties and interest) incurred in connection with this Merger Agreement (including any corporate-level gains tax triggered by the sale of the stock of any of the Merging Companies, any city transfer tax and any similar tax imposed in any state or subdivision) shall be paid by Stockholder when due and Stockholder will, at Stockholder's own expense, file all necessary Tax Returns and other documentation with respect to all such transfer, documentary, sales, use, stamp, registration, and other Taxes and fees. If required by applicable law, OmniOffices or NEWCO will, and will cause its affiliates to, join in the execution of any such Tax Returns and other documentation.

(g) *Indemnification of Certain Tax Matters.* OmniOffices and NEWCO shall indemnify and hold Stockholder harmless with respect to all "Extra Taxes" which the Stockholder or the Merging Companies or their successors are required to pay. "Extra Taxes" means all Federal, State and local income taxes, single business taxes, and sales and use taxes, plus penalties and interest, plus reasonable accounting fees or local fees or other professional fees incurred in attempting to defend against or refute the proposed assessment or collection of any Extra Taxes resulting from the transactions contemplated by this Agreement in addition to "Ordinary Taxes," which Ordinary Taxes are the obligation of Stockholder. "Ordinary Taxes" means all Federal, State and local income taxes, single business taxes, and sales and use taxes, if any, which Stockholder or any of the Merging Companies would have been required to pay if the transactions contemplated hereby had not been structured as statutory mergers and OmniOffices had purchased directly from Stockholder the outstanding shares of stock of the Merging Companies without an election being made under the provisions of Section 330(h)(10) of the Code or corresponding provisions of any state or local tax law. OmniOffices and NEWCO also shall

pay to Stockholder such additional sums as may be necessary to reimburse Stockholder for Federal, state, or local income taxes that Stockholder is required to pay with respect to any indemnification payments made by OmniOffices or NEWCO to Stockholder pursuant to this Section so that Stockholder, after taking into account Ordinary Taxes that are the obligation of Stockholder, is in the same after-tax position he would have been in had the transaction been structured in such a way that Stockholder and the Merging Companies would have been responsible only for Ordinary Taxes. In the event that Stockholder is required to pay Extra Taxes, NEWCO also shall pay to Stockholder interest at a rate of ten percent (10%) per annum on the amount of such Extra Taxes actually paid by Stockholder for the period between the date of payment by Stockholder of such Extra Taxes through the date on which NEWCO makes the required indemnification payment to Stockholder with respect to such amount pursuant to this Section 3.11(g). In the event of any dispute as to any alleged differential between Ordinary Taxes and Extra Taxes or other dispute under this Section, the dispute shall be resolved by the Public Accountant (as hereinafter defined), whose determination shall be final and binding on all parties. OmniOffices' and NEWCO's obligation under this paragraph shall extend throughout any applicable tax statute of limitations.

Any liability of OmniOffices or NEWCO to indemnify Stockholder hereunder shall be reduced by any potential net tax benefit to Stockholder resulting from an indemnifiable claim. The determination of the amount of "potential net tax benefit" shall be made by a firm of independent public accountants mutually satisfactory to OmniOffices and the Stockholder (the "Public Accountant") which shall compute the potential net tax benefit (i) using the then current highest marginal U.S. Federal and state income tax rates (net of the benefit for the deduction of state taxes), (ii) assuming current utilization of any items that the Public Accountant determines to be deductible expenses, (iii) assuming current recognition of any portion of the indemnification payment giving rise to taxable income to Stockholder, as determined by Public Accountant (or foregoing tax benefits of Stockholder) using a discount rate equal to 9.65% per annum during the year in which the Stockholder indemnifiable claim was identified. Any fees payable to the Public Accountant shall be paid by NEWCO.

If Stockholder receives notification from a taxing authority with respect to any matter (a "Taxing Authority Claim"), which may give rise to a claim for indemnification under this **Section 3.11(g)**, and if Stockholder intends to seek indemnity with respect thereto under this **Section 3.11(g)**, Stockholder shall promptly notify OmniOffices and NEWCO in writing of such Taxing Authority Claim setting forth such Claim in reasonable detail. OmniOffices and NEWCO shall have forty-five (45) days after receipt of such notice to undertake, through counsel of its own choosing and at its own expense, the defense thereof. If OmniOffices or NEWCO elects to undertake such defense, Stockholder shall cooperate with it in connection therewith and Stockholder may participate in such settlement or defense through counsel chosen by Stockholder, it being understood that OmniOffices or NEWCO shall control such defense and that the fees and expenses of counsel chosen by Stockholder shall be borne by Stockholder unless (i) OmniOffices or NEWCO shall have specifically authorized the retaining of such counsel or (ii) Stockholder and OmniOffices or NEWCO, as the case may be, have been advised by counsel that there may be a conflict between the positions of OmniOffices or NEWCO, as the case may be, and Stockholder in conducting the defense of such claim in which case

OmniOffices or NEWCO shall not be entitled to assume the defense of such claim without the prior written consent of Stockholder notwithstanding OmniOffices' or NEWCO's obligation to bear the fees and expenses of such counsel. In any such case, to the extent no similar conflict exists, Stockholder shall retain (and OmniOffices and NEWCO shall only be liable for the costs of) one counsel. Whether or not OmniOffices or NEWCO shall have assumed the defense of a Taxing Authority Claim, (x) Stockholder shall not admit any liability with respect to, or settle, compromise or discharge, such Taxing Authority Claim without OmniOffices' or NEWCO's prior written consent (which consent shall not be unreasonably withheld), and (y) neither party shall, without the written consent of the other party, settle or compromise or consent to the entry of any judgment with respect to any action or Taxing Authority Claim if the effect thereof is to admit any criminal liability by, or to permit any injunctive relief or other order providing non-monetary relief to be entered against, the other party.

3.12. Executive Suites Management Agreement

NEWCO acknowledges that ESM has entered into an Executive Suites Management Agreement dated as of April 1, 1992 between Hazard Center Associates, a general partnership ("Hazard") and ESM for the management of the fifth floor of an office building located at 7676 Hazard Center Drive, San Diego, California (the "ESM Agreement"). ESM hereby agrees to place $62,518.36 into escrow (the "ESM Escrow Deposit") pursuant to the Escrow Agreement. In the event that the ESM Agreement is terminated, for any reason other than the expiration of the term thereof, the Escrow Agent shall deliver to NEWCO an amount equal to the product of the ESM Escrow Deposit and a fraction the numerator of which is 180 less the number of days from the Closing Date to the date of termination of the ESM Agreement and the denominator of which is 180. Notwithstanding the foregoing, if ESM obtains a consent to the transaction contemplated by this Merger Agreement or no termination occurs for a period of 180 days, the amount of the ESM Escrow Deposit then remaining in escrow shall be refunded to Stockholder. If ESM obtains a consent to this transaction prior to the Closing Date, this **Section 3.12** shall not apply.

4. REPRESENTATIONS AND WARRANTIES OF EACH COMPANY AND THE STOCKHOLDER

Except as specifically set forth in the Disclosure Schedule, each Merging Company and the Stockholder jointly and severally represent and warrant (which representation and warranty shall be deemed to include the disclosure with respect thereto so specified in the Disclosure Schedule) to NEWCO and OmniOffices as follows:

4.1. Organization and Standing

Each Merging Company is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction listed on Schedule 4.1, and has the full and unrestricted corporate power and authority to own, operate and lease its assets, to carry on its business as currently conducted, to execute and deliver this Merger Agreement and to carry out the transactions contemplated hereby. Each Merging Company is duly

qualified to conduct business as a foreign corporation and is in good standing in the states, countries and territories listed on Schedule 4.1 to the Disclosure Schedule. Each Merging Company is not qualified to conduct business in any other jurisdiction, and neither the nature of the business conducted by any Merging Company nor the character of the assets owned, leased or otherwise held by it makes the failure to so obtain any such qualification reasonably likely to have a Material Adverse Effect. There is no state, country or territory wherein the absence of licensing or qualification as a foreign corporation would have a material adverse effect on the business of any Merging Company as currently conducted.

4.2. Subsidiaries

No Merging Company has any Subsidiaries or any equity investment or other interest in, nor has any Merging Company made advances or loans to, any corporation, association, partnership, joint venture or other entity, except as set forth on Schedule 4.2 to the Disclosure Schedule.

4.3. Certificate or Articles of Incorporation and Bylaws

Each Merging Company has furnished to OmniOffices a true and complete copy of its certificate or articles of incorporation as currently in effect, certified as of a recent date by the Secretary of State (or comparable governmental authority) of its jurisdiction of incorporation. Such certified copies are attached as exhibits to the Disclosure Schedule. Each Merging Company has furnished to OmniOffices a true and complete copy of the bylaws of such Merging Company, as currently in effect. Copies of the bylaws certified by each Merging Company's corporate secretary will be provided to OmniOffices prior to Closing.

4.4. Capitalization

The authorized capital stock of each Merging Company is identified on Schedule 4.4 to the Disclosure Schedule. Except as set forth on Schedule 4.4 of the Disclosure Schedule, as of the date hereof, no shares of capital stock of any Merging Company have been reserved for any purpose; there are no outstanding securities convertible into or exchangeable for any capital stock of any of the Merging Companies and no outstanding options, rights (preemptive or otherwise), or warrants to purchase or to subscribe for any shares of such stock or other securities of any Merging Company; and there are no outstanding Agreements affecting or relating to the voting, issuance, purchase, redemption, repurchase or transfer of any Merging Company's capital stock, any other securities of any Merging Company, except as contemplated hereunder. As of Closing, no shares of capital stock of any Merging Company shall have been reserved for any purpose, there shall be no outstanding securities convertible into or exchangeable for any capital stock of any of the Merging Companies and no outstanding options, rights (preemptive or otherwise), or warrants to purchase or to subscribe for any shares of such stock or other securities of any Merging Company; and there shall be no outstanding Agreements affecting or relating to the voting, issuance, purchase, redemption, repurchase or transfer of any Merging Company's capital stock, any other securities of any Merging Company, except as contemplated hereunder.

4.5. Directors, Officers and Employees

Schedule 4.5 to the Disclosure Schedule lists all current directors, officers and employees of the Merging Companies, showing each such person's name, positions, and annual remuneration, bonuses and fringe benefits for the current fiscal year and the most recently completed fiscal year.

4.6. Financial Statements; Undisclosed Liabilities

The following representations are made with OmniOffices' and NEWCO's understanding that the referenced financial statements have not been prepared in accordance with GAAP.

(a) The Merging Companies have prepared and furnished to OmniOffices or NEWCO, which are included as exhibits to the Disclosure Schedule, the unaudited balance sheets, combined on a Business Unit basis, of the Merging Companies as of the end of the fiscal year ending in each of 1995, 1996, 1997 and the unaudited statements of income, combined on a Business Unit basis, and, for the Chicago Region (as defined in Schedule 4.6(a)), the unaudited statements of retained earnings and cash flows, combined on a Business Unit basis, for the 1995 and 1996 fiscal years. All of the financial statements, including, without limitation, the notes thereto, referred to in this Section or furnished to OmniOffices or NEWCO after the date hereof pursuant to this Merger Agreement: (i) are in accordance with the books and records of the Merging Companies, (ii) present fairly (except not in accordance with GAAP, including, but not limited to, the treatment of rent and capital leases) the combined financial position of the Merging Companies as of the respective dates and the results of operation for the respective periods indicated, and (iii) have been prepared on a consistent basis with prior accounting periods (except as indicated in the notes thereto). Schedule 4.6 to the Disclosure Schedule sets forth all changes in accounting methods (for financial accounting purposes) made in any of 1995, 1996, and 1997, agreed to, requested or required with respect to any of the Merging Companies.

(b) The Merging Companies have furnished to OmniOffices or NEWCO, which are included as an exhibit to the Disclosure Schedule, unaudited statements of income of the Merging Companies, combined in a Business Unit basis and prepared in a manner consistent with past practice, for the period from January 1, 1998 through January 31, 1998. Such unaudited statements of income (i) have been prepared on a basis consistent and in accordance with the books and records of the Merging Companies and (ii) present fairly (except not in accordance with GAAP, including, but not limited to, the treatment of rent and capital leases) the combined results of operations of the Merging Companies, on a Business Unit basis, for such period in all material respects.

(c) None of the Merging Companies has any liabilities or obligations of any nature whatsoever, whether accrued, absolute, contingent or otherwise, which (i) in the case of the types of liabilities and obligations reflected on the corporate balance sheets are not set forth on the financial statements referred to in Section 4.6(a) or the notes thereto (but such financial statements are not prepared in accordance with GAAP, including without limitation, the treatment of rent and capital leases), except for any such

liabilities and obligations since the dates of those financial statements occurring in the Ordinary Course of Business or which are Fairly Disclosed on the Schedules to the Disclosure Schedule, (ii) in the case of other types of liabilities and obligations, are not described or referenced on Schedule 4.6 to the Disclosure Schedule delivered pursuant hereto, (iii) have not been incurred in the Ordinary Course of Business (in the case of liabilities and obligations of the type referred to in clause (i) above), or (iv) in the case of contingent liabilities or obligations, would have a Material Adverse Effect.

4.7. Accounts Receivable; Bank Accounts

(a) To each of the Merging Company's knowledge, the respective accounts receivable of each Merging Company shown on the balance sheets furnished pursuant to **Sections 3.3(d)** or **4.6(a)**, or thereafter acquired by any of them, have been collected or are collectible in amounts not less than the amounts thereof carried on the books of the Merging Companies, except as identified on Schedule 4.7 to the Disclosure Schedule.

(b) Schedule 4.7 to the Disclosure Schedule sets forth the names of all banks or other financial institutions with which any of the Merging Companies has an account or safe deposit box and identifies each such account and safe deposit box, together with the names of all persons authorized to draw therefrom or to have access thereto.

4.8. Taxes

(a) Except as described on Schedule 4.8 to the Disclosure Schedule, each Merging Company has paid all Taxes, due and payable by any of them for or with respect to all periods up to and including the date hereof (without regard to whether or not such Taxes are or were disputed), whether or not shown on any Tax Return.

(b) Each of the Merging Companies has filed on a timely basis all Merging Company Tax Returns that it was required to file. All such Merging Company Tax Returns were accurate and complete in all material respects. Except as described on Schedule 4.8 to the Disclosure Schedule, none of the Merging Companies is the beneficiary of any extension of time within which to file any Tax Return. No claim has ever been made by an authority in a jurisdiction where any Merging Company does not file Merging Company Tax Returns that any one of them is or may be subject to taxation by that jurisdiction. None of the Merging Companies have given any currently effective waiver of any statute of limitations in respect of Taxes or agreed to any currently effective extension of time with respect to a Tax assessment or deficiency. There are no security interests on any of the assets of the Merging Companies that arose in connection with any failure (or alleged failure) to pay any Tax.

(c) The Merging Companies have withheld and paid all Taxes required to have been withheld and paid in connection with amounts paid or owing to any employee, independent contractor, creditor, stockholder, or other third party.

(d) None of the Merging Companies, including without limitation, any employee responsible for Tax matters of the Merging Companies or the persons identified in Section 15.10(a), or the Stockholder, is aware of any facts or circumstances which would give rise to a reasonable expectation that any authority may assess any additional Taxes

for any period for which Merging Company Tax Returns have been filed. There is no dispute or claim concerning any liability for taxes of any Merging Company either (i) claimed or raised by any authority in writing or (ii) as to which any Merging Company has knowledge based upon personal contact with any agent of such authority. The Merging Companies have delivered to OmniOffices or NEWCO copies of, and Schedule 4.8 to the Disclosure Schedule sets forth a complete and accurate list of, Merging Company Tax Returns filed with respect to the Merging Companies' taxable periods ended on or after January 1, 1995; indicates those Merging Company Tax Returns that have been audited; and indicates those Merging Company Tax Returns that currently are the subject of an audit of which any of the Merging Companies or the Stockholder has knowledge. The Merging Companies agree to make available to OmniOffices or NEWCO the Merging Company Tax Returns filed with respect to the Merging Companies' taxable periods ended on or after December 31, 1993.

(e) The unpaid Taxes, excluding for these purposes any potential Extra Taxes as defined in **Section 3.11(g)**, of the Merging Companies (i) did not, as of date of the Merging Companies' financial statements furnished to OmniOffices or NEWCO pursuant to **Sections 3.3(d)** or **4.6(a)**, exceed the reserve or accrual for Tax Liability (rather than any reserve for deferred Taxes established to reflect timing differences between book and Tax income) set forth on the face of the such financial statements (rather than in any notes thereto) and (ii) do not exceed that reserve as adjusted for the passage of time through the Closing Date in accordance with the past custom and practice of the Merging Company in filing their Merging Company Tax Returns.

(f) None of the Merging Companies has filed a consent under Section 341(f) of the Code, concerning collapsible corporations. None of the Merging Companies has been a United States real property holding corporation within the meaning of Section 897(c)(2) of the Code during the applicable period specified in Section 897(c)(1)(A)(ii) of the Code. Each of the Merging Companies has disclosed on its federal income Merging Company Tax Returns all positions taken therein that could reasonably be expected to give rise to a substantial understatement of federal income Tax within the meaning of Section 6662 of the Code. None of the Merging Companies is a party to any Tax allocation or sharing agreement. None of the Merging Companies (A) has been a member of an "affiliated group," as defined in Section 1504(a) of the Code, filing a consolidated federal income Tax Return or (B) has any Liability for the Taxes of any Person (other than any of the Merging Company) under Treas. Reg. Section 1.1502-6 (or any similar provision of state, local, or foreign law), as a transferee or successor, by contract, or otherwise.

(g) Schedule 4.8 of the Disclosure Schedule sets forth the following information with respect to each of the Merging Companies as of December 31, 1997: (i) the basis of each Merging Company in its assets and (ii) the amount of any net operating loss, net capital loss, unused investment, foreign tax, or other credit, or excess charitable contribution allocable to the Merging Company.

(h) Except as described on Schedule 4.8 to the Disclosure Schedule, each Merging Company (and any predecessor of each Merging Company) has been a validly electing S corporation within the meaning of Sections 1361 and 1362 of the Code at all

times during its existence and each Merging Company will be an S corporation until and including the Closing Date.

(i) No Merging Company has, in the past ten years, (i) acquired assets from another corporation in a transaction in which such Merging Company's Tax basis for the acquired assets was determined in whole or in part by reference to the Tax basis of the acquired assets (or any other property) in the hands of the transferor or (ii) acquired the stock of any other corporation that is a qualified subchapter S subsidiary.

(j) No Merging Company has had at any time during such Merging Company's existence any subsidiaries (including any "qualified subchapter S subsidiaries" within the meaning of Section 1361(b)(3)(13) of the Code).

4.9. Conduct of Business; Absence of Material Adverse Change

Other than as set forth on Schedule 4.9 to the Disclosure Schedule, since December 31, 1997, there has been no material adverse change in the business, operations, financial condition, assets or liabilities of any Merging Company. Except as set forth on Schedule 4.9 to the Disclosure Schedule, since December 31, 1997, the Merging Companies have conducted their respective businesses only in the Ordinary Course of Business, and no Merging Company has: (a) incurred loss of, or significant injury to, any assets of any such Merging Company as the result of any fire, explosion, flood, windstorm, earthquake, labor trouble, riot, accident, act of God or public enemy or armed forces, or other material casualty; (b) issued any capital stock, bonds or other corporate securities or debt instruments, granted any options, warrants or other rights calling for the issuance thereof, or borrowed any funds; (c) incurred, or become subject to, any obligation or liability (absolute or contingent, matured or unmatured, known or unknown), except current liabilities incurred in the Ordinary Course of Business; (d) discharged or satisfied any Encumbrance or paid any obligation or liability (absolute or contingent, matured or unmatured, known or unknown) other than current liabilities shown in the balance sheets furnished pursuant to **Sections 3.3(d)** and **4.6(a)**, and current liabilities incurred since December 31, 1997 in the Ordinary Course of Business; (e) mortgaged, pledged or subjected to any Encumbrance any of its assets; (f) sold, exchanged, transferred or otherwise disposed of any of its assets, or canceled any debts or claims, except in each case in the Ordinary Course of Business and other than loans to the Stockholder; (g) written down the value of any assets or written off as uncollectible any notes or accounts receivable, except write-downs and write-offs in the Ordinary Course of Business, none of which, individually or in the aggregate, are material; (h) entered into any transactions other than in the Ordinary Course of Business; (i) increased the rate of compensation payable, or to become payable after the Closing, by it to any of its officers, employees, agents or independent contractors over the rate being paid to them on January 1, 1998, other than as provided for under existing Agreements previously disclosed to OmniOffices or NEWCO or increases in an employee's annual compensation in the Ordinary Course of Business pursuant to such Merging Company's existing wage and salary program, up to a maximum increase of 10%; (j) other than in the Ordinary Course of Business made or permitted any amendment or termination of any material Agreement to which it is a party; (k) through negotiation or otherwise made any commitment or incurred any liability to any labor organization; (l) made any accrual or arrangement for or payment of bonuses or

special compensation of any kind to any director, officer or employee to be payable after the Closing; (m) directly or indirectly paid any severance or termination pay to any officer or employee in excess of one month's salary; (n) made any capital expenditures, or entered into commitments therefor, in excess of $5,000; (o) made any change in any method of accounting or accounting practice; (p) entered into any transaction of the type described in **Section 4.23**; (q) made any charitable contributions or pledges exceeding (in the aggregate) $25,000; or (r) made an Agreement to do any of the foregoing.

4.10. Real Property

None of the Merging Companies currently owns any Real Property.

4.11. Assets

To the Merging Companies' knowledge, other than as set forth in Schedule 4.11 to the Disclosure Schedule there are no individual tangible assets of the Merging Companies with a value in excess of $25,000. The Merging Companies own or lease all of the assets necessary to operate the business or the Merging Companies. There are no tangible assets of the Merging Companies which are shared or otherwise utilized with any other entity other than with executive suite clients. Each Merging Company has good, valid and marketable title to all assets respectively owned by them, including, without limitation, all assets reflected in the balance sheet furnished pursuant to **Section 4.6(a)** and all assets purchased by any Merging Company since December 31, 1997 (except for assets reflected in such balance sheets or acquired since December 31, 1997 which have been sold or otherwise disposed of in the Ordinary Course of Business or as described on Schedule 4.11 to the Disclosure Schedule), free and clear of all Encumbrances (other than Encumbrances that may exist in connection with personal property subject to financing leases). To the Merging Companies' knowledge, all material personal property of the Merging Companies is in good operating condition and repair and is suitable and adequate for the uses for which it is intended or is being used.

4.12. Insurance

Schedule 4.12 to the Disclosure Schedule lists all policies of title, asset, fire, hazard, casualty, liability, life, worker's compensation and other forms of insurance of any kind owned or held by the Merging Companies. Except as set forth on Schedule 4.12, all such policies: (a) are with insurance companies reasonably believed by each Merging Company to be financially sound and reputable; (b) are in full force and effect; (c) are sufficient for compliance by each Merging Company with all requirements of Law and of all Agreements to which any Merging Company is a party, except where failure to so comply would not be reasonably expected to have a Material Adverse Effect; (d) to the Merging Companies' knowledge are valid and outstanding policies enforceable against the insurer; and (e) provide that they will remain in full force and effect through the respective dates set forth on Schedule 4.12 to the Disclosure Schedule.

4.13. Intellectual Property

Schedule 4.13 to the Disclosure Schedule lists all franchises, licenses, registered trademarks, registered service marks, trade names, copyrights, patents and applications therefor owned or licensed by or registered in the name of any Merging Company other than licenses for business software purchased over-the-counter. The Merging Companies own all of the Intellectual Property listed on Schedule 4.13 to the Disclosure Schedule purported to be owned by each of them, pay no royalty to anyone with respect to any Intellectual Property other than as described on Schedule 4.13 to the Disclosure Schedule and have the right to bring action for the infringement of such Intellectual Property. Each Merging Company owns or possesses adequate rights to use all Intellectual Property necessary to the conduct of the present business of such Merging Company except where failure to own or possess such rights would not have a Material Adverse Effect. No Merging Company has any knowledge, and has not received any notice to the effect, that any product any Merging Company manufactures or sells or that any service any Merging Company renders, or that the marketing or use by any Merging Company or another of any such product or service, may or is claimed to infringe any Intellectual Property or legally protectable right of another.

4.14. Debt Instruments

Schedule 4.14 to the Disclosure Schedule lists all mortgages, indentures, notes, guarantees and other Agreements for or relating to borrowed money (including, without limitation, conditional sales agreements and capital leases) to which any Merging Company is a party or which have been assumed by any Merging Company or to which any assets of any Merging Company are subject. The Merging Companies have performed all the obligations required to be performed by any of them to date and are not in default in any respect under any of the foregoing, and there has not occurred any event which (whether with or without notice, lapse of time or the happening or occurrence of any other event) would constitute such a default.

4.15. Leases

Schedule 4.15 to the Disclosure Schedule lists all leases and other Agreements and the parties to such agreements under which any Merging Company is lessee or lessor of any asset (including, but not limited to, any lease which the Merging Company subleases to or from another party), or holds, manages or operates any asset owned by any third party, or under which any asset owned by any Merging Company is held, operated or managed by a third party other than subleases or licenses in which any Merging Company is the sublessor or licensor made by such Merging Company in the Ordinary Course of Business. The Merging Companies are the owners and holders of all the leasehold estates purported to be granted by the Documents described on Schedule 4.15 to the Disclosure Schedule to them and are the owners or lessees of all equipment, machinery and other assets thereon or in buildings and structures thereon, in each case free and clear of all Encumbrances (other than Encumbrances on a third-party landlord's fee or leasehold ownership of a leased or subleased property or Encumbrances in connection with personal property subject to financing leases). Each such lease and other Agreement is in full force and effect and constitutes a legal, valid and binding obligation of,

and is legally enforceable against, the Merging Company, and to the best of the Merging Companies' knowledge, the respective third parties thereto and grants the leasehold estate it purports to grant free and clear of all Encumbrances (other than Encumbrances on a third-party landlord's fee or leasehold ownership of a leased or subleased property or Encumbrances in connection with personal property subject to financing leases). The Merging Companies have obtained all governmental approvals they are obligated to obtain with respect thereto, have made all filings or registrations therefor that they are obligated to make, except in each case where failure to so obtain or make would not have a Material Adverse Effect, and there have been no threatened cancellations thereof and are no outstanding disputes thereunder. The Merging Companies have in all respects performed all monetary obligations, and to the Merging Companies' knowledge, all material non-monetary obligations, have thereunder required to be performed by any of them to date. No party is in monetary default, or to the Merging Companies' knowledge, material non-monetary default beyond any applicable grace or cure period, in any respect under any of the foregoing, and there has not occurred any event which (whether with or without notice, lapse of time or the happening or occurrence of any other event) would constitute such a default. To each of the Merging Company's knowledge, all of the assets subject to such leases are in good operating condition and repair. For purposes of this Section 4.15 only, Agreement shall not include any agreement between any Merging Company and a lessor or sublessee for the rental of furniture. The Merging Companies have furnished OmniOffices or NEWCO with true and complete copies of all real property leases including all amendments thereto, a list of which are included as an exhibit to the Disclosure Schedule.

4.16. Management Contracts

Schedule 4.16 to the Disclosure Schedule lists and briefly describes all management contracts to which any Merging Company is a party or by which any Merging Company is bound as of the date hereof. Except as otherwise described on Schedule 4.16 to the Disclosure Schedule, each such management agreement is in full force and effect and constitutes a legal, valid and binding obligation of, and is legally enforceable against, such Merging Company and, to the best of the Merging Companies' knowledge, the respective third parties thereto. All necessary governmental approvals with respect thereto have been obtained and all necessary filings or registrations therefor have been made, except where failure to so obtain or make would not have a Material Adverse Effect, and there have been no threatened cancellations thereof and are no outstanding disputes thereunder. The Merging Companies have in all respects performed all obligations thereunder required to be performed by any of them to date. No Merging Company or, to the best of the Merging Companies' knowledge, any third party is in default in any respect under any of the foregoing, and there has not occurred any event which (whether with or without notice, lapse of time or the happening or occurrence of any other event) would constitute such a default.

4.17. Other Agreements

Except as specified on Schedule 4.17 to the Disclosure Schedule (and without limiting the foregoing), no Merging Company is a party to or is bound by any oral or written (i) Agreement for the employment of any officer, employee, consultant or independent contractor; (ii) license agreement or distributor, dealer, manufacturer's

representative, sales agency, advertising, property management or brokerage agreement; (iii) Agreement with any labor organization or other collective bargaining unit; (iv) Agreement for the future purchase of materials, supplies, services, merchandise or equipment involving payments of more than $25,000 over its remaining term (including, without limitation, periods covered by any option to renew by either party) which is not terminable upon not more than thirty (30) days' notice without penalty by such Merging Company; (v) Agreement for the purchase, sale or lease of any real estate or other assets; (vi) profit-sharing, bonus, incentive compensation, deferred compensation, stock option, severance pay, stock purchase, employee benefit, insurance, hospitalization, pension, retirement or other similar plan or Agreement; (vii) Agreement for the sale of any of its assets or the grant of any preferential rights to purchase any of its assets or rights, other than in the Ordinary Course of Business; (viii) Agreement which contains any provisions requiring any Merging Company to indemnify any other party thereto reasonably expected to have a Material Adverse Effect; (ix) joint venture agreement or other Agreement involving the sharing of profits; (x) outstanding loan to any person or entity or receivable due from any stockholder of any Merging Company or persons or entities controlling, controlled by or under common control with any Merging Company; (xi) any Agreement (including, without limitation, Agreements not to compete and exclusivity Agreements) that reasonably could be interpreted to impose any restriction on any business operations of any Merging Company; (xii) any Agreement between any Merging Company and a lessor or sublessee for the rental of furniture which by its terms does not terminate or is not terminable by such Merging Company within a period of one (1) year (or less) except in the case of individual Agreements in which the aggregate obligations of the Merging Companies thereunder are less than $25,000 and, together with all other such Agreements, impose total obligations on the Merging Companies of no more than $250,000 in the aggregate; or (xiii) any Agreement not described in (xii) above which by its terms does not terminate or is not terminable by such Merging Company within 30 days or upon 30 days' (or less) notice except in the case of individual Agreements in which the aggregate obligations of the Merging Companies are less than $25,000 and, together with all other such Agreements, impose total obligations on the Merging Companies of no more than $250,000 in the aggregate. Each of the Agreements described on Schedule 4.17 to the Disclosure Schedule, is in full force and effect and constitutes a legal, valid and binding obligation of, and is legally enforceable against each Merging Company signatory thereto and, to the best of the Merging Companies' knowledge, the respective third parties thereto. The Merging Companies have obtained all governmental approvals which they are obligated to obtain with respect thereto and have made all necessary filings or registrations which they are obligated to make in respect therefor, except in each case where failure to so obtain or make would not have a Material Adverse Effect, and there have been no threatened cancellations thereof and are no outstanding disputes thereunder. The Merging Companies have in all respects performed all the obligations thereunder required to be performed by any of them to date under the Agreements described on Schedule 4.17 to the Disclosure Schedule. No Merging Company, or to the best of the Merging Companies' knowledge, any third party is in default in any respect under any of the Agreements described on Schedule 4.17 to the Disclosure Schedule, and to the best of the Merging Companies' knowledge there has not occurred any event which (whether with or without notice, lapse of time or the happening or occurrence of any other event) would constitute such a default.

4.18. HQ Franchise Agreement; HQNS Stock

(a) The Merging Companies are party to four franchise agreements (the "Franchise Agreements") with HQ Network Systems, Inc. ("HQNS"), pursuant to certain of which each operates its business centers under the "HQ" name, and that the transactions contemplated by this Merger Agreement will cause each Merging Company to be in breach of its obligations under the Franchise Agreements absent a consent or waiver of HQNS to such Agreements. As of Closing, the Merging Companies shall have obtained a consent or waiver of HQNS to such Agreements, in the form attached hereto as Exhibit H, to the transactions contemplated by this Merger Agreement prior to Closing (the "HQNS Consent").

(b) The Merging Companies own shares of Class A Common Stock of HQNS, shares of Class B Preferred Stock of HQNS having a redemption value of $20.00 per share, shares of Class C Preferred Stock of HQNS having a redemption value of $5.00 per share, and shares of Class D Preferred Stock of HQNS having a redemption value of $20.00 per share (collectively, the "HQNS Shares"), as listed on Schedule 4.18 of the Disclosure Schedule.

(c) Upon consummation of the transactions contemplated hereunder Stockholder, nor any of his affiliates, will not own an interest in, either directly or indirectly, any executive suite business or HQNS, including any right to open an "HQ" franchise.

4.19. Books and Records

The books of account, stock records and other records of the Merging Companies and the Subsidiaries are true and complete and have been maintained in accordance with good business practices, and the matters contained therein are appropriately and accurately reflected in all material respects in the financial statements of the Merging Companies furnished pursuant to **Sections 3.3(d)** or **4.6(a)**, but such financial statements are not prepared in accordance with GAAP, including without limitation, the treatment of rent and capital leases.

4.20. Litigation; Disputes

(a) To the best of the Merging Companies' knowledge there are no actions, suits, claims, arbitrations, proceedings or investigations pending, threatened or reasonably anticipated against, affecting or involving any Merging Company or its businesses or assets, or the transactions contemplated by this Merger Agreement, at law or in equity or admiralty, or before or by any court, arbitrator or governmental authority, domestic or foreign, other than as set forth on Schedule 4.20 to the Disclosure Schedule. None of such actions, suits, claims, arbitrations, proceedings or investigations set forth on Schedule 4.20 to the Disclosure Schedule would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. No Merging Company is operating under, subject to or in default with respect to any order, award, writ, injunction, decree or judgment of any court, arbitrator or governmental authority.

(b) No Merging Company is currently involved in or, to the knowledge of any Merging Company, reasonably anticipates any dispute with any of its current or former employees, agents, brokers, distributors, vendors, customers, business consultants, franchisees, franchisors, representatives or independent contractors (or any current or former employees of any of the foregoing persons or entities) which would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

4.21. Labor Relations

There are no strikes, work stoppages, grievance proceedings, union organization efforts or other controversies pending, or, to the knowledge of any Merging Company, threatened or reasonably anticipated, between any Merging Company and (i) any current or former employees of any Merging Company or (ii) any union or other collective bargaining unit representing such employees. The Merging Companies have complied in all material respects and are in compliance in all material respects with all Laws relating to employment or the workplace, including, without limitation, provisions relating to wages, hours, collective bargaining, safety and health, work authorization, equal employment opportunity, immigration, withholding, unemployment compensation, worker's compensation, employee privacy and right to know, other than any noncompliance which would not, individually or in the aggregate, have a Material Adverse Effect. There are no collective bargaining agreements, employment agreements between any Merging Company and any of their respective employees, or professional service agreements not terminable at will relating to the businesses and assets of any Merging Company. The consummation of the transactions contemplated hereby will not cause OmniOffices, NEWCO, or any Merging Company to incur or suffer any liability relating to, or obligation to pay, severance, termination or other payments to any person or entity. The Merging Companies have not terminated and will not terminate, during any ninety (90) day period during the five (5) year period ending on the Closing Date, other than for cause, fifty (50) or more employees (excluding "part-time employees" as such term is defined under the Worker Adjustment and Retraining Notification Act).

4.22. Pension and Benefit Plans

(a) Attached as exhibits to the Disclosure Schedule are copies of each Plan or material Other Arrangement maintained by any Merging Company or to which any Merging Company is a party.

(b) Each Merging Company has furnished to OmniOffices or NEWCO true and complete copies of each of the following Documents: (i) each Plan and all amendments not reflected in such Plan; (ii) all related trust agreements or annuity agreements (and any other funding Document) for each Plan; (iii) for the two most recent plan years, all annual reports (Form 5500 series) on each Plan that have been filed with any governmental agency; (iv) the current summary plan description and subsequent summaries of material modifications for each Title I Plan; (v) all DOL opinions on any Plan; (vi) all IRS rulings, opinions or technical advice relating to any Plan; and (vii) all material Agreements with service providers or fiduciaries for providing services on behalf of any Plan. For each Other Arrangement, each Merging Company has furnished to OmniOffices or NEWCO true and complete copies of each policy, Agreement or other

Document setting forth the terms of the Other Arrangement, all related trust agreements or other funding Documents (including, without limitation, insurance contracts, certificates of deposit, money market accounts, etc.), all employee handbooks and material communications, and all Agreements with service providers or fiduciaries for providing services on behalf of any Other Arrangement.

(c) No Plan is a Multiemployer Plan. No Merging Company nor any Common Control Entity has, or will have as a result of this transaction, (i) withdrawn as a substantial employer so as to become subject to Section 4063 of ERISA; or (ii) ceased making contributions to any Pension Plan that is subject to Section 4064(a) of ERISA to which any Merging Company or any Common Control Entity made contributions during the past five years.

(d) No Plan is an ESOP.

(e) No Plan is a Defined Benefit Plan. During the past three years, no filing has been made by, or required of, any Merging Company or any Common Control Entity with the PBGC, the PBGC has not started any proceeding to terminate any Defined Benefit Plan that was or is maintained or wholly or partially funded by any Merging Company or any Common Control Entity, and no facts exist that would permit the PBGC to begin such a proceeding.

(f) No Plan is a Statutory-Waiver Plan.

(g) Schedule 4.22 to the Disclosure Schedule sets forth a list of all Qualified Plans. All Qualified Plans and any related trust agreements or annuity agreements (or any other funding Document) comply and have complied with ERISA, the Code (including, without limitation, the requirements for Tax qualification described in Section 401 thereof), and all other Laws other than such violations that would not have a Material Adverse Effect. The trusts established under such Plans are exempt from federal income taxes under Section 501(a) of the Code. The Merging Companies have received determination letters issued by the IRS with respect to each Qualified Plan, and each Merging Company has furnished to OmniOffices or NEWCO true and complete copies of all such determination letters. To the Merging Companies' knowledge, all statements made by or on behalf of any Merging Company to the IRS in connection with applications for determinations with respect to each Qualified Plan were true and complete when made and continue to be true and complete. To the Merging Companies' knowledge, nothing has occurred since the date of the most recent applicable determination letter that would adversely affect the tax-qualified status of any Qualified Plan.

(h) No Merging Company has any material liability: (i) arising from the operation of all Plans, Other Arrangements and other employee or employment related benefits under the applicable provisions of the Code, ERISA, the National Labor Relations Act, title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Fair Labor Standards Act, the Securities Act, the Securities Exchange Act of 1934, and all other Laws pertaining to the Plans, Other Arrangements and other employee or employment related benefits, and (ii) for any premiums and assessments due, other than in the Ordinary Course of Business, under the laws relating to the Plans and Other Arrangements.

(i) No Merging Company or any of the Plans have engaged in a "**prohibited transaction**" (as such term is defined in Section 4975(c)(1) of the Code) in violation of Section 406(a) or 406(b) of ERISA for which no exemption exists under Section 408 of ERISA and for which no exemption exists under Section 4975(c)(2) or 4975(d) of the Code other than such transaction that could not have a Material Adverse Effect.

(j) Schedule 4.22 to the Disclosure Schedule identifies any Plan that covered any current or former Merging Company employees that has been terminated and any other Plan that has terminated since 1993. Each Merging Company has furnished to OmniOffices or NEWCO true and complete copies of all governmental filings, employee communications, board minutes and all other documents relating to any such Plan termination.

(k) No Plan or Other Arrangement, individually or collectively, provides for any payment by any Merging Company to any employee or independent contractor that is not deductible under Section 162(a)(1) or 404 of the Code. No Plan or Other Arrangement, individually or collectively, provides for any payment that arises from the transactions contemplated by this Merger Agreement that is an "**excess parachute payment**" pursuant to Section 280G of the Code.

(l) No Plan is a "**qualified foreign plan**" (as such term is defined in Section 404A(e) of the Code), and no Plan is subject to the Laws of any jurisdiction other than the United States of America or one of its political subdivisions.

(m) The Merging Companies have timely filed and each Merging Company has furnished to OmniOffices or NEWCO true and complete copies of each Form 5330 (Return of Excise Taxes Related to Employee Benefit Plans) that any Merging Company filed on any Plan in the prior two (2) years. The Merging Companies have no liability for Taxes required to be reported on Form 5330.

(n) No Plan is a funded Welfare Plan.

(o) Schedule 4.22 to the Disclosure Schedule identifies any post-retirement medical, life insurance or other benefits promised, provided or otherwise due now or in the future to current, former or retired employees of any Merging Company other than continued health coverage under Section 4980B of the Code.

(p) All Welfare Plans that are subject to Section 4980B(f) of the Code and Sections 601 through 607 of ERISA comply with and have been administered in compliance with the health care continuation-coverage requirements of Section 4980B of the Code (formerly Section 162(k) of the Code) and the requirements of Sections 601 through 607 of ERISA other than any noncompliance that would not, individually or in the aggregate, have a Material Adverse Effect. All Welfare Plans comply with and have been administered in compliance with the requirements of the (i) Health Insurance Portability and Accountability Act of 1996, to the extent applicable, and applicable proposed or final regulations, and (ii) Mental Health Parity Act of 1996, to the extent applicable, and applicable proposed or final regulations other than any non-compliance which would not have a Material Adverse Effect.

(q) There are no pending, or threatened investigations, proceedings, claims, lawsuits, disputes, actions or controversies involving the Plans, or the fiduciaries, administrators, or trustees of any of the Plans or any member of the same controlled group of businesses as any Merging Company within the meaning of Section 4001(a)(4) of ERISA.

(r) The Merging Companies have (i) filed or caused to be filed all returns and reports on the Plans that they are required to file as of or prior to the Closing Date and (ii) paid or made adequate provision for all fees, interest, penalties, assessments or deficiencies that have become due pursuant to those returns or reports or pursuant to any assessment or adjustment that has been made relating to those returns or reports except as disclosed on Schedule 4.22. All other fees, interest, penalties and assessments that are payable by or for any Merging Company have been timely reported, fully paid and discharged. Other than as set forth on Schedule 4.22 of the Disclosure Schedule, there are no unpaid fees, penalties, interest or assessments due from any Merging Company or from any other person that are or could become a lien on any asset of any Merging Company or could otherwise adversely affect the businesses or assets of any Merging Company. The Merging Companies have collected or withheld all amounts that are required to be collected or withheld by them to discharge their obligations, and all of those amounts have been paid to the appropriate governmental agencies or set aside in appropriate accounts for future payment when due other than any non-compliance which would not have a Material Adverse Effect.

4.23. Restrictions and Consents

Except as set forth on Schedule 4.23 to the Disclosure Schedule, there are no Agreements, Laws or other restrictions of any kind to which Merging Company (or any asset thereof) is party or subject that would prevent or restrict the execution, delivery or performance of this Merger Agreement and all other Documents contemplated by this Merger Agreement or result in any penalty, forfeiture, Agreement termination, or restriction on business operations of NEWCO, OmniOffices, or any Merging Company as a result of the execution, delivery or performance of this Merger Agreement. Schedule 4.23 to the Disclosure Schedule lists all such Agreements and Laws that reasonably could be interpreted or expected to require the consent or acquiescence of any person or entity not party to this Merger Agreement with respect to any aspect of the execution, delivery or performance of this Merger Agreement by any Merging Company, and the Merging Companies and the Stockholder will use their commercially reasonable efforts to obtain any such consent or acquiescence.

4.24. Authorization

Except as disclosed on Schedule 4.24 of the Disclosure Schedules, the execution, delivery and performance by each Merging Company of this Merger Agreement and all other Documents contemplated hereby, the fulfillment of and compliance with the respective terms and provisions hereof and thereof, and the consummation by the Merging Companies of the transactions contemplated hereby and thereby, (a) has been duly authorized by all necessary corporate action on the part of the Merging Companies, (b) do not and will not conflict with, or violate any provision of, any Law having applicability to any Merging Company or any of their respective assets, except for such conflicts or

violations which would not have a material adverse effect on the ability of the parties to this Merger Agreement to close the transactions contemplated hereby, or any provision of the certificate or articles of incorporation or bylaws of any Merging Company; (c) do not and will not conflict with, or result in any breach of, or constitute a default under any Agreement to which any Merging Company is a party or by which it or any of its assets may be bound; or (d) do not and will not result in or require the creation or imposition of or result in the acceleration of any indebtedness, or of any Encumbrance of any nature upon, or with respect to, any Merging Company or any of the assets now owned or hereafter acquired by any Merging Company.

4.25. Absence of Violation

No Merging Company is in violation of any term or provision of its articles or certificate of incorporation or bylaws. The Merging Companies have complied and are in full compliance with all Laws, except where the failure to comply would not have a Material Adverse Effect. To the Merging Companies' knowledge none of the Merging Companies, nor any of their officers, directors, employees or agents (or stockholders, distributors, representatives or other persons acting on the express, implied or apparent authority of any Merging Company) have paid, given or received or have offered or promised to pay, give or receive, any bribe or other unlawful, questionable or unusual payment of money or other thing of value, any extraordinary discount, or any other unlawful or unusual inducement, to or from any person, business association or governmental official or entity in the United States or elsewhere in connection with or in furtherance of the business of any Merging Company (including, without limitation, any offer, payment or promise to pay money or other thing of value (i) to any foreign official or political party (or official thereof) for the purposes of influencing any act, decision or omission in order to assist any Merging Company in obtaining business for or with, or directing business to, any person, or (ii) to any person, while knowing that all or a portion of such money or other thing of value will be offered, given or promised to any such official or party for such purposes). The business of the Merging Companies is not in any manner dependent upon the making or receipt of such payments, discounts or other inducements.

4.26. Binding Obligation

This Merger Agreement constitutes a valid and binding obligation of each Merging Company, enforceable in accordance with its terms; and each Document to be executed by each Merging Company pursuant hereto, when executed and delivered in accordance with the provisions hereof, shall be a valid and binding obligation of each Merging Company, enforceable in accordance with its terms, except as enforceability may be limited by applicable equitable principles of bankruptcy, insolvency, reorganization, moratorium, or similar laws in effect from time to time and affecting the enforcement of creditors' rights generally.

4.27. Hart-Scott-Rodino

The ultimate parent entity of the Merging Companies does not have at least One Hundred Million Dollars ($100,000,000) in total assets or annual net sales as such would be determined under Hart-Scott-Rodino and its implementing regulations.

4.28. Disclosure Schedules

Except for Schedules 4.6, 4.23 and 4.24, which set forth the exclusive disclosures with respect to the representations and warranties set forth in Sections 4.6, 4.23 and 4.24 hereof, any matter disclosed on any Schedule shall be deemed disclosed with respect to all representations and warranties set forth in this Section 4 to the extent such matters are Fairly Disclosed.

5. REPRESENTATIONS AND WARRANTIES OF THE STOCKHOLDER

The Stockholder hereby severally represents and warrants to OmniOffices and NEWCO as follows:

5.1. Title to Capital Stock

Immediately prior to the Effective Time the Stockholder will have, good, valid and marketable title, free and clear of all Encumbrances, to all of the issued and outstanding shares of capital stock for the Merging Companies as set forth in Schedule 4.4.

5.2. Authority and Capacity

Stockholder has full legal right, capacity, power and authority (corporate or otherwise) to execute this Merger Agreement and to consummate the transactions contemplated hereby.

5.3. Absence of Violation

The execution, delivery and performance by Stockholder of this Merger Agreement and all other Documents contemplated hereby, the fulfillment of and the compliance with the respective terms and provisions hereof and thereof, and the consummation of the transactions contemplated hereby and thereby, do not and will not (a) conflict with, or violate any provision of, any Law having applicability to any Merging Company or Stockholder; or (b) except as described in the Disclosure Schedule, conflict with, or result in any breach of, or constitute a default under, any Agreement to which any Merging Company or Stockholder is a party.

5.4. Restrictions and Consents

Except as set forth on Schedule 5.4 to the Disclosure Schedule, there are no Agreements, Laws or other restrictions of any kind to which Stockholder is party or subject

that would prevent or restrict the execution, delivery or performance of this Merger Agreement or result in any penalty, forfeiture, Agreement termination, or restriction on business operations of OmniOffices, NEWCO or any Merging Company as a result of the execution, delivery or performance of this Merger Agreement. Schedule 5.4 to the Disclosure Schedule lists all such Agreements and Laws that reasonably could be interpreted or expected to require the consent or acquiescence of any person or entity not party to this Merger Agreement with respect to any aspect of the execution, delivery or performance of this Merger Agreement by Stockholder.

5.5. Binding Obligation

This Merger Agreement constitutes a valid and binding obligation of Stockholder, enforceable in accordance with its terms, except as enforceability may be limited by applicable equitable principles of bankruptcy, insolvency, reorganization, moratorium, or similar laws in effect from time to time and affecting the enforcement of creditors' rights generally. Each Document to be executed by Stockholder pursuant hereto, when executed and delivered in accordance with the provisions hereof, will be a valid and binding obligation of Stockholder, enforceable in accordance with its terms, except as enforceability may be limited by applicable equitable principles of bankruptcy, insolvency, reorganization, moratorium, or similar laws in effect from time to time and affecting the enforcement of creditors' rights generally.

5.6. State of Residence.

Stockholder is a bona fide resident of the State of Florida.

6. REPRESENTATIONS AND WARRANTIES OF OMNIOFFICES AND NEWCO

OmniOffices and NEWCO hereby represent and warrant to the Merging Companies and the Stockholder as follows:

6.1. Organization and Standing

OmniOffices and NEWCO are corporations duly organized, validly existing and in good standing under the laws of the State of Delaware, and have the full and unrestricted corporate power and authority to own, operate and lease their respective assets, to carry on their respective business as currently conducted, to execute and deliver this Merger Agreement and to carry out the transactions contemplated hereby. OmniOffices and NEWCO are duly qualified to conduct business as a foreign corporation and is in good standing in the states, countries and territories where such qualification is necessary. OmniOffices and NEWCO are not qualified to conduct business in any other jurisdiction, and neither the nature of the business conducted by OmniOffices or NEWCO nor the character of the assets owned, leased or otherwise held by it makes the failure to so obtain any such qualification reasonably likely to have a material adverse effect on the business, operations, financial condition, assets or liabilities of OmniOffices or NEWCO. There is no state, country or territory wherein the absence of licensing or qualification as a

foreign corporation would have a material adverse effect upon the business of OmniOffices or NEWCO as currently conducted.

6.2. Authorization

The execution, delivery and performance by OmniOffices and NEWCO of this Merger Agreement and all other Documents contemplated hereby, the fulfillment of and compliance with the respective terms and provisions hereof and thereof, and the consummation by OmniOffices and NEWCO of the transactions contemplated hereby and thereby, (a) has been duly authorized by all necessary corporate action on the part of OmniOffices or NEWCO; (b) do not and will not conflict with, or violate any provision of, any Law having applicability to OmniOffices or NEWCO or any of their respective assets, except for such conflicts or violations which would not have a material adverse effect on the ability of the parties to this Merger Agreement to close the transactions contemplated hereby, or any provision of the certificate of incorporation or bylaws of OmniOffices or NEWCO; (c) do not and will not conflict with, or result in any breach of, or constitute a default under any material Agreement to which OmniOffices or NEWCO is a party or by which it or any of its assets may be bound; or (d) do not and will not result in or require the creation or imposition of or result in the acceleration of any indebtedness, or of any material Encumbrance upon, or with respect to, OmniOffices or NEWCO or any of the assets now owned or hereafter acquired by OmniOffices or NEWCO, as the case may be.

6.3. Certificate of Incorporation and Bylaws

OmniOffices and NEWCO have furnished to the Stockholder true and complete copies of their respective certificates of incorporation, as currently in effect, certified as of a recent date by the Secretary of State of Delaware and true and complete copies of their respective bylaws, as currently in effect, certified by their respective corporate secretaries.

6.4. Hart-Scott-Rodino

If no filing under Hart-Scott-Rodino is made prior to Closing, as of Closing, such ultimate parent entity will not have at least One Hundred Million Dollars ($100,000,000) in total assets or annual net sales as such would be determined under Hart-Scott-Rodino and its implementing regulations.

6.5. [Intentionally Deleted]

6.6. Binding Obligation

This Merger Agreement constitutes a valid and binding obligation of each of OmniOffices and NEWCO, enforceable in accordance with its terms, except as enforceability may be limited by applicable equitable principles of bankruptcy, insolvency, reorganization, moratorium, or similar laws in effect from time to time and affecting the enforcement of creditors' rights generally. Each Document to be executed by OmniOffices

and NEWCO pursuant hereto, when executed and delivered in accordance with the provisions hereof, shall be a valid and binding obligation of such company, enforceable in accordance with its terms, except as enforceability may be limited by applicable equitable principles or bankruptcy, insolvency, reorganization, moratorium, or similar laws in effect from time to time and affecting the enforcement of creditors' rights generally.

6.7. No Registration Under the Securities Act

NEWCO understands that the securities of the Merging Companies to be exchanged pursuant to **Section 2.7** under this Merger Agreement (the "Common Stock") have not been registered under the Securities Act or applicable state securities laws (the "State Acts"), in reliance upon exemptions contained in the Securities Act or interpretations thereof, and cannot be offered for sale, sold or otherwise transferred unless such Common Stock being acquired hereunder subsequently is so registered or qualifies for exemption from registration under the Securities Act.

6.8. Acquisition for Investment

The Common Stock is being acquired under this Merger Agreement by NEWCO in good faith solely for its own account, for investment and not with a view toward resale or other distribution within the meaning of the Securities Act. The Common Stock will not be offered for sale, sold or otherwise transferred by NEWCO without either registration or exemption from registration under the Securities Act or the State Acts.

6.9. Evaluation of Merits and Risks of Investment

NEWCO has such knowledge and experience in financial and business matters that NEWCO is capable of evaluating the merits and risks of NEWCO's investment in such Common Stock being acquired hereunder. NEWCO understands and is able to bear any economic risks associated with such investment (including, without limitation, the necessity of holding such Common Stock for an indefinite period of time, inasmuch as such Common Stock has not been registered under the Securities Act or any State Act).

7. CARRAMERICA REPRESENTATIONS AND WARRANTIES

CarrAmerica represents and warrants to Stockholder as follows:

7.1. Organization

CarrAmerica is a corporation duly organized, validly existing and in good standing under the laws of the State of Maryland and has all requisite corporate power and authority to carry on and conduct its business as it is now being conducted and to own or lease its properties and assets.

7.2. Authorization

CarrAmerica has all requisite corporate power and authority to execute, deliver, and perform its obligations under this Merger Agreement. The execution, delivery and performance by CarrAmerica of this Merger Agreement has been duly authorized by all necessary corporate action on the part of CarrAmerica. This Agreement constitutes CarrAmerica's legal, valid and binding obligation, enforceable in accordance with its terms, except as enforceability may be limited by applicable equitable principles or bankruptcy, insolvency, reorganization, moratorium, or similar laws in effect from time to time and affecting the enforcement of creditors' rights generally.

8. [INTENTIONALLY OMITTED]

9. CONDITIONS PRECEDENT TO OBLIGATIONS OF THE COMPANIES AND THE STOCKHOLDER TO EFFECT THE MERGERS

The obligations of the Merging Companies and the Stockholder under this Merger Agreement are subject to the fulfillment, at or prior to the Closing, of each of the following conditions, and failure to satisfy any such condition shall excuse and discharge all obligations of the Merging Companies to carry out the provisions of this Agreement, unless such failure is agreed to in writing by the Merging Companies and the Stockholder:

9.1. Representations and Warranties

The representations and warranties made by OmniOffices and NEWCO in this Merger Agreement shall be true and complete in all respects when made and on and as of the Closing Date as though such representations and warranties were made on and as of such date (except for any changes expressly permitted by this Agreement and except for any representations and warranties that speak as of a specific date or time other than the Closing Date, which need only be true and complete in all material respects as of such date or time), other than, in all such cases, such failures to be true and/or complete as would not, in the aggregate, reasonably be expected to have a material adverse effect on NEWCO or OmniOffices' business, operations, financial condition, assets or liabilities or a material adverse effect on the Merging Companies' or the Stockholder's ability to consummate the transactions contemplated hereby; provided, however, that if any of such representations or warranties is already qualified in any respect by materiality, for purposes of this **Section 9.1** only such materiality qualification will be in all respects ignored (but subject to the overall standard as to material adverse effect set forth immediately prior to this proviso).

9.2. Performance

OmniOffices and NEWCO shall have performed and complied in all material respects with all Agreements and conditions required by this Merger Agreement to be performed or complied with by OmniOffices or NEWCO prior to the Closing Date.

9.3. Legal Proceedings

No action or proceeding by or before any governmental authority shall have been instituted (and not subsequently dismissed, settled or otherwise terminated) which is reasonably expected to restrain, prohibit or invalidate the transactions contemplated by this Agreement, other than an action or proceeding instituted by any Merging Company or the Stockholder.

9.4. [Intentionally Deleted]

9.5. OmniOffices' and NEWCO's Certificates

Each of OmniOffices and NEWCO shall have delivered to Merging Company and the Stockholders a certificate, dated as of the Closing Date and executed by the president or a vice president of OmniOffices or NEWCO, certifying to the fulfillment of the conditions set forth in **Sections 9.1** through **9.4**.

9.6. Documents at Closing

Each of OmniOffices and NEWCO shall have duly executed and/or delivered to Merging Company and/or the Stockholders the documents contemplated under this Merger Agreement and such other documents as the Merging Companies or Stockholder may reasonably request, to the extent that the same are typically delivered in transactions similar to the transaction contemplated by this Merger Agreement.

9.7. Opinion of OmniOffices' and NEWCO's Counsel

The Stockholders shall have received an opinion of Hogan & Hartson L.L.P., counsel to OmniOffices and NEWCO, dated as of the Closing Date, to the effect and substantially in the form of Exhibit I.

9.8. OmniOffices' Board Representation.

At or prior to the Closing, Mr. Whitehouse shall have been elected, effective as of the Closing Date, a member of OmniOffices' Board of Directors for an initial term expiring at the next annual meeting of OmniOffices' shareholders. If no vacancy exists at such time, OmniOffices shall increase the size of the Board of Directors to permit such election.

9.9. Hart-Scott-Rodino

All applicable waiting periods under Hart-Scott-Rodino shall have expired.

10. CONDITIONS PRECEDENT TO OBLIGATIONS OF OMNIOFFICES AND NEWCO TO EFFECT THE MERGER

The obligations of OmniOffices and NEWCO under this Merger Agreement are subject to the fulfillment, at or prior to the Closing, of each of the following conditions, and failure to satisfy any such condition shall excuse and discharge all obligations of OmniOffices and NEWCO to carry out the provisions of this Agreement, unless such failure is agreed to in writing by OmniOffices or NEWCO:

10.1. Representations and Warranties

The representations and warranties made (jointly or individually) by the Merging Companies and the Stockholder in this Merger Agreement and the statements contained in the Disclosure Schedule shall be true and complete in all respects when made, and on and as of the Closing Date as though such representations and warranties were made on and as of such date (except for any changes expressly permitted by this Agreement and except for any representations or warranties that speak as of a specific date or time other than the Closing Date, which need only be true and complete in all material respects as of such date or time), other than, in all such cases, such failures to be true and/or complete as would not, in the aggregate, reasonably be expected to have a Material Adverse Effect or a material adverse effect on OmniOffices' or NEWCO's ability to consummate the transactions contemplated hereby; provided, however, that if any of such representations or warranties is already qualified in any respect by materiality or as to Material Adverse Effect, for purposes of this **Section 10.1** only such materiality or Material Adverse Effect qualification will be in all respects ignored (but subject to the overall standard as to material adverse effect set forth immediately prior to this proviso).

10.2. Performance

Each Merging Company and the Stockholder shall have performed and complied in all material respects with all Agreements and conditions required by this Merger Agreement to be performed or complied with prior to the Closing Date.

10.3. Legal Proceedings

No action or proceeding by or before any governmental authority shall have been instituted (and not subsequently settled, dismissed or otherwise terminated) which is reasonably expected to restrain, prohibit or invalidate the transactions contemplated by this Merger Agreement other than an action or proceeding instituted by OmniOffices or NEWCO.

10.4. Absence of Material Adverse Changes

There shall have not have occurred a material adverse change in the business, operations, financial condition, assets or liabilities of any Merging Company (regardless of whether or not such events or changes are inconsistent with the representations and warranties given herein by the Merging Companies and the

Stockholder), except changes contemplated by this Merger Agreement. During the period commencing thirty (30) days after the date of this Merger Agreement and thereafter, this Section 10.4 shall not be a condition to Closing unless the material adverse change was caused by or the direct or indirect action or omission of any Merging Company or the Stockholder.

10.5. Officer's Certificate

Merging Company shall have delivered to OmniOffices and NEWCO a certificate, dated as of the Closing Date and executed by Merging Company's President, in his capacity as such, certifying to the fulfillment of the conditions specified in **Sections 10.1** through **10.4**.

10.6. Stockholders' Certificate

The Stockholder shall have delivered to OmniOffices and NEWCO a certificate, dated as of the Closing Date and executed by the Stockholders, certifying to the fulfillment of the conditions specified in **Sections 10.1** through **10.4**.

10.7. Opinion of Merging Company's Counsels

OmniOffices and NEWCO shall have received opinions of Varnum, Riddering, Schmidt & Howlett LLP, counsel to the Merging Companies and Stockholder, dated as of the Closing Date, to the effect and substantially in the form of Exhibit J. OmniOffices and NEWCO shall have received opinions of Katz Randall & Weinberg, real estate counsel to the Merging Companies and Stockholder, date as of the Closing Date, to the effect and substantially in the form of Exhibit L.

10.8. Documents at Closing

Each Merging Company and/or the Stockholder shall have duly executed and/or delivered to OmniOffices and NEWCO the documents contemplated under this Merger Agreement and such other documents as the OmniOfficers or NEWCO may reasonably request, to the extent the same are typically delivered in transactions similar to the transaction contemplated by this Merger Agreement.

10.9. [Intentionally Deleted]

10.10. Hart-Scott-Rodino

All applicable waiting periods under Hart-Scott-Rodino shall have expired.

10.11. Required Merging Companies and Stockholder Consents

Each Merging Company and the Stockholder shall have received and delivered to OmniOffices and NEWCO the HQNS Consent and all consents, authorizations

and approvals of governmental, supragovernmental and private parties listed on Schedules 4.23 or 4.24 to the Disclosure Schedule and such consents shall be in full force and effect on the Closing Date.

10.12. Non-Competition

OmniOffices and NEWCO shall have received the Non-Competition Agreements contemplated by **Section 3.6**, in substantially the form and substance of Exhibit F hereto, duly executed by Stockholder.

10.13. Other Agreements

OmniOffices and NEWCO shall have received all Agreements contemplated by **Section 4.18**, duly executed by Stockholder, as the case may be.

11. [INTENTIONALLY DELETED]

12. SURVIVAL OF REPRESENTATIONS; INDEMNIFICATION; REMEDIES

12.1. Survival of Representations

All representations, warranties, covenants, indemnities and other Agreements made by any party to this Merger Agreement herein or pursuant hereto shall also be deemed made on and as of the Closing Date as though such representations, warranties, covenants, indemnities and other Agreements were made on and as of such date, and all such representations, warranties, covenants, indemnities and other Agreements shall survive the Closing and any investigation, audit or inspection at any time made by or on behalf of any party hereto solely for the purposes of indemnification pursuant to this **Section 12**. Indemnification pursuant to this **Section 12** shall be the exclusive remedy (other than those available pursuant to **Sections 12.6 and 14** and for any Claims relating to a Merger Consideration Adjustment pursuant to **Section 3.7**) for any breach of representations and warranties or of any covenant or agreement in this Agreement which survives the closing by either party or any other matter pertaining to this Merger Agreement or the transactions contemplated hereby, other than Claims relating to other written Agreements between the parties and Claims relating to fraud.

12.2. Agreement of Merging Company to Indemnify

Subject to the conditions and provisions of this **Section 12**, each Merging Company hereby agrees to indemnify, defend and hold harmless the Buyer Indemnified Persons from and against and in any respect of all Claims asserted against, resulting to, imposed upon or incurred by the Buyer Indemnified Persons (whether such Claims are by, against or relate to Merging Company, Stockholder or any other party, including a governmental entity), directly or indirectly, by reason of or resulting from any breach of any representation or warranty, any telephone excise taxes or noncompliance with any covenants or other written Agreements, given or made by any Merging Company or

Stockholder in this Merger Agreement or in the Disclosure Schedule or Exhibits attached hereto. Anything to the contrary notwithstanding, any Merging Company's obligations under this **Section 12** shall terminate as of Closing, but the Stockholder's obligations under this **Section 12** shall continue in full force and effect.

12.3. Agreement of Stockholder to Indemnify

(a) Subject to the conditions and provisions of this **Section 12**, Stockholder hereby agrees to indemnify, defend and hold harmless the Buyer Indemnified Persons from and against and in respect of all Claims asserted against, resulting to, imposed upon or incurred by the Buyer Indemnified Persons (whether such Claims are by, against or relate to Merging Company, Stockholder or any other party, including, without limitation, a governmental entity), directly or indirectly, by reason of or resulting from (i) any breach of any representation or warranty, or noncompliance with covenants or other written Agreements, given or made by Stockholder or any Merging Company in this Merger Agreement or in the Disclosure Schedule or Exhibits attached hereto, (ii) the Merging Companies' failure to file Form 5500 as identified on Schedule 4.22, (iii) the Merging Companies' failure to pay the Florida Gross Receipts Taxes and IRC 4251 Communications Taxes identified on Schedule 4.8; and (iv) the Merging Companies' failure to pay any escheat taxes identified on Schedule 4.9.

(b) Notwithstanding anything in this Agreement to the contrary, (i) the Merging Companies and Stockholder shall not be responsible for any indemnification with respect to any Claim with respect to any breach of a representation or warranty pursuant to this **Section 12.3** unless and until the aggregate amount of all such Claims exceed $500,000, in which event the Merging Companies and Stockholder, jointly and severally, shall only be liable for Claims in excess of that amount; provided, however, that this clause (i) of **Section 12.3(b)** shall not apply to any Claims relating to the liability of a Merging Company for telephone excise taxes, escheat taxes, any Claims relating to the Merging Companies' failure to file Form 5500 as identified on Schedule 4.22, and Claims relating to the Merging Companies' failure to pay the Florida Gross Receipts Taxes and IRC 4251 Communications Taxes identified on Schedule 4.8, (ii) no Claim with respect to which indemnity is provided pursuant to this Section 12.3 shall be paid before the expiration of three hundred ninety five (395) days following Closing (but subject to the time limitations contained in Section 12.3(d)), and (iii) the payment shall be made through release from the Stockholder's Escrow Deposit pursuant to the Claims Escrow Agreement in an amount up to but not exceeding $2,500,000 with respect to Claims arising out of or in connection with the Illinois Business Unit, $1,208,500 with respect to Claims arising out of or in connection with the Florida Business Unit, and $419,500 with respect to Claims arising out of or in connection with the Califonia Business Unit, and in the event such Claims are not satisfied through release from the Stockholder's Escrow Deposit, OmniOffices and NEWCO shall have full recourse against Stockholder in an amount up to, but not exceeding, $3,372,000 with respect to Claims arising out of or in connection with the Illinois Business Unit, $1,208,500 with respect to Claims arising out of or in connection with the Florida Business Unit and $419,500 with respect to Claims arising out of or in connection with the California Business Unit (the "Business Unit Indemnification Caps"), less as to each dollar limitation, claims paid or to be paid from the Stockholder's Escrow Deposit; provided, however, that after the expiration of three hundred ninety five (395) days following Closing

(but subject to the time limitations contained in **Section 12.3(d)**) in respect of Claims relating to **Section 4.8**, OmniOffices and NEWCO shall have full recourse against Stockholder in an amount up to, but not exceeding, the Business Unit Indemnification Caps with respect to such Claims, less as to each dollar limitation, claims paid from the Stockholder's Escrow Deposit. Notwithstanding the foregoing, Stockholder shall pay, in addition to the amount of any Claim for which indemnity is due under this Agreement, interest on the amount due from the date such Claim is made until the date paid in full at the interest rate equal to the average rate of interest earned on Shareholder's Escrow Deposit. The amount of any indemnified Claim shall be reduced by the amount of the recovery actually received by OmniOffices or NEWCO with respect to any applicable insurance policies or from persons or parties not parties to this Agreement; however, OmniOffices and NEWCO shall not be required to pursue or make any effort to recover under any such insurance policy or from any third party. In the event OmniOffices or NEWCO chooses not to pursue or make an effort to recover under any such insurance policy, OmniOffices and NEWCO shall assign any such rights to Stockholder upon the request of the Stockholder. Further, any liability of the Merging Companies and Stockholder for indemnification hereunder shall be reduced by any potential net tax benefit to OmniOffices or NEWCO resulting from an indemnifiable claim. The determination of the amount of "potential net tax benefit" shall be made by the Public Accountant which shall compute the potential net tax benefit (i) using the then current highest marginal U.S. Federal and state tax income rates (net of the benefit for the deduction of state taxes), (ii) assuming current utilization of any items that the Public Accountant determines to be deductible expenses, (iii) assuming current recognition of any portion of the indemnification payment giving rise to taxable income to OmniOffices or NEWCO, as determined by the Public Accountant, and (iv) taking into account the net present value of future tax benefits to OmniOffices or NEWCO (or foregoing tax benefits of OmniOffices or NEWCO) using a discount rate equal to 9.65% per annum during the year in which OmniOffices or NEWCO indemnifiable claim was identified. Any amount offset by OmniOffices or NEWCO in accordance with this **Section 12.3(b)** shall be deemed a reduction in the Merger Consideration and not income to OmniOffices or NEWCO. Any fees payable to the Public Accountant shall be paid one-half by OmniOffices or NEWCO and one-half by the Stockholder.

(c) With respect to any payment for indemnification under this **Section 12.3** to be made from the Stockholder's Escrow Deposit, any funds that are held pending resolution of any dispute between any parties hereto as to any claimed indemnity payment shall not be deemed available for the purpose of paying any other or further demand for indemnity.

(d) Except as set forth below, it shall be a condition to the right of any Buyer Indemnified Person to indemnification pursuant to this Section that such Buyer Indemnified Person shall assert a Claim for such indemnification on or prior to three hundred ninety five (395) days following Closing; provided, however that and any Claim relating to any provision of **Section 4.8** may be made throughout the period ending 45 days following the expiration of all applicable statutes of limitation (including extensions) relating to Taxes covered by, or any Claim under, **Section 4.8** hereof.

(e) Stockholder hereby irrevocably waives any and all rights to recourse against any Merging Company with respect to any representation, warranty, indemnity or other Agreement or action made or taken by or pursuant to this Merger Agreement. The Stockholder shall not be entitled to contribution from, subrogation to or recovery against any Merging Company with respect to any liability of the Stockholder that may arise under or pursuant to this Merger Agreement or the transactions contemplated hereby.

12.4. Agreement of OmniOffices or NEWCO to Indemnify

(a) Subject to the conditions and provisions of this **Section 12**, OmniOffices and NEWCO hereby agree to indemnify, defend and hold harmless the Merging Company Indemnified Persons and Stockholder from and against and in respect of all Claims asserted against, resulting to, imposed upon or incurred by the Merging Company Indemnified Persons or Stockholder (whether such Claims are by, against or relate to OmniOffices or NEWCO or any other party, including, without limitation, a governmental entity), directly or indirectly, by reason of or resulting from any breach of any representation or warranty, or noncompliance with any covenants or other Agreements, given or made by OmniOffices or NEWCO in this Merger Agreement. Notwithstanding the foregoing, (i) OmniOffices and NEWCO shall have no liability for Claims made after the expiration of three hundred ninety five (395) days following Closing and (ii) the maximum aggregate liability of OmniOffices and NEWCO pursuant to this **Section 12.4(a)** shall not exceed Five Million Dollars ($5,000,000); provided, however, such maximum aggregate liability shall not limit any Claims for "Extra Taxes" pursuant to Section 3.11(g) or for any liability arising out of OmniOffice's or NEWCO's decision, if made, not to make a filing purusant to Hart-Scott-Rodino.

(b) OmniOffices and NEWCO hereby further agrees to indemnify, defend and hold harmless Stockholder from and against and in respect of all Claims asserted against, resulting from, imposed upon or incurred by Stockholder, directly or indirectly, by reason of or resulting from any guaranty executed, delivered or otherwise given by Stockholder of liabilities or obligations of any Merging Company which guaranty is disclosed in the Disclosure Schedule.

12.5. Conditions of Indemnification

The obligations and liabilities of the Merging Companies, Stockholder, OmniOffices and NEWCO hereunder with respect to their respective indemnities pursuant to this **Section 12**, resulting from any Claim including, but not limited to any audit by a taxing authority of any Merging Company, shall be subject to the following terms and conditions:

(a) The indemnified party shall give prompt written notice to the indemnifying party of any Claim which is asserted against, resulting to, imposed upon or incurred by such indemnified party and which may give rise to liability of the indemnifying party pursuant to this **Section 12**, stating (to the extent known or reasonably anticipated) the nature and basis of such Claim and the amount thereof.

(b) If a third party makes a Claim against an indemnified party (i.e., a Stockholder, Merging Company Indemnified Person or a Buyer Indemnified Person), and if such indemnified party intends to seek indemnity with respect thereto under this **Section 12**, such indemnified party shall promptly notify the indemnifying party or parties in writing of such Claims setting forth such claims in reasonable detail. The indemnifying party shall have forty-five (45) days after receipt of such notice to undertake, through counsel of its own choosing and at its own expense, the defense thereof. If the indemnifying party elects to undertake such defense, the indemnified party shall cooperate with it in connection therewith and the indemnified party may participate in such settlement or defense through counsel chosen by such indemnified party, it being understood that the indemnifying party shall control such defense and that the fees and expenses of counsel chosen by the indemnified party shall be borne by such indemnified party unless (i) the indemnifying party shall have specifically authorized the retaining of such counsel or (ii) the parties to such claim and the indemnifying and indemnified parties have been advised by counsel that there may be a conflict between the positions of any indemnifying party and any indemnified party in conducting the defense of such claim in which case the indemnifying party shall not be entitled to assume the defense of such claim without the prior written consent of the indemnified party notwithstanding indemnifying party's obligation to bear the fees and expenses of such counsel. In any such case, to the extent no similar conflict exists, the indemnified parties shall retain (and the indemnifying party shall only be liable for the costs of) one counsel. Whether or not the indemnifying party shall have assumed the defense of a third party claim, (x) the indemnified party shall not admit any liability with respect to, or settle, compromise or discharge, such third party claim without the indemnifying party's prior written consent (which consent shall not be unreasonably withheld), and (y) neither party shall, without the written consent of the other party, settle or compromise or consent to the entry of any judgment with respect to any action or third party claim if the effect thereof is to admit any criminal liability by, or to permit any injunctive relief or other order providing non-monetary relief to be entered against, the other party.

(c) In the event that any Claim shall arise out of a transaction or cover any period or periods wherein the Merging Companies and the Stockholder, on the one hand, and OmniOffices and NEWCO, on the other hand, shall each be liable hereunder for part of the liability or obligation arising therefrom, then the parties shall, each choosing its or his own counsel and bearing its or his own expense, defend such Claim, and no settlement or compromise of such Claim may be made without the joint consent or approval of each of the Merging Companies, OmniOffices, NEWCO and the Stockholder (which consent shall not be unreasonably withheld), except where the respective liabilities and obligations of the Merging Companies, OmniOffices, NEWCO and Stockholder are clearly allocable or attributable on the basis of objective facts.

12.6. Specific Performance

In addition to any other remedies which OmniOffices or NEWCO may have at law or in equity, each Merging Company and Stockholder hereby acknowledge that the Merging Companies are unique, and that the harm to OmniOffices or NEWCO resulting from breaches by any Merging Company or the Stockholder of its respective obligation cannot be adequately compensated by damages. Accordingly, each Merging Company and

Stockholder agree that OmniOffices or NEWCO shall have the right to have all obligations, undertakings, Agreements, covenants and other provisions of this Merger Agreement specifically performed by each Merging Company or Stockholder, as the case may be, and that OmniOffices or NEWCO shall have the right to obtain an order or decree of such specific performance in any of the courts of the United States of America or of any state or other political subdivision thereof.

13. TERMINATION

13.1. Termination

This Merger Agreement may be terminated at any time before the Closing Date under any one or more of the following circumstances:

(a) by the mutual consent of the parties hereto;

(b) by OmniOffices or NEWCO, by written notice of termination, after learning of a breach of a representation or warranty by the Merging Companies or the Stockholder which would cause the condition set forth in **Section 10.1** not to be satisfied; provided, that if it is reasonably determined that such breach may be cured by Merging Company or the Stockholders, as applicable, then OmniOffices or NEWCO shall not have the right to terminate this Merger Agreement pursuant to this **Section 13.1(b)** so long as the Merging Companies or Stockholder, as applicable, diligently proceed to cure such breach prior to Closing;

(c) by OmniOffices or NEWCO, by written notice of termination delivered to the Merging Companies and Stockholder, if any of the conditions set forth in **Section 10** have not been fulfilled by April 1, 1998 and such failure to fulfill conditions is not the result solely of the necessity of obtaining government approvals or satisfying governmental requirements;

(d) by the Merging Companies or Stockholder, by written notice of termination, after learning of a breach of a representation or warranty by OmniOffices or NEWCO which would cause the condition set forth in **Section 9.1** not to be satisfied; provided, that if it is reasonably determined that such breach may be cured by OmniOffices or NEWCO, then neither the Merging Companies nor Stockholder shall have the right to terminate this Merger Agreement pursuant to this **Section 13.1(d)** so long as OmniOffices or NEWCO diligently proceeds to cure such breach prior to Closing;

(e) by the Merging Companies or Stockholder, by written notice of termination delivered to OmniOffices and NEWCO, if any of the conditions set forth in **Section 9** have not been fulfilled by April 1, 1998, and such failure to fulfill conditions is not the result solely of the necessity of obtaining government approvals or satisfying governmental requirements;

(f) by the Merging Companies or Stockholder, by written notice of termination to the other parties hereto, if (i) the Closing has not occurred by the latest of (x) April 1, 1998, (y) if OmniOffices or NEWCO determines that it is necessary to file under

Hart-Scott-Rodino and OmniOffices or NEWCO determines that additional preparation time for such filing is necessary, thirty (30) days from the date hereof, and (z) if a filing under Hart-Scott-Rodino is made, sixty (60) days from the date hereof and (ii) the failure to close on or before such date did not result from the failure by the party seeking termination of this Merger Agreement to fulfill any undertaking or commitments provided for herein that such party is required to fulfill prior to Closing; provided, however, that if the Merging Companies or Stockholder provide the other parties hereto written notice of their intent to terminate under this Section 13.1(f) such other party shall have three (3) business days after receipt of such notice to fulfill all requisites to Closing before such termination shall be effective;

(g) by OmniOffices or NEWCO, by written notice of termination to the other parties hereof if the Closing has not occurred by ninety (90) days from the date hereof, and if the failure to close on or before such date did not result from the failure by the party seeking termination of this Merger Agreement to fulfill and undertaking or commitment provided for herein that such party is required to fulfill prior to Closing.

13.2. Effect of Termination

In the event this Merger Agreement is terminated as provided in this **Section 13 or Section 14**, this Merger Agreement shall forthwith become wholly void and of no effect, and the parties shall be released from all future obligations hereunder; provided, however, that the provisions of **Sections 3.2(b), 12.6, 14** and **15.3** shall not be extinguished but shall survive such termination and that termination shall not relieve any party hereto of liability for any breach of this Merger Agreement.

14. DEFAULTS AND REMEDIES

14.1. Merging Company or Stockholder Default

In the event any Merging Company fails or refuses to perform any of its covenants, obligations or agreements hereunder in any material respect (such failure or refusal, a "Seller Default") and no Buyer Default (as defined in **Section 14.2**) exists, in addition to any right to terminate pursuant to **Section 13.1** OmniOffices or NEWCO shall be entitled to: (a) specifically enforce the terms and conditions of this Merger Agreement pursuant to **Section 12.6**, (b) sue for damages, which shall be limited to actual damages (including reasonable legal fees and expenses) unless the Seller Default includes the willful refusal to deliver the documents required to be delivered at Closing by the Merging Companies or Stockholder hereunder, (c) avail itself of any other rights and remedies available at law or in equity as a result of such default by the Merging Companies, including specific performance but excluding damages other than actual damages, or (d) avail itself of any combination of the foregoing. In the event Stockholder fails or refuses to perform any of his covenants, obligations or agreements hereunder and no Buyer Default exists, OmniOffices and NEWCO shall have available to them all of the remedies described in clauses (a) through (d) above.

14.2. Buyer Default

In any event of the failure or refusal by OmniOffices or NEWCO hereunder to perform any of its covenants, obligations or agreements hereunder in any material respect (each, a "Buyer Default"), and no Seller Default exists, in addition to any right to terminate pursuant to **Section 13.1** and in lieu of any right to sue OmniOffices, NEWCO or CarrAmerica for damages, specific performance or any other remedy the Merging Companies and Stockholder shall be entitled to receive from OmniOffices or NEWCO $5.0 million (the "Breakup Fee"), net of the Buyer Escrow Deposit; provided, however, that if such Buyer Default is the result of Force Majeure, the Merging Companies and the Stockholder shall not be entitled to the Breakup Fee and shall have as their sole remedy the right to terminate this Merger Agreement according to the terms of **Section 13.1**. THE PARTIES HAVE AGREED THAT THE MERGING COMPANIES' AND THE STOCKHOLDER'S ACTUAL DAMAGES, IN THE EVENT OF A BUYER DEFAULT, WOULD BE EXTREMELY DIFFICULT OR IMPRACTICAL TO DETERMINE. THE PARTIES ACKNOWLEDGE THAT THE BREAKUP FEE HAS BEEN AGREED UPON, AFTER NEGOTIATION, AS THE PARTIES' REASONABLE ESTIMATE OF THE MERGING COMPANIES' AND THE STOCKHOLDER'S DAMAGES.

15. MISCELLANEOUS

15.1. Additional Actions and Documents

Each of the parties hereto hereby agrees to use their commercially reasonable efforts to take or cause to be taken such further actions, to execute, deliver and file or cause to be executed, delivered and filed such further Documents, and will obtain such consents, as may be necessary or as may be reasonably requested in order to fully effectuate the purposes, terms and conditions of this Merger Agreement.

15.2. No Brokers

Each of the parties hereto represents and warrants to the other parties (and to each of them) that such party has not engaged any broker, finder or agent in connection with the transactions contemplated by this Merger Agreement that will give rise to any unpaid liability to any broker, finder or agent for any brokerage fees, finders' fees or commissions, with respect to the transactions contemplated by this Merger Agreement for which the Merging Companies, OmniOffices or NEWCO will be responsible after the Closing. Notwithstanding the foregoing, Stockholder has engaged Nesbitt Burns Securities Inc. to act on his behalf and the parties acknowledge such engagement is solely at the expense of Stockholder. Each party agrees to indemnify, defend and hold harmless each of the other parties from and against any and all claims asserted against such parties for any such fees or commissions by any persons purporting to act or to have acted for or on behalf of the indemnifying party.

15.3. Expenses

Subject to the indemnity provisions of **Section 12**, each party hereto shall pay its own expenses incident to this Merger Agreement and the transactions contemplated hereunder, including all legal and accounting fees and disbursements.

15.4. Assignment

OmniOffices or NEWCO shall have the right to assign its rights and obligations under this Merger Agreement, in whole or in part, to an Affiliate or to designate any of its Affiliates (to the extent permitted by Law) or to exercise any of the rights of OmniOffices or NEWCO, or to perform any of its obligations; provided, however, that OmniOffices and NEWCO shall remain liable to Stockholder for the satisfaction of their obligations hereunder. Except as set forth in the preceding sentence, the Merging Companies, OmniOffices, NEWCO and the Stockholder shall not assign their respective rights and obligations under this Merger Agreement, in whole or in part, whether by operation of law or otherwise, without the prior written consent of the other parties hereto, and any such assignment contrary to the terms hereof shall be null and void and of no force and effect. In no event shall the assignment by any Merging Company, OmniOffices, NEWCO or Stockholder of its respective rights or obligations under this Merger Agreement, whether before or after the Closing, release any Merging Company, OmniOffices, NEWCO or Stockholder from its respective liabilities and obligations hereunder.

15.5. Entire Agreement; Amendment

This Merger Agreement, including the Disclosure Schedule, the Confidentiality Agreement, the Exhibits and other Documents referred to herein or furnished pursuant hereto, constitutes the entire Agreement among the parties hereto with respect to the transactions contemplated herein, and it supersedes all prior oral or written Agreements, commitments or understandings with respect to the matters provided for herein. No amendment, modification or discharge of this Merger Agreement shall be valid or binding unless set forth in writing and duly executed and delivered by the party against whom enforcement of the amendment, modification, or discharge is sought.

15.6. Waiver

No delay or failure on the part of any party hereto in exercising any right, power or privilege under this Merger Agreement or under any other Documents furnished in connection with or pursuant to this Merger Agreement shall impair any such right, power or privilege or be construed as a waiver of any default or any acquiescence therein. No single or partial exercise of any such right, power or privilege shall preclude the further exercise of such right, power or privilege, or the exercise of any other right, power or privilege. No waiver shall be valid against any party hereto unless made in writing and signed by the party against whom enforcement of such waiver is sought and then only to the extent expressly specified therein.

15.7. Severability

If any part of any provision of this Merger Agreement or any other Agreement or document given pursuant to or in connection with this Merger Agreement shall be invalid or unenforceable in any respect, such part shall be ineffective to the extent of such invalidity or unenforceability only, without in any way affecting the remaining parts of such provision or the remaining provisions of this Merger Agreement.

15.8. Governing Law

This Merger Agreement, the rights and obligations of the parties hereto, and any claims or disputes relating thereto, shall be governed by and construed in accordance with the laws of the State of Illinois (excluding the choice of law rules thereof).

15.9. Guarantee

Subject to the limitations set forth in Section 14.2, CarrAmerica hereby fully and unconditionally guarantees and agrees to be responsible for the payment and performance of all of OmniOffices' obligations hereunder.

15.10. Definition of Knowledge

(a) As used herein, the phrases "to Merging Companies' knowledge," "known to any Merging Company," and similar phrases mean, as to a particular matter, the actual knowledge of Ronald Whitehouse, Sally A. Warren, Annette Reizburg and Don Kerl.

(b) As used herein, the phrases "to OmniOffices' or NEWCO's knowledge," "known to OmniOffices or NEWCO" and similar phrases mean, as to a particular matter, the actual knowledge of Joseph D. Wallace.

15.11. Consent

As used herein the phrases "without the consent," "with the consent," and similar references, shall mean, as to the particular matter, consent in writing signed by the party required to give such consent, and in the case of the Merging Companies, by their representative.

15.12. Access to Records by Stockholder

Stockholder shall have, upon reasonable advance notice, the right at a mutually agreeable time during regular business hours to inspect and make copies, at his expense, of any and all of the Merging Companies' books, records, financial information, contracts and other documents and assets, to the extent that they pertain to the Merging Company's business operations and properties prior to Closing (the "Business Records"), for any proper purpose, including without limitation preparing tax returns. In addition, Stockholder shall have the right, upon reasonable advance notice to have temporary possession of original copies of the Business Records to defend against or otherwise participate in a tax audit or other governmental examination or any litigation pertaining to

the Merging Companies' business, operations or properties prior to Closing (subject to the Merging Companies prior written approval (not to be unreasonably withheld) of Stockholder's proposed measures to protect such original copies against loss or destruction). OmniOffices and NEWCO shall use, and shall cause the Merging Companies to use, reasonable measures to safekeep and preserve the Business Records for six years after the Closing Date. Notwithstanding the foregoing, Stockholder's access to and use of the Business Records shall be limited so that (a) it does not materially interfere with the conduct of the day-to-day operations of the business of the Merging Companies and (ii) no rights of the Merging Companies or OmniOffices or NEWCO in and to any trade secrets or other proprietary information are adversely affected by such access and use. The Stockholder shall reimburse the Merging Companies for any reasonable out-of-pocket costs incurred by the Merging Companies as a result of such access to or use of Business Records. The Stockholder may request Mr. Don Kerl to assist in the preparation of tax information required for the Merging Companies' 1997 and partial year 1998 tax returns, and the Merging Companies and OmniOffices or NEWCO shall not object to Mr. Kerl rendering such assistance so long as it does not materially adversely affect the performance of his duties with respect to the Merging Companies and OmniOffices or NEWCO.

15.13. Notices

All notices, demands, requests, or other communications which may be or are required to be given, served, or sent by any party to any other party pursuant to this Merger Agreement shall be in writing and shall be hand delivered, sent by overnight courier or mailed by first-class, registered or certified mail, return receipt requested, postage prepaid, or transmitted by telegram, telecopy or telex, addressed as follows:

(i) If to OmniOffices:

OmniOffices, Inc.
1117 Perimeter Center West
Suite 500 East
Atlanta, Georgia 30338
Attn: Joseph D. Wallace, Executive Vice President
Telecopy No.: (770/390-9518)

with a copy (which shall not constitute notice) to:

Hogan & Hartson L.L.P.
8500 Greensboro Drive
McLean, Virginia 22102
Attn: Richard K.A. Becker, Esq.
Telecopy No.: (703/610-6200)

(ii) If to NEWCO:

NEWCO
1117 Perimeter Center West
Suite 500 East
Atlanta, Georgia 30338
Attn: Joseph D. Wallace, Executive Vice President
Telecopy No.: (770/390-9518)

with a copy (which shall not constitute notice) to:

Hogan & Hartson L.L.P.
8500 Greensboro Drive
McLean, Virginia 22102
Attn: Richard K.A. Becker, Esq.
Telecopy No.: (703/610-6200)

(iii) If to the Merging Companies:

c/o Whitehouse Companies
1901 Rosello Road
Schaumberg, IL 60195
Attn: Ronald Whitehouse
Telecopy No.: (847/839-7010)

with a copy (which shall not constitute notice) to:

Varnum, Riddering, Schmidt & Howlett LLP
Bridgewater Place
P.O. Box 352
Grand Rapids, MI 49501-0352
Attn: J. Terry Moran, Esq.
Telecopy No.: (616) 336-7000

(iv) If to Stockholder:

Ronald Whitehouse
3540 Mistletoe Lane
Long Boat Key, Florida 34228
Telecopy No.: (941) 383-7964

with a copy (which shall not constitute notice) to:

Varnum, Riddering, Schmidt & Howlett LLP
Bridgewater Place
P.O. Box 352
Grand Rapids, MI 49501-0352
Attn: J. Terry Moran, Esq.
Telecopy No.: (616) 336-7000

Each party may designate by notice in writing a new address to which any notice, demand, request or communication may thereafter be so given, served or sent. Each notice, demand, request, or communication which shall be hand delivered, sent, mailed, telecopied or telexed in the manner described above, or which shall be delivered to a telegraph company, shall be deemed sufficiently given, served, sent, received or delivered for all purposes at such time as it is delivered to the addressee (with the return receipt, the delivery receipt, or (with respect to a telecopy or telex) the answerback being deemed conclusive, but not exclusive, evidence of such delivery) or at such time as delivery is refused by the addressee upon presentation.

15.14. Headings

Section headings contained in this Merger Agreement are inserted for convenience of reference only, shall not be deemed to be a part of this Merger Agreement for any purpose, and shall not in any way define or affect the meaning, construction or scope of any of the provisions hereof.

15.15. Execution in Counterparts

To facilitate execution, this Merger Agreement may be executed in as many counterparts as may be required. It shall not be necessary that the signatures of, or on behalf of, each party, or that the signatures of all persons required to bind any party, appear on each counterpart; but it shall be sufficient that the signature of, or on behalf of, each party, or that the signatures of the persons required to bind any party, appear on one or more of the counterparts. All counterparts shall collectively constitute a single Agreement. It shall not be necessary in making proof of this Merger Agreement to produce or account for more than a number of counterparts containing the respective signatures of, or on behalf of, all of the parties hereto.

15.16. Limitation on Benefits

The covenants, undertakings and agreements set forth in this Merger Agreement shall be solely for the benefit of, and shall be enforceable only by, the parties hereto and their respective successors, heirs, executors, administrators, legal representatives and permitted assigns, except that the agreements set forth in **Section 12** also shall be for the benefit of, and enforceable by, Buyer Indemnified Persons, Merging Company Indemnified Persons and their respective successors, heirs, executors, administrators, legal representatives or permitted assigns.

15.17. Binding Effect

Subject to any provisions hereof restricting assignment, this Merger Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors, heirs, executors, administrators, legal representatives and assigns.

IN WITNESS WHEREOF, the parties hereto have duly executed this Merger Agreement, or have caused this Merger Agreement to be duly executed on their behalf, as of the day and year first above written.

BUYER:

OMNIOFFICES, INC.

By: _____
Name: B. Thomas Miller, Jr.
Title: Executive Vice President

CHICAGO SUITES, INC.

By: _____
Name: B. Thomas Miller, Jr.
Title: Vice President

MERGING COMPANIES:

HQ CHICAGO, INC., HQ LOOP, INC., HQ LISLE, INC., HQ WACKER, INC., HQ BANNOCKBURN, INC., HQ INDIANAPOLIS, INC., HQ MERIDIAN, INC., ANRON, INC., HQ ROCKY POINT, INC., RONETTE, INC., HQ HIDDEN RIVER, INC., HQ BOCA RATON, INC., HQ PLANTATION, INC., LAJOLLA ESM, INC., HQ RANCHO BERNARDO, INC., EXECUTIVE SUITE MANAGEMENT, INC., AND DEL MAR ESM, INC.,

By: _____
Name: Ronald Whitehouse
Title: Chief Executive Officer and Chairman of the Board

IN WITNESS WHEREOF, the parties hereto have duly executed this Merger Agreement, or have caused this Merger Agreement to be duly executed on their behalf, as of the day and year first above written.

BUYER:

OMNIOFFICES, INC.

By: _____
Name: B. Thomas Miller, Jr.
Title: Executive Vice President

CHICAGO SUITES, INC.

By: _____
Name: B. Thomas Miller, Jr.
Title: Vice President

MERGING COMPANIES:

HQ CHICAGO, INC., HQ LOOP, INC., HQ LISLE, INC., HQ WACKER, INC., HQ BANNOCKBURN, INC., HQ INDIANAPOLIS, INC., HQ MERIDIAN, INC., ANRON, INC., HQ ROCKY POINT, INC., RONETTE, INC., HQ HIDDEN RIVER, INC., HQ BOCA RATON, INC., HQ PLANTATION, INC., LAJOLLA ESM, INC., HQ RANCHO BERNARDO, INC., EXECUTIVE SUITE MANAGEMENT, INC., AND DEL MAR ESM, INC.,

By: _____
Name: Ronald Whitehouse
Title: Chief Executive Officer and Chairman of the Board

STOCKHOLDER:

Ronald Whitehouse

For purposes of Sections 8.5 and 15.9 only:

CARRAMERICA REALTY CORPORATION

By: _____
Name: _____
Title: _____

STOCKHOLDER:

Ronald Whitehouse

For purposes of **Sections 3.5** and **15.9** only:

CARRAMERICA REALTY CORPORATION

By: _____
Name: Robert G. Stuckey
Title: Chief Investment Officer

EXHIBIT A

DEFINITIONS

"**401(k) Plans**" means a Qualified Plan sponsored or maintained by any Company that includes a qualified cash or deferred arrangement, as defined in Section 401(k) of the Code.

"**Accounts Receivable**" means the accounts receivable of the Merging Companies which are less than one hundred twenty (120) days past due and which have been determined by the Merging Companies, in their reasonable judgment consistent with past practices, to be collectible.

"**Affiliate**" means: (a) with respect to a person, any member of such person's family; (b) with respect to an entity, any officer, director, stockholder, partner or investor of or in such entity or of or in any Affiliate of such entity; and (c) with respect to a person or entity, any person or entity which directly or indirectly, through one or more intermediaries, Controls, is Controlled by, or is under common Control with such person or entity.

"**Agreement**" means any concurrence of understanding and intention between two or more persons (or entities) with respect to their relative rights and/or obligations or with respect to a thing done or to be done (whether or not conditional, executory, express, implied, or in writing which meets the requirements of contract), including, without limitation, contracts, leases, promissory notes, covenants, easements, rights of way, covenants, commitments, arrangements and memoranda of understanding.

"**Business Unit**" means each of the California Business Unit, Florida Business Unit and Illinois Business Unit.

"**Buyer Indemnified Persons**" means Buyer and its Affiliates, employees, representatives, agents, officers and directors.

"**California Business Unit**" means LaJolla ESM, Rancho Bernardo, ESM and Del Mar ESM.

"**Claims**" means all demands, claims, actions or causes of action, assessments, losses, damages, liabilities, costs and expenses, including, without limitation, interest, penalties and attorneys' fees and disbursements, but excluding consequential and punitive damages which might be asserted by the party making the Claim but in no event shall this exclusion cover consequential and punitive damages which the party making the Claim is obliged to pay third parties.

"**Claims Escrow Agreement**" means the escrow agreement attached to the Installment Note.

"**Code**" means the Internal Revenue Code of 1986, as amended.

"**Common Control Entity**" means any trade or business under common control (as such term is defined in Section 414(b) or 414(c) of the Code) with Merging Company.

"**Continuing Bonus**" means the Nonexempt Staff Bonus Program, Management Incentive Bonus Program, Exclusively Yours Bonus Plan and the Executive Compensation Committee Bonus Plan provided as of the date hereof by the Merging Companies, and for the Key Employees, other incentive bonuses which when combined with the above bonuses would permit such Key Employees to be eligible for a bonus amount consistent with such employee's 1997 bonus for comparable individual and corporate performance.

"**Control**" means possession, directly or indirectly, of power to direct or cause the direction of management or policies (whether through ownership of voting securities, by Agreement or otherwise).

"**Current Assets**" means cash, cash equivalents, marketable securities (other than HQNS Shares) security deposits and other assets, Accounts Receivable, prepaid expenses and sundry receivables, and prepaid Taxes owned by the Merging Companies.

"**Current Liabilities**" consists of accounts payable, accrued expenses (including employee compensation, Continuing Bonuses and other bonuses and Taxes accrued through the Closing Date, but excluding any accruals for OmniOffices' and NEWCO's expenses related to this transaction or other contingent expenses) and all customer security deposits no matter their term, but shall exclude (a) the current portion of any capital lease liability and any deferred lease costs and (b) New Center Development Costs.

"**Defined Benefit Plan**" means a Plan that is or was a "defined benefit plan" as such term is defined in Section 3(35) of ERISA.

"**Disclosure Schedule**" means the disclosure schedule identified as the Disclosure Schedule to the Merger Agreement.

"**Documents**" means any paper or other material (including, without limitation, computer storage media) on which is recorded (by letters, numbers or other marks) information that may be evidentially used, including, without limitation, legal opinions, mortgages, indentures, notes, instruments, leases, Agreements, insurance policies, reports, studies, financial statements (including, without limitation, the notes thereto), other written financial information, schedules, certificates, charts, maps, plans, photographs, letters, memoranda and all similar materials.

"**DOL**" means the Department of Labor or its successors.

"**Encumbrance**" means any mortgage, lien, pledge, encumbrance, security interest, deed of trust, option, encroachment, reservation, order, decree, judgment, condition, restriction, charge, Agreement, claim or equity of any kind, except for (i) liens for property taxes and assessments not yet due and payable, and (ii) statutory liens incurred in the Ordinary Course of Business not yet due and payable.

"**Environmental Laws**" means any Laws (including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act), including any plans, other criteria, or guidelines promulgated pursuant to such Laws, now or hereafter in effect relating to the generation, production, installation, use, storage, treatment, transportation, release, threatened release, or disposal of Hazardous Materials, or noise control, or the protection of human health, safety, natural resources, animal health or welfare, or the environment.

"**ERISA**" means the Employee Retirement Income Security Act of 1974, as amended, and all regulations promulgated pursuant thereto.

"**Escrow Agent**" means the escrow agent under the Claims Escrow Agreement and the Breakup Escrow Agreement.

"**Fairly Disclosed**" means that the information is contained in the Disclosure Schedule and as a result of the disclosure of such information, it is fair and reasonable to expect OmniOffices or NEWCO to be aware of the matter in question (considering by way of example the placement and contents of the disclosure with respect to the warranty or representation being qualified by such disclosure).

"**Force Majeure**" means an event caused by the act or ommission, directly or indirectly, by any federal, state, local or other governmental authority or any Act of God other than an Act of God that causes a material adverse change to the businesses after thirty (30) days from the date hereof that was not within OmniOffices' or NEWCO's control which makes OmniOffices or NEWCO unable, wholly or in part, to carry out its obligations under this Merger Agreement; provided, however, to the extent such Act of God relates to the mere payment of monies hereunder, such Act of God shall be deemed only to last for two business days.

"**ESOP**" means an "**employee stock ownership plan**" as such term is defined in Section 407(d)(6) of ERISA or Section 4975(e)(7) of the Code.

"**Florida Business Unit**" means Anron, HQ-Ricky Point, Ronnette, HQ-Hidden River, HQ-Boca Raton, and HQ-Plantation.

"**GAAP**" means United States generally accepted accounting principles.

"**Hart-Scott-Rodino**" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and all Laws promulgated pursuant thereto or in connection therewith.

"**Hazardous Materials**" means any wastes, substances, radiation, or materials (whether solids, liquids or gases): (i) which are hazardous, toxic, infectious,

explosive, radioactive, carcinogenic, or mutagenic; (ii) which are or become defined as "pollutants," "contaminants," "hazardous materials," "hazardous wastes," "hazardous substances," "toxic substances," "radioactive materials," "solid wastes," or other similar designations in, or otherwise subject to regulation under, any Environmental Laws; (iii) the presence of which on the Real Property cause or threaten to cause a nuisance pursuant to applicable statutory or common law upon the Real Property or to adjacent properties; (iv) which contain without limitation polychlorinated biphenyls (PCBs), asbestos or asbestos-containing materials, lead-based paints, urea-formaldehyde foam insulation, or petroleum or petroleum products (including, without limitation, crude oil or any fraction thereof); or (v) which pose a hazard to human health, safety, natural resources, industrial hygiene, or the environment, or an impediment to working conditions.

"**Illinois Business Unit**" means HQ-Chicago, HQ-Loop, HQ-Lisle, HQ-Wacker, HQ-Bannockburn, HQ-Meridian and HQ-Indianapolis.

"**Individual Account Plan**" means a Plan that is or was an "**individual account plan**" as such term is defined in Section 3(34) of ERISA.

"**Intellectual Property**" means all franchises, patents, patent qualifications, trademarks, service marks, trade names, trade styles, brands, private labels, copyrights, know-how, computer software, industrial designs and drawings and general intangibles of a like nature, trade secrets, licenses, and rights and filings with respect to the foregoing, and all reissues, extensions and renewals thereof.

"**Inventory**" means all new materials, work in process and finished goods and inventoriable supplies.

"**Laws**" means all foreign, federal, state and local statutes, laws, ordinances, regulations, rules, resolutions, orders, determinations, writs, injunctions, awards (including, without limitation, awards of any arbitrator), judgments and decrees applicable to the specified persons or entities and to the businesses and assets thereof (including, without limitation, Laws relating to securities registration and regulation; the sale, leasing, ownership or management of real property; employment practices, terms and conditions, and wages and hours; building standards, land use and zoning; safety, health and fire prevention; and environmental protection, including Environmental Laws).

"**Liability**" means any liability (whether known or unknown, whether asserted or unasserted, whether absolute or contingent, whether accrued or unaccrued, whether liquidated or unliquidated, and whether due or to become due) including any liability for Taxes.

"**Material Adverse Effect**" means a material adverse effect on the business, operations, financial condition, assets or liabilities of Merging Company and the Subsidiaries, considered as one enterprise.

"**Merging Company Indemnified Persons**" means Merging Company and its Affiliates, employees, representatives, agents, officers and directors.

"**Merging Company Tax Returns**" means all federal, state, local, foreign and other applicable tax returns, declarations of estimated tax reports required to be filed by Merging Company or any of the Subsidiaries.

"**Multiemployer Plan**" means a "**multiemployer plan**" as such term is defined in **Section 3(37)** of ERISA.

"**New Centers**" shall have the meaning set forth in **Section 3.3(g)**.

"**New Center Development Costs**" shall have the meaning set forth in **Section 3.3(g)**

"**Other Arrangement**" means a benefit program or practice providing for bonuses, incentive compensation, vacation pay, severance pay, insurance, restricted stock, stock options, employee discounts, company cars, tuition reimbursement or any other perquisite or benefit (including, without limitation, any fringe benefit under Section 132 of the Code) to employees, officers or independent contractors that is not a Plan.

"**Ordinary Course of Business**" means ordinary course of business consistent with past practices and prudent business operations.

"**PBGC**" means the Pension Benefit Guaranty Corporation or its successor.

"**Pension Plan**" means an "**employee pension benefit plan**" as such term is defined in Section 3(2) of ERISA.

"**Plan**" means any plan, program or arrangement, whether or not written, that is or was an "**employee benefit plan**" as such term is defined in Section 3(3) of ERISA and (a) which was or is established or maintained by Merging Company; (b) to which Merging Company contributed or was obligated to contribute or to fund or provide benefits; or (c) which provides or promises benefits to any person who performs or who has performed services for Merging Company and because of those services is or has been (i) a participant therein or (ii) entitled to benefits thereunder.

"**Qualified Plan**" means a Pension Plan that satisfies, or is intended by Merging Company to satisfy, the requirements for tax qualification described in Section 401 of the Code.

"**Real Property**" means the real property owned, operated, or used by Merging Company or the Subsidiaries as of December 31, 1996, any additional real property so owned, operated, or used since that date, and for purposes of **Section 4.10**, any real property formerly so owned, operated, or used.

"**Release**" means any emission, spill, seepage, leak, escape, leaching, discharge, injection, pumping, pouring, emptying, dumping, disposal, or release of Hazardous Materials from any source (including without limitation the Real Property) into or upon the environment, including the air, soil, improvements, surface water, groundwater, the sewer, septic system, or waste treatment, storage, or disposal systems at, on, above, or under the Real Property.

"**Securities Act**" means the Securities Act of 1933, as amended, and all laws promulgated pursuant thereto or in connection therewith.

"**Statutory-Waiver Plan**" means a Pension Plan that is not subject to title I, subtitle B, part 3, of ERISA (concerning "**funding**").

"**Stockholder's Escrow Deposit**" means the $2,500,000 paid into escrow under the Claims Escrow Agreement pursuant to the Installment Note.

"**Subsidiary**" means a corporation or other entity of which at least 80% of the outstanding securities or other interests having rights to vote or otherwise exercise Control are held, directly or directly, by any Merging Company.

"**Survey**" means a current, as-built survey of each parcel of the Real Property.

"**Taxes**" means all federal, state, local and foreign taxes (including, without limitation, income, profit, franchise, sales, use, real property, personal property, ad valorem, excise, employment, social security and wage withholding taxes) and installments of estimated taxes, assessments, deficiencies, levies, imposts, duties, withholdings, or other similar charges of every kind, character or description imposed by any governmental authorities, and any interest, penalties or additions to tax imposed thereon or in connection therewith.

"**Tax Liabilities**" means any action, suit, proceeding, audit, investigation or claim pending or threatened in respect of any Taxes for which the Merging Company is or may become liable, or any deficiency or claim for any such Taxes that has been to Merging Company's knowledge proposed, asserted or threatened.

"**Tax Return**" means any return, declaration, report, claim for refund, or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

"**Title I Plan**" means a Plan that is subject to Title I of ERISA.

"**Welfare Plan**" means an "**employee welfare benefit plan**" as such term is defined in Section 3(1) of ERISA.

EXHIBIT B

CERTIFICATE OF MERGER
OF
[EXISTING COMPANY]
INTO
CHICAGO SUITES, INC.

Under Section 252 of the
General Corporation Law of the State of Delaware

[Existing Company], a [STATE] corporation, and Chicago Suites, Inc., a Delaware corporation, do hereby certify that:

FIRST: The name and state of incorporation of each of the constituent corporations are:

(a) Chicago Suites, Inc., a Delaware corporation; and
(b) [Existing Company], a [STATE] corporation.

SECOND: An Agreement and Plan of Merger has been approved, adopted, certified, executed and acknowledged in accordance with the provisions of subsection (c) of Section 252 of the General Corporation Law of the State of Delaware, to wit, by Chicago Suites, Inc., in the same manner as is provided in Section 251 of the General Corporation Law of the State of Delaware, and by [Existing Company], in accordance with the laws of the State of [STATE].

THIRD: The name of the surviving corporation is Chicago Suites, Inc. which will continue its existence as said surviving corporation under its present name upon the effective date of said merger pursuant to the provisions of the laws of the State of Delaware.

FOURTH: The certificate of incorporation of Chicago Suites, Inc. shall be the certificate of incorporation of the surviving corporation until amended and changed pursuant to the provisions of the laws of the State of Delaware.

FIFTH: The executed agreement of merger is on file at the office of Chicago Suites, Inc. located at 1117 Perimeter Center West, Suite 500 East, Atlanta, GA 30338.

SIXTH: A copy of the Agreement and Plan of Merger has been furnished by Chicago Suites, Inc. to each stockholder of [Existing Company] and Chicago Suites, Inc.

SEVENTH: The authorized capital stock of [Existing Company] is _____.

IN WITNESS WHEREOF, [Existing Company] and Chicago Suites, Inc. have caused this Certificate of Merger to be duly executed on their behalf this ____ day of _____, 1998.

ATTEST:

Chicago Suites, Inc.

By:_____
[NAME]
[TITLE]

By:_____
[NAME]
[TITLE]

(Corporate Seal)

ATTEST

[Existing Company]

By:_____
[NAME]
[TITLE]

By:_____
[NAME]
[TITLE}

(Corporate Seal)

Form **BCA-11.25**
(Rev. Jan. 1995)

ARTICLES OF MERGER CONSOLIDATION OR EXCHANGE

File #

George H. Ryan
Secretary of State
Department of Business Services
Springfield, IL 62756
Telephone (217) 782-6961

DO NOT SEND CASH!
Remit payment in check or money order, payable to "Secretary of State."
Filing Fee is $100, but if merger or consolidation of more than 2 corporations, $50 for each additional corporation.

SUBMIT IN DUPLICATE

This space for use by Secretary of State

Date

Filing Fee $

Approved:

1. Names of the corporations proposing to merge / consolidate / exchange shares, and the state or country of their incorporation:

Name of Corporation	State or Country Of Incorporation	Corporation File No.

2. The laws of the state or country under which each corporation is incorporated permit such merger, consolidation or exchange.

3. (a) Name of the surviving / new / acquiring corporation: _____

   (b) it shall be governed by the laws of: _____

4. Plan of merger / consolidation / exchange is as follows:

If not sufficient space to cover this point, add one or more sheets of this size.

5. Plan of merger / consolidation / exchange was approved, as to each corporation not organized in Illinois, in compliance with the laws of the state under which it is organized, and (b) as to each Illinois corporation, as follows:

(The following items are not applicable to mergers under §11.30 —90% owned subsidiary provisions. See Article 7.)

(Only "X" one box for each corporation)

Name of Corporation	By the shareholders, a resolution of the board of directors having been duly adopted and submitted to a vote at a meeting of shareholders. Not less than the minimum number of votes required by statute and by the articles of incorporation voted in favor of the action taken. (§ 11.20)	By written consent of the shareholders having not less than the minimum number of votes required by statute and by the articles of incorporation. Shareholders who have not consented in writing have been given notice in accordance with § 7.10 (§ 11.220)	By written conser of ALL the share holders entitled t vote on the actior in accordance witl § 7.10 & § 11.20
_____	☐	☐	☐
_____	☐	☐	☐
_____	☐	☐	☐
_____	☐	☐	☐
_____	☐	☐	☐

6. *(Not applicable if surviving, new or acquiring corporation is an Illinois corporation)*

It is agreed that, upon and after the issuance of a certificate of merger, consolidation or exchange by the Secretary o State of the State of Illinois:

a. The surviving, new or acquiring corporation may be served with process in the State of Illinois in any proceeding for the enforcement of any obligation of any corporation organized under the laws of the State of Illinois which is a party to the merger, consolidation or exchange and in any proceeding for the enforcement of the rights of a dissenting shareholder of any such corporation organized under the laws of the State of Illinois against the surviving, new or acquiring corporation.

b. The Secretary of State of the State of Illinois shall be and hereby is irrevocably appointed as the agent of the surviving, new or acquiring corporation to accept service of process in any such proceedings, and

c. The surviving, new, or acquiring corporation will promptly pay to the dissenting shareholders of any corporation organized under the laws of the State of Illinois which is a party to the merger, consolidation or exchange the amount, if any, to which they shall be entitled under the provisions of "The Business Corporation Act of 1983" of the State of Illinois with respect to the rights of dissenting shareholders.

7. *(Complete this item if reporting a merger under § 11.30—90% owned subsidiary provisions.)*

a. The number of outstanding shares of each class of each merging subsidiary corporation and the number of such shares of each class owned immediately prior to the adoption of the plan of merger by the parent corporation, are

Name of Corporation	Total Number of Shares Outstanding of Each Class	Number of Shares of Each Class Owned Immediately Prior to Merger by the Parent Corporation

b. (Not applicable to 100% owned subsidaries)
The date of mailing a copy of the plan of merger and notice of the right to dissent to the shareholders of each merging subsidiary corporation was ____________________, 19 ______.

Was written consent for the merger or written waiver of the 30-day period by the holders of all the outstanding shares of all subsidiary corporations received? ☐ Yes ☐ No

(If the answer is "No," the duplicate copies of the Articles of Merger may not be delivered to the Secretary of State until after 30 days following the mailing of a copy of the plan of merger and of the notice of the right to dissent to the shareholders of each merging subsidiary corporation.)

8. The undersigned corporations have caused these articles to be signed by their duly authorized officers, each of whom affirms, under penalties of perjury, that the facts stated herein are true. (All signatures must be in **BLACK INK**.)

Dated ____________________, 19______ ____________________ *(Exact Name of Corporation)*

attested by ____________________ *(Signature of Secretary or Assistant Secretary)* by ____________________ *(Signature of President or Vice President)*

____________________ *(Type or Print Name and Title)* ____________________ *(Type or Print Name and Title)*

Dated ____________________, 19______ ____________________ *(Exact Name of Corporation)*

attested by ____________________ *(Signature of Secretary or Assistant Secretary)* by ____________________ *(Signature of President or Vice President)*

____________________ *(Type or Print Name and Title)* ____________________ *(Type or Print Name and Title)*

Dated ____________________, 19______ ____________________ *(Exact Name of Corporation)*

attested by ____________________ *(Signature of Secretary or Assistant Secretary)* by ____________________ *(Signature of President or Vice President)*

____________________ *(Type or Print Name and Title)* ____________________ *(Type or Print Name and Title)*

Form **BCA-14.35**
(Rev. Jan. 1991)

REPORT FOLLOWING MERGER OR CONSOLIDATION

File #

DO NOT SEND CASH

George H. Ryan
Secretary of State
Department of Business Services
Springfield, IL 62756
Telephone (217) 782-6961

Remit payment in check or money order, payable to "Secretary of State."

This space for use by Secretary of State

Date

Franchise Tax $
Filing Fee $
Penalty $
Interest

Approved:

1. CORPORATE NAME: _____

2. STATE OR COUNTRY OF INCORPORATION: _____

3. Issued shares of each corporation party to the merger prior to the merger:

Corporation	Class	Series	Par Value	Number of Shares

4. Paid-in Capital of each corporation party to the merger prior to the merger:

Corporation	Paid-in Capital
	$
	$
	$
	$
	$

5. Description of the merger: (Include effective date and a brief explanation of the conversion as stated in the plan of merger.)

6. Issued shares after merger:

Class	Series	Par Value	Number of Shares

7. Paid-in Capital of the surviving or new corporation: $ _____
("Paid-in Capital" replaces the terms Stated Capital and Paid-in Surplus and is equal to the total of these accounts.)

ITEM 8 MUST BE SIGNED

8. The undersigned corporation has caused this statement to be signed by its duly authorized officers, each of whom affirms, under penalties of perjury, that the facts stated herein are true.

Dated _____ 19,____ _____
(Exact Name of Corporation)

attested by _____ by _____
(Signature of Secretary or Assistant Secretary) *(Signature of President or Vice President)*

_____ _____
(Type or Pnnt Name and Title) *(Type or Print Name and Title)*

C-243

(ILL. - 957 - 2/1/91)

ARTICLES OF MERGER

State Form 39036 (R4 / 6-95)
State Board of Accounts Approved 1995

SECRETARY OF STATE
CORPORATIONS DIVISION
302 W. Washington Street, Rm. E018
Indianapolis IN 46204
Telephone: (317) 232-6576

Indiana Code 23-1-40-1 *et. seq*

FILING FEE: $90.00

INSTRUCTIONS: *Use 8 1/2" x 11" white paper for inserts.*
Present original and two (2) copies to address in upper right corner of this form.
Please TYPE or PRINT.
Upon completion of filing the Secretary of State will issue a receipt.

ARTICLES OF MERGER / SHARE EXCHANGE
OF

_____

*(hereinafter "the **nonsurviving** corporation(s)")*

INTO

_____

*(hereinafter "the **surviving** corporation")*

ARTICLE I - SURVIVING CORPORATION

SECTION 1:

The name of the corporation surviving the merger is : _____

and such name ☐ has ☐ has not *(designate which)* been changed as a result of the merger.

SECTION 2:

a. The surviving corporation is a domestic corporation existing pursuant to the provisions of the Indiana Business Corporation Law incorporated on _____.

b. The surviving corporation is a foreign corporation incorporated under the laws of the State of _____ and ☐ qualified ☐ not qualified *(designate which)* to do business in Indiana.

If the surviving corporation is qualified to do business in Indiana, state the date of qualification: _____.

(If Application for Certificate of Authority is filed concurrently herewith state "Upon approval of Application for Certificate of Authority".)

ARTICLE II - NONSURVIVING CORPORATION (S)

The name, state of incorporation, and date of incorporation or qualification *(if applicable)* respectively, of each Indiana domestic corporation and Indiana qualified foreign corporation, other than the survivor, which is party to the merger are as follows:

Name of Corporation	
State of Domicile	Date of incorporation or qualification in Indiana *(if applicable)*
Name of Corporation	
State of Domicile	Date of incorporation or qualification in Indiana *(if applicable)*
Name of Corporation	
State of Domicile	Date of incorporation or qualification in Indiana *(if applicable)*

ARTICLE III - PLAN OF MERGER OR SHARE EXCHANGE

The Plan of Merger or Share Exchange, containing such information as required by Indiana Code 23-1-40-1(b), is set forth in "Exhibit A", attached hereto and made a part hereof.

ARTICLE IV - MANNER OF ADOPTION AND VOTE OF SURVIVING CORPORATION (*Must complete Section 1 or 2*)

SECTION 1 ☐ Shareholder vote not required.

The merger / share exchange was adopted by the incorporators or board of directors without shareholder action and shareholder action was not required.

SECTION 2 ☐ Vote of shareholders.

The designation (*i.e., common, preferred or any classification where different classes of stock exist*), number of outstanding shares, number of votes entitled to be cast by each voting group entitled to vote separately on the merger / share exchange and the number of votes of each voting group represented at the meeting is set forth below:

	TOTAL	A	B	C
DESIGNATION OF EACH VOTING GROUP *(i.e. preferred and common)*				
NUMBER OF OUTSTANDING SHARES				
NUMBER OF VOTES ENTITLED TO BE CAST				
NUMBER OF VOTES REPRESENTED AT MEETING				
SHARES VOTED IN FAVOR				
SHARES VOTED AGAINST				

ARTICLE V - MANNER OF ADOPTION AND VOTE OF NONSURVIVING CORPORATION (*Must complete Section 1 or 2*)

SECTION 1 ☐ Shareholder vote not required.

The merger / share exchange was adopted by the incorporators or board of directors without shareholder action and shareholder action was not required.

SECTION 2 ☐ Vote of shareholders.

The designation (*i.e., common, preferred or any classification where different classes of stock exist*), number of outstanding shares, number of votes entitled to be cast by each voting group entitled to vote separately on the merger / share exchange and the number of votes of each voting group represented at the meeting is set forth below:

	TOTAL	A	B	C
DESIGNATION OF EACH VOTING GROUP *(i.e. preferred and common)*				
NUMBER OF OUTSTANDING SHARES				
NUMBER OF VOTES ENTITLED TO BE CAST				
NUMBER OF VOTES REPRESENTED AT MEETING				
SHARES VOTED IN FAVOR				
SHARES VOTED AGAINST				

In Witness Whereof, the undersigned being the _____ of the surviving
(Title)
corporation executes these Articles of Merger / Share Exchange and verifies, subject to penalties of perjury that the statements contained herein are true, this _____ day of _____, 19 _____.

Signature	Printed name

DOMESTIC CORPORATION AND FOREIGN CORPORATION

ARTICLES OF MERGER

The undersigned corporations, pursuant to Section 607.1107 of the Florida Business Corporation Act hereby execute the following Articles of Merger:

FIRST: The names of the corporations proposing to merge and the names of the states or countries under the laws of which such corporations are organized are as follows:

Name of corporation	State/country of incorporation
_____	_____
_____	_____
_____	_____

SECOND: The laws of the state or country under which such foreign (corporation is) (corporations are) organized permit such merger and such foreign (corporation is) (corporations are) complying with those laws in effecting the merger.

THIRD: The foreign corporation complies with Section 607.1105 F.S. (as set forth below) if it is the surviving corporation of the merger; and each domestic corporation complies with the applicable provisions of Sections 607.1101 - 607.1104 F.S. and, if it is the surviving corporation of the merger, with Section 607.1105 F.S. (as set forth below).

FOURTH: The plan of merger is as follows:

(NOTE: Plan of merger shall set forth:

(1) The name of each of the corporations planning to merge, and the name of the surviving corporation into which each other corporation plans to merge, which is hereinafter desig nated as the surviving corporation;

(2) The terms and conditions of the proposed merger; and

(3) (a) The manner and basis of converting the shares of each corporation into shares, obligations or other securities of the surviving corporation or any other corporation or, in whole or in part, into cash or other property; and

(3) (b) The manner and basis of converting rights to acquire shares of each corporation into rights to acquire shares, obligations, or other securities of the surviving or any other corporation or, in whole or in part, into cash or other property.

The plan of merger may set forth:

(4) Amendments to, or a restatement of the articles of incorporation of the surviving corporation; and

(5) Other provisions relating to the merger.)

FIFTH: The effective date of the certificate of merger shall be the_____

day of_____ 19_____.

(NOTE: The effective date of the merger may be on or after the date of filing the certificate. If the articles of merger do not provide for an effective date of the merger, then the effective date shall be the date on which the articles of merger are filed.)

SIXTH: If shareholder approval was not required, a provision to that effect is as follows:

SEVENTH: The plan of merger was adopted by the shareholders (or the Board of Directors when no vote of the shareholders is required) of_____, on
(Name of merged corporation)

the_____ day of_____, 19_____ and was adopted by the shareholders (or the Board of Directors when no vote of the shareholders is required) of_____ on
(Name of surviving corporation)

the_____ day of_____, 19_____.

Signed this_____ day of_____. 19_____.

_____
(Name of surviving corporation)

By _____
(Chairman or Vice Chairman of the Board of Directors, or President or another officer)

_____
(Name)

_____
(Title)

_____
(Name of merged corporation)

By _____
(Chairman or Vice Chairman of the Board of Directors, or President or another officer)

_____
(Name)

_____
(Title)

(NOTE: Attach officers' certificates (separate forms have been prepared' of the surviving and merged corporations showing approval of this agreement of merger before filing this form.)

AGREEMENT OF MERGER

BETWEEN

_____

AND

_____

* * * * * *

AGREEMENT OF MERGER dated this _____ day of _____, 19__, by and between _____, a _____ _____ corporation, herein called the surviving corporation and _____, a _____ corporation, herein called the merging corporation.

WITNESSETH that:

WHEREAS the parties to this Agreement, in consideration of the mutual agreements of each corporation as set forth hereinafter, deem it advisable and generally for the welfare of said corporations, that the merging corporation merge into the surviving corporation under and pursuant to the terms and conditions hereinafter set forth;

NOW THEREFORE, the corporations, parties to this Agreement, by and between their respective boards of directors, in consideration of the mutual covenants, agreements and provisions hereinafter contained do hereby agree upon and prescribe the terms and conditions of said merger, the mode of carrying them into effect and the manner and basis of converting the shares of the constituent corporations into the shares of the surviving corporation, as follows:

FIRST: The merging corporation shall be merged into the surviving corporation

SECOND: (If articles of incorporation are being amended insert provisions in this ARTICLE SECOND.)

Note: The Agreement is required by statute to state any matters with respect to which the articles of the surviving corporation are amended by the merger proceedings; with respect to any such amendments, the Agreement must establish the wording of the amendment or amended articles as in case of a regular amendment.

If the articles are not amended in the merger proceedings, this Article Second may be omitted or it may be changed to read: "SECOND: The Articles of Incorporation of the surviving corporation are not to be amended by virtue of the merger provided for in this Agreement."

THIRD: The terms and conditions of the merger are as follows:

The directors and officers of the surviving corporation on the effective date of this merger, shall continue to be the directors and officers of the surviving corporation.

Upon the merger becoming effective, the separate existence of the merging corporation shall cease and all the property, rights, privileges, franchises, patents, trade-marks, licenses, registrations and other assets of every kind and description of the merged corporation shall be transferred to, vested in and devolve upon the surviving corporation without further act or deed and all property, rights, and every other interest of the surviving corporation and the merged corporation, shall be as effectively the property of the surviving corporation as they were of the surviving corporation and the merged corporation respectively. The merged corporation hereby agrees, from time to time, as and when requested by the surviving corporation or by its successors or assigns, to execute and deliver or cause to be executed and delivered all such deeds and instruments and to take or cause to be taken such further or other action as the surviving corporation may deem necessary or desirable in order to vest in and confirm to the surviving corporation title to and possession of any property of the merged corporation acquired or to be acquired by reason of or as a result of the merger herein provided for and otherwise to carry out the intent and purposes hereof and the proper officers and directors of the merged corporation and the proper officers and directors of the surviving corporation are fully authorized in the name of the merged corporation or otherwise to take any and all such action.

All rights of creditors and all liens upon the property of either of said corporations shall be preserved unimpaired, and all debts, liabilities and duties of the merged corporation shall thenceforth attach to the surviving corporation and may be enforced against it to the same extent as if said debts, liabilities and duties had been incurred or contracted by it.

FOURTH: (Here insert manner of converting the shares of each of the constituent corporations into shares or other securities of the surviving corporation and, if any shares of any of the constituent corporations are not to be converted solely into shares or other securities of the surviving corporation, the cash,

property, rights or securities of any corporation which the holders of those shares are to receive in exchange for the shares, which cash, property, rights or securities of any corporation may be in addition to or in lieu of shares or other securities of the surviving corporation, or that the shares are canceled without consideration.)

FIFTH: (Here set forth other provisions or details as desired.)

(This instrument may provide that it is to become effective not more than 90 days subsequent to its filing date. If it is desired to have such a provision, use the following article. Renumber the article if needed.)

SIXTH: This Agreement of Merger shall become effective on _____.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement of Merger to be executed by their respective officers thereunto duly authorized on this _____ day of _____, 19___.

_____

By* _____
President (or Vice-President or Chairman of the Board)

By* _____
Secretary (or Assistant Secretary)

_____

By* _____
President (or Vice-President or Chairman of the Board)

By* _____
Secretary (or Assistant Secretary)

(*Names and titles of persons signing document must be typed under signatures.)

(NOTE: This form of Officers' Certificate to be used in connection with approval of Agreement of Merger is to be attached to the Agreement of Merger and an Officers' Certificate of the merged corporation must also be attached thereto.)

OFFICERS' CERTIFICATE

OF

_____

We, _____, President (or Vice-President or Chairman of the Board) and _____, Secretary (or Assistant Secretary or chief financial officer or Treasurer or Assistant Treasurer) of _____, a corporation duly organized and existing under the laws of the State of California do hereby certify:

1. That they are the _____ and the _____, respectively of _____, a California corporation.

(Use the following article 2 if no approval of shareholders is required. If this article 2 is used omit articles 3 and 4 and renumber any subsequent articles.)

2. That the merger agreement was entitled to be and was approved by the board of directors alone without approval of the shareholders under the provisions of Section 1201 of the California Corporations Code.

(Use the following article 2 if a vote of shareholders is required.)

2. The total number of outstanding shares of each class of this corporation entitled to vote on the merger is as follows:

Class	Total number of shares entitled to vote

The following states the general voting provisions in a merger:

In general (except in the case of a close corporation) a merger must be approved on behalf of a constituent domestic corporation including a parent party (i.e. a corporation in control of any constituent corporation whose equity securities are issued or transferred in the merger) by a class vote of the outstanding shares of each class. The percentage vote required is a majority of the outstanding shares of each class unless the articles of incorporation provide for a greater vote. If a corporation has two classes of common shares that differ only as to voting rights then said common shares vote as a single class. Any series of stock entitled under the articles of incorporation or by law to vote as a series shall approve the merger by a majority vote of such series unless the articles require a greater vote. Approval of any class of preferred shares of the parent party (i.e. a corporation in control of any constituent corporation whose equity securities are issued or transferred in the merger) is not required if there are no changes in the rights, preferences, privileges or restrictions of such class and there are no amendments to the articles which would require approval. If approval of the board of directors of each party, including any parent party, is obtained then no approval of the outstanding shares (of each corporation the approval of whose board is required) is required if such corporation or its shareholders, immediately before and immediately after the merger, shall own equity securities (other than warrants or subscription rights) possessing more than five-sixths of the voting power of the surviving corporation of parent party (assuming conversion of all equitable securities convertible into shares entitled to vote) and if no shareholders will receive shares with different rights, preferences, privileges or restrictions than those shares surrendered. No amendments to the articles of incorporation may be made in a merger unless said amendment receives the required vote for an amendment.)

3. That the principal terms of the agreement of merger in the form attached were approved by the shareholders of this corporation by a vote of the number of shares of each class which equalled or exceeded the vote required by each class to approve said agreement of merger.

4. That each class entitled to vote and the minimum percentage vote of each such class is as follows:

Class	Minimum percentage vote required to approve the merger*

(*show a majority as "more than 50 percent".)

(If equity securities of a parent party (i.e. the corporation in control of the surviving corporation and whose equity securities are issued or transferred in the merger) of the surviving corporation are to be issued in the merger use one of the following. Renumber this article if required.)

5. That no votes of the shareholders of _____ (parent party of surviving corporation) _____ (a parent party in this merger) was required.

or

That the vote required of the shareholders of _____ (parent party of surviving corporation) _____ (a parent party in this merger) was obtained.

Each of the undersigned declares under penalty of perjury that the statements contained in the foregoing certificate are true of their own knowledge. Executed at _____,

on _____.

* _____

* _____

(*Names and titles of persons signing document must be typed under signature.)

Exhibit C-1

THIS PROMISSORY NOTE HAS BEEN ACQUIRED FOR INVESTMENT AND HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT") OR UNDER ANY STATE SECURITIES LAWS (THE "STATE ACTS") AND CANNOT BE OFFERED, SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF REGISTRATION OR THE AVAILABILITY OF AN EXEMPTION FROM REGISTRATION UNDER THE ACT, THE STATE ACTS AND REGULATIONS PROMULGATED THEREUNDER.

INSTALLMENT NOTE

Washington, D.C.

March ___, 1998

$52,500,000

FOR VALUE RECEIVED, the undersigned hereby promises to pay to Ronald Whitehouse, a bona fide resident of Florida or, in the event of Ronald Whitehouse's death prior to the payment in full hereof, to his estate (the "Holder"), which term shall mean the holder of this Note from time to time, at the Holder's residence located at 3540 Mistletoe Lane, Long Boat Key, Florida 34228, or at such other place as the Holder may designate, in lawful money of the United States, the principal sum of Fifty Two Million Five Hundred Thousand Dollars ($52,500,000), or so much thereof as may remain outstanding, together with interest thereon at a rate (computed on the basis of a 365-day year) equal to ten percent (10.00%) per annum said interest, with the entire remaining unpaid principal amount, to be due and payable in full on the thirtieth (30th) day following the date hereof.

This Note is made and delivered to Holder and is one of two of the promissory notes referred to in the Agreement and Plan of Merger (the "Merger Agreement"), dated March ____, 1998, among Ronald Whitehouse (the "Stockholder"), the undersigned and certain companies which have been merged with and into Chicago Suites, Inc. (such other promissory note, shall be referred to as the " Escrow Note," and together with this Note, the "Notes"). This Note, which is issued in the name of the Holder, together with the Escrow Note constitutes the aggregate consideration paid by the undersigned to Stockholder in connection with the mergers of the companies listed on Attachment A (the "Merging Companies") with and into Chicago Suites, Inc. (with the dollar amount of the Notes specified in Attachment B for each of the Merging Companies being treated as having been paid with respect to the merger of that Merging Company with and into Chicago Suites, Inc.) That portion of the Notes specified on Attachment B with respect to a Merging Company shall be considered for federal income tax purposes to have been paid by Chicago Suites, Inc. directly to such Merging Company in consideration for the assets of such Merging Company and distributed by such Merging Company to the Stockholder, as the sole shareholder of such Merging Company, in liquidation and redemption of his stock in such Merging Company.

The failure to pay when due the principal of or interest accrued on this Note or any other sum payable hereunder (whether upon maturity, upon any installment payment date, upon acceleration or otherwise) and the continuance of such failure for more than one (1) day following the date on which written notice thereof is received by the undersigned shall constitute an "Event of Default." Notice shall be given by recognized

national overnight courier or overnight certified mail, return receipt requested, to the addressee's address set forth in Section 15.13 of the Merger Agreement and shall be deemed sufficiently received for all purposes at such time as it is delivered to the addressee (with the return receipt or the delivery receipt deemed conclusive, but not exclusive, evidence of such delivery) or at such time delivery is refused by the addressee upon presentation. Upon the occurrence of an Event of Default, the entire principal sum of this Note and all accrued and unpaid interest thereon shall immediately become due and payable at the option of the Holder, without demand or notice. In addition thereto, and not in substitution therefor, the Holder shall be entitled to exercise any one or more of the rights and remedies provided by applicable law. No failure to pursue such remedies shall constitute a waiver of such remedies or of the right to pursue the same in the event of any subsequent Event of Default hereunder. No single or partial exercise by the Holder hereof of any right hereunder shall preclude any other or further exercise thereof or of any other rights.

The undersigned hereby waives presentment, protest, demand, notice of dishonor, and all other notices, and all defenses and pleas on the grounds of any extension or extensions of the time of payments or the due dates of this Note, in whole or in part, before or after maturity, with or without notice. No renewal or extension of this Note, no release or surrender of any collateral given as security for this Note, no release of the undersigned, and no delay in enforcement of this Note or in exercising any right or power hereunder, shall affect the liability of the undersigned.

No single or partial exercise by the Holder of any right hereunder, or under any other agreement pertaining hereto, shall preclude any other or further exercise thereof or the exercise of any other rights. No delay or omission on the part of the Holder in exercising any right hereunder shall operate as a waiver of such right or of any other right under this Note.

Any payment on this Note coming due on a Saturday, a Sunday, or a day which is a legal holiday in the place at which a payment is to be made hereunder shall be made on the next succeeding day which is a business day in such place.

The unpaid amount of this Note may be prepaid in whole or in part at any time and from time to time without prepayment penalty; provided, however, in the event the undersigned sells all or substantially all of its assets, this Note will be prepaid in full upon demand of the Holder.

Whenever used herein, the word "Holder" shall be deemed to include its respective successors and assigns. Whenever used herein, the term "undersigned" shall be deemed to include the successors and assigns of the undersigned.

This Note is hereby expressly limited so that in no contingency or event whatsoever, whether by reason of acceleration or otherwise, shall the amount paid or agreed to be paid to the Holder hereof for the use, forbearance or detention of money hereunder exceed the maximum amount permissible under applicable law. If from any circumstance whatsoever fulfillment of any provision hereof or thereof, at the time performance of such provision shall be due, shall involve transcending the limit of validity

prescribed by law, then, ipso facto, the obligation to be fulfilled shall be reduced to the limit of such validity.

This Note shall be governed by and construed in accordance with the laws of the State of Illinois without regard to its conflicts of laws principles.

IN WITNESS WHEREOF, the undersigned has duly executed this Note as of the date first written above.

CHICAGO SUITES, INC.

By:_____
Name:_____
Title:_____

OmniOffices, Inc., a Delaware corporation, hereby fully and unconditionally guarantees and agrees to be responsible for the payment and performance of all of Chicago Suites, Inc.'s obligations hereunder.

OMNIOFFICES, INC.

By:_____
Name:_____
Title:_____

CarrAmerica Realty Corporation, a Maryland corporation, hereby fully and unconditionally guarantees and agrees to be responsible for the payment and performance of all of Chicago Suites, Inc.'s obligations hereunder.

CARRAMERICA REALTY CORPORATION

By:_____
Name:_____
Title:_____

ATTACHMENT A

HQ Chicago, Inc.
HQ Loop, Inc.
HQ Lisle, Inc.
HQ Wacker, Inc.
HQ Bannockburn, Inc.
HQ Indianapolis, Inc.
HQ Meridian, Inc.
Anron, Inc.
HQ Rocky Point, Inc.
Ronette, Inc.
HQ Hidden River, Inc.
HQ Boca Raton, Inc.
HQ Plantation, Inc.
LaJolla ESM, Inc.
HQ Rancho Bernardo, Inc.
Executive Suite Management, Inc.
Del Mar ESM Inc.

ATTACHMENT B

MERGER CONSIDERATION ALLOCATION

Merging Company	Merger Consideration	Outstanding Shares	Price Per Share
Illinois Business Unit			
HQ Chicago, Inc.	20,476,597	151,000	$ 135.6066
HQ Loop, Inc.	5,005,368	1,000	5,005.368
HQ Lisle, Inc.	3,296,089	1,000	3,296.089
HQ Wacker, Inc.	3,332,794	1,000	3,332.794
HQ Bannockburn, Inc.	1,776,881	1,000	1,776.881
HQ Indianapolis, Inc.	1,298,448	100	12,984.48
HQ Meridian, Inc.	1,905,823	1,000	1,905.823
TOTAL	37,092,000		
Florida Business Unit			
Anron, Inc.	3,852,929	1,000	3,852.929
Ronette, Inc.	2,330,854	1,000	2,330.854
HQ Boca Raton, Inc.	1,998,782	1,000	1,998.782
HQ Plantation, Inc.		1,000	0
HQ Hidden River, Inc.	1,365,866	1,000	1,365.866
HQ Rocky Point, Inc.	3,745,069	1,000	3,745.069
TOTAL	13,293,500		
California Business Unit			
LaJolla ESM, Inc.	2,955,606	1,000	2,955.606
HQ Rancho Bernardo, Inc.	349,438	100	3,494.38
Executive Suite Management, Inc.	428,644	1,000	428.644
Del Mar ESM Inc.	880,811	100	8,808.11
TOTAL	4,614,500		

Exhibit C-1

THIS PROMISSORY NOTE HAS BEEN ACQUIRED FOR INVESTMENT AND HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT") OR UNDER ANY STATE SECURITIES LAWS (THE "STATE ACTS") AND CANNOT BE OFFERED, SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF REGISTRATION OR THE AVAILABILITY OF AN EXEMPTION FROM REGISTRATION UNDER THE ACT, THE STATE ACTS AND REGULATIONS PROMULGATED THEREUNDER.

INSTALLMENT NOTE

Washington, D.C.

March ___, 1998

$2,500,000

FOR VALUE RECEIVED, the undersigned hereby promises to pay to [Escrow Agent], or escrow agent under the Claims Escrow Agreement attached hereto as Exhibit A (the "Holder"), at the Holder's place of business located at [ADDRESS], or at such other place as the Holder may designate, in lawful money of the United States, the principal sum of Two Million Five Hundred Thousand Dollars ($2,500,000), or so much thereof as may remain outstanding, together with interest thereon at a rate (computed on the basis of a 365-day year) equal to ten percent (10.00%) per annum, said interest, with the entire remaining unpaid principal amount, to be due and payable in full on the thirtieth (30th) day following the date hereof.

This Note is made and delivered to Holder and is one of two of the promissory notes referred to in the Agreement and Plan of Merger (the "Merger Agreement"), dated March ____, 1998, among Ronald Whitehouse (the "Stockholder"), the undersigned and certain companies which have been merged with and into Chicago Suites, Inc. (such other promissory note, shall be referred to as the " Stockholder Note," and together with this Note, the "Notes"). This Note, which is issued in the name of the Escrow Agent, together with the Stockholder Note constitutes the aggregate consideration paid by the undersigned to Stockholder in connection with the merger of the companies listed on Attachment A (the "Merging Companies") with and into Chicago Suites, Inc. (with the dollar amount of the Notes specified in Attachment B for each of the Merging Companies being treated as having been paid with respect to the merger of that Merging Company with and into Chicago Suites, Inc.) That portion of the Notes specified on Attachment B with respect to a Merging Company shall be considered for federal income tax purposes to have been paid by Chicago Suites, Inc. directly to such Merging Company in consideration for the assets of such Merging Company and distributed by such Merging Company to the Stockholder, as the sole shareholder of such Merging Company, in liquidation and redemption of his stock in such Merging Company.

The failure to pay when due the principal of or interest accrued on this Note or any other sum payable hereunder (whether upon maturity, upon any installment payment date, upon acceleration or otherwise) and the continuance of such failure for more than one (1) day following the date on which written notice thereof is received by the undersigned shall constitute an "Event of Default." Notice shall be given by recognized national overnight courier or overnight certified mail, return receipt requested, to the

addressee's address set forth in Section 15.13 of the Merger Agreement and shall be deemed sufficiently received for all purposes at such time as it is delivered to the addressee (with the return receipt or the delivery receipt deemed conclusive, but not exclusive, evidence of such delivery) or at such time delivery is refused by the addressee upon presentation. Upon the occurrence of an Event of Default, the entire principal sum of this Note and all accrued and unpaid interest thereon shall immediately become due and payable at the option of the Holder, without demand or notice. In addition thereto, and not in substitution therefor, the Holder shall be entitled to exercise any one or more of the rights and remedies provided by applicable law. No failure to pursue such remedies shall constitute a waiver of such remedies or of the right to pursue the same in the event of any subsequent Event of Default hereunder. No single or partial exercise by the Holder hereof of any right hereunder shall preclude any other or further exercise thereof or of any other rights.

The undersigned hereby waives presentment, protest, demand, notice of dishonor, and all other notices, and all defenses and pleas on the grounds of any extension or extensions of the time of payments or the due dates of this Note, in whole or in part, before or after maturity, with or without notice. No renewal or extension of this Note, no release or surrender of any collateral given as security for this Note, no release of the undersigned, and no delay in enforcement of this Note or in exercising any right or power hereunder, shall affect the liability of the undersigned.

No single or partial exercise by the Holder of any right hereunder, or under any other agreement pertaining hereto, shall preclude any other or further exercise thereof or the exercise of any other rights. No delay or omission on the part of the Holder in exercising any right hereunder shall operate as a waiver of such right or of any other right under this Note.

Any payment on this Note coming due on a Saturday, a Sunday, or a day which is a legal holiday in the place at which a payment is to be made hereunder shall be made on the next succeeding day which is a business day in such place.

The unpaid amount of this Note may be prepaid in whole or in part at any time and from time to time without prepayment penalty; provided, however, in the event the undersigned sells all or substantially all of its assets, this Note will be prepaid in full upon demand of the Holder.

Whenever used herein, the word "Holder" shall be deemed to include its respective successors and assigns. Whenever used herein, the term "undersigned" shall be deemed to include the successors and assigns of the undersigned.

This Note is hereby expressly limited so that in no contingency or event whatsoever, whether by reason of acceleration or otherwise, shall the amount paid or agreed to be paid to the Holder hereof for the use, forbearance or detention of money hereunder exceed the maximum amount permissible under applicable law. If from any circumstance whatsoever fulfillment of any provision hereof or thereof, at the time performance of such provision shall be due, shall involve transcending the limit of validity prescribed by law, then, ipso facto, the obligation to be fulfilled shall be reduced to the limit of such validity.

This Note shall be governed by and construed in accordance with the laws of the State of Illinois without regard to its conflicts of laws principles.

IN WITNESS WHEREOF, the undersigned has duly executed this Note as of the date first written above.

CHICAGO SUITES, INC.

By:_____
Name:_____
Title:_____

OmniOffices, Inc., a Delaware corporation, hereby fully and unconditionally guarantees and agrees to be responsible for the payment and performance of all of Chicago Suites, Inc.'s obligations hereunder.

OMNIOFFICES, INC.

By:_____
Name:_____
Title:_____

CarrAmerica Realty Corporation, a Maryland corporation, hereby fully and unconditionally guarantees and agrees to be responsible for the payment and performance of all of Chicago Suites, Inc.'s obligations hereunder.

CARRAMERICA REALTY CORPORATION

By:_____
Name:_____
Title:_____

ATTACHMENT A

HQ Chicago, Inc.
HQ Loop, Inc.
HQ Lisle, Inc.
HQ Wacker, Inc.
HQ Bannockburn, Inc.
HQ Indianapolis, Inc.
HQ Meridian, Inc.
Anron, Inc.
HQ Rocky Point, Inc.
Ronette, Inc.
HQ Hidden River, Inc.
HQ Boca Raton, Inc.
HQ Plantation, Inc.
LaJolla ESM, Inc.
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TOTAL	13,293,500		
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Executive Suite Management, Inc.	428,644	1,000	428.644
Del Mar ESM Inc.	880,811	100	8,808.11
TOTAL	4,614,500		

Exhibit C-2

CLAIMS ESCROW AGREEMENT

THIS CLAIMS ESCROW AGREEMENT (this "Agreement") is entered into as of _____, 1998 by and among Chicago Suites, Inc., a Delaware corporation ("CSI"), Ronald Whitehouse ("Whitehouse" or the "Stockholder") and [_____], as escrow agent (the "Escrow Agent");

WHEREAS, CSI, OmniOffices, Inc., the parent of CSI, various executive suite companies (the "Companies"), and the Stockholder have entered into an Agreement and Plan of Merger dated of even date herewith (the "Merger Agreement") pursuant to which each Company will be merged with and into CSI, all in accordance with and subject to the terms and conditions set forth in the Merger Agreement;

WHEREAS, pursuant to the terms of an Installment Note, a copy of which is attached hereto as Exhibit A (the "Note"), such Note, the LC (as hereinafter defined) securing such Note, and the proceeds of such Note including a principal amount of two million, five hundred thousand dollars ($2,500,000), plus interest, will be deposited into an escrow account pursuant to the term of such Note and Section 2.9 of the Merger Agreement;

WHEREAS, pursuant to Section 3.12 of the Merger Agreement, the Stockholder has agreed to deposit sixty two thousand five hundred eighteen and 36/100 dollars ($62,518.36) (the "ESM Escrow Deposit) into an escrow account pursuant to this Agreement; and

WHEREAS, the Escrow Agent has agreed to act as escrow agent hereunder, in accordance with the terms and conditions hereinafter set forth.

NOW, THEREFORE, for and in consideration of the foregoing and of the mutual covenants and agreements hereinafter set forth, the parties hereto hereby agree as follows:

Section 1. Appointment of Escrow Agent. CSI and the Stockholder hereby mutually appoint and designate the Escrow Agent to act as escrow agent under this Agreement, and the Escrow Agent hereby accepts such appointment, for the purpose of receiving, holding and releasing the Note, the LC and the Escrow Funds (as hereinafter defined) in accordance with the terms hereof.

Section 2. Deposit. In accordance with Section 2.9 of the Merger Agreement and the Note and Section 3.12 of the Merger Agreement, (a) the Note and the LC, and (b) the ESM Escrow Deposit, have been deposited into an escrow account established with the Escrow Agent (the "Escrow Account"), all such documents and funds to be held and released by the Escrow Agent in accordance with Section 4 hereof. (The documents and funds so delivered to the Escrow Agent pursuant to this Section 2, together with all income earned on such funds, are referred to herein as the "Escrow Property.")

Section 3. Investment of Escrow Funds. From time to time, after the deposit of funds pursuant to Section 2 hereof and until such time as all funds being held by the Escrow Agent have been disbursed pursuant to Section 4 hereof, the Stockholder may, in his sole discretion, instruct the Escrow Agent in writing to, and the Escrow Agent

thereupon shall, invest such amounts being then held by the Escrow Agent (the "Escrow Funds") in such of the following securities, and in such proportion and maturing at such times, as the Stockholder shall specify in his written instructions to the Escrow Agent (except as otherwise set forth below):

(a) direct obligations, which mature in one year (1) year or less, of the United States of America or any instrumentality thereof, for the payment of which the full faith and credit of the United States of America is pledged; or

(b) bank accounts, including savings accounts and bank money market accounts of banks or trust companies (including the Escrow Agent) organized under the laws of the United States of America or any state thereof, and having a combined capital surplus of at least $50,000,000; or

(c) [_____] Money Market Mutual Funds that may invest in U.S. Treasury bills, notes and bonds and other instruments issued directly by the U.S. Government ("U.S. Treasury Obligations") and other obligations issued or guaranteed as to payment of principal and interest by the U.S. Government, its agencies or instrumentalities ("U.S. Government Obligations"), bank and commercial instruments that may be available in the money markets, high quality short-term taxable obligations issued by state and local governments, their agencies and instrumentalities and repurchase agreements relating to U.S. Treasury Obligations and qualified first tier money market collateral.

In the event the Stockholder has not directed the Escrow Agent to invest the Escrow Funds in writing pursuant to and in a manner consistent with this section, the Escrow Agent shall invest the Escrow Funds in investments described in clause (c) above. The Escrow Agent shall present for redemption any obligation so purchased or sell any such obligation in every case upon the direction of the Stockholder. Obligations so purchased as an investment of monies in the Escrow Account shall be deemed at all times to be a part of such Escrow Account, and the interest accruing thereon shall be credited to such Escrow Account. If the Stockholder so directs in writing, the Escrow Agent may make any and all investments permitted by this Section 3 through its own bond or investment department. The Escrow Agent shall not be responsible for any loss suffered from any investment of Escrow Funds in the Escrow Account.

Section 4. Disbursement of Escrow Funds. In accordance with Section 3, the Escrow Agent shall disburse the Escrow Funds to CSI or the Stockholder in accordance with the following terms and conditions:

(a) If the Stockholder and CSI jointly submit a written instruction to the Escrow Agent regarding disbursement of Escrow Funds, the Escrow Agent shall disburse such funds in accordance with the terms of such instruction.

(b) If, the Executive Suites Management Agreement dated as of April 1, 1992, between Executive Suites Management, Inc. ("ESM") and Hazard Center Associates (the "ESM Agreement") is terminated, CSI shall

notify the Escrow Agent and Stockholder of such termination, including therein a copy of the notice of such termination, if one exists, such notice to the Escrow Agent to be accompanied by evidence that the Stockholder received notice from CSI under Section 8 hereof. The Stockholder shall have twenty (20) days after receipt of such notice to object to such claim by notifying CSI and the Escrow Agent of such objection, specifying the reasons for objecting to such claim. If no such notice of objection is received by the Escrow Agent within the time period specified above and the Escrow Agent received the evidence that the Stockholder has received the aforesaid notice from CSI, the Escrow Agent shall disburse funds to CSI equal to (x) the product of the ESM Escrow Deposit and a fraction the numerator of which is 180 days less the number of days from the Closing Date (as such term is used in the Merger Agreement) to the date of termination and the denominator of which is 180, and (y) the interest which had been earned pursuant to Section 3 hereof on such funds within two (2) business days after the expiration of the twenty (20) day period within which the Stockholder may object to such claim. At the same time the Escrow Agent shall disburse funds to the Stockholder equal to the ESM Escrow Deposit less the amount paid to CSI above (not including the interest paid thereon) plus the interest which had been earned on such money pursuant to Section 3 hereof.

(c) If, ESM obtains a consent to the transaction contemplated under the Merger Agreement, Stockholder shall notify the Escrow Agent and CSI of such consent, including therein a copy of the consent, such notice to the Escrow Agent to be accompanied by evidence that CSI received notice from the Stockholder under Section 8 hereof. CSI shall have twenty (20) days after receipt of such notice to object to such claim by notifying the Stockholder and the Escrow Agent of such objection, specifying the reasons for objecting to such claim. If no such notice of objection is received by the Escrow Agent within the time period specified above and the Escrow Agent received the evidence that CSI has received the aforesaid notice from the Stockholder, the Escrow Agent shall disburse funds to the Stockholder equal to the ESM Escrow Deposit plus any interest earned thereon pursuant to Section 3 hereof.

(d) If, following the expiration of two hundred (200) days from the Closing Date the Escrow Agent has not received a notice of the termination of the ESM Agreement pursuant to (b) above, the Escrow Agent shall disburse funds to the Stockholder equal to the ESM Escrow Deposit plus any interest earned thereon pursuant to Section 3 hereof.

(e) If, on or before the three hundred ninety fifth (395th) day following the [**Closing Date**], the CSI believes that it has a claim with respect to which the indemnification provisions of Section 12.3 of the Merger Agreement are applicable, it shall notify the Stockholder and the Escrow Agent, setting forth in writing the particulars, including the amount of such claim and the Business Unit to which such claim is attributable, such notice to the Escrow Agent to be accompanied by evidence that the Stockholder has received the notice from CSI under Section 8 hereof. The Stockholder shall have twenty (20) days after receipt of such notice to object to such claim by

notifying CSI and the Escrow Agent of such objection, specifying the reasons for objecting to such claim. If no such notice of objection is received by the Escrow Agent within the time period specified above and the Escrow Agent received the evidence that the Stockholder has received the aforesaid notice from CSI, the Escrow Agent shall disburse funds equal to the amount of CSI's claim within two (2) business days after the expiration of the three hundred ninety five (395) days following the Closing Date plus interest earned on the amount so delivered pursuant to Section 3 above. If a notice of objection is received by the Escrow Agent, the Escrow Agent shall take no action until it shall have received (i) written instructions signed by the Stockholder and CSI or (ii) a decision by a court of competent jurisdiction, directing the Escrow Agent to take certain action.

(f) If, following the expiration of three hundred ninety five (395) days following **[Closing Date]**, there is no matter outstanding for which a notice has been given to the Escrow Agent pursuant to clause (e) above, the Escrow Agent shall release any remaining Escrow Funds (the "Remaining Escrow Funds") to the Stockholder. If, on or before the three hundred ninety fifth day following the date of this Agreement, there is a matter outstanding for which a notice has been given pursuant to clause (e) above, then the Escrow Agent shall release the Remaining Escrow Funds less an amount reasonably determined by CSI in good faith, to cover outstanding claims asserted by CSI, and shall retain such funds until it shall have received (i) written instructions signed by the Stockholder and CSI or (ii) a decision by a court of competent jurisdiction, directing the Escrow Agent to take certain action.

Section 5. Payment of Note and Drawing on Letter of Credit. Escrow Agent acknowledges receipt of the Note as well as Letter of Credit number _____ issued by Morgan Guaranty Trust Company of New York (the "LC"). Upon payment of the Note or drawing on the LC, Escrow Agent shall hold the proceeds thereof as part of the Escrow Funds hereunder. In the event that the Note is not paid on the thirtieth (30) day following the date hereof, Escrow Agent shall give written notice of such default to CSI pursuant to the terms of the Note. In the event that the Note is not paid within one (1) day following CSI's receipt of such notice, Escrow Agent shall draw on the LC in accordance with the terms of the LC.

Section 6. Escrow Agent Matters.

(a) The Escrow Agent may rely upon and shall be protected in acting or refraining from acting upon any written notice, instructions or request furnished to it hereunder and believed by it to be genuine and to have been signed or presented by the proper party or parties.

(b) The Escrow Agent shall not be liable for any action taken by it in good faith and without negligence, and believed by it to be authorized or within the rights or powers conferred upon it by this Agreement, and may consult with counsel of its own choice and shall have full and complete authorization and protection for any action taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel.

(c) CSI and the Stockholder hereby agree to indemnify the Escrow Agent for, and to hold the Escrow Agent harmless against, any loss, liability or expense incurred without negligence or bad faith on the part of the Escrow Agent, arising out of or in connection with the Escrow Agent's entering into this Agreement and carrying out the Escrow Agent's duties hereunder, including costs and expenses of successfully defending the Escrow Agent against any claim of liability with respect thereto. One-half of any payment made pursuant to this Section 6(c) shall be made by CSI, and one-half shall be made by the Stockholder. Should any controversy arise between or among the Stockholder, CSI and the Escrow Agent with respect to (i) this Agreement or (ii) any rights to payment, application or delivery of the Escrow Funds, or any part thereof, and a substitute escrow agent is not appointed subject to clause (d) below, the Escrow Agent shall have the right to institute a bill of interpleader or any other appropriate judicial proceeding in any court of competent jurisdiction to determine the rights of the parties. Should a bill of interpleader or other judicial proceeding be instituted, or should the Escrow Agent be involved in any manner whatsoever on account of this Agreement, the non-prevailing party or parties shall pay the Escrow Agent its reasonable attorney fees and any other disbursements, expenses, losses, costs or cash damages in connection with or resulting from such litigation.

(d) The Escrow Agent may resign hereunder (i) (x) at any time with the consent of the parties hereto, and the appointment of a substitute escrow agent by CSI and the Stockholder, or (y) upon thirty (30) days written notice to the parties hereto and the appointment of a substitute escrow agent by CSI and the Stockholder, or (z) upon petition of a court of competent jurisdiction seeking the appointment of a substitute escrow agent and the appointment by such court of a substitute escrow agent and (ii) upon the acceptance of the substitute escrow agent.

Section 7. Termination. Except for the provisions of Section 6(c) and (d), which shall survive this Agreement, this Agreement shall terminate upon the day on which all of the Escrow Funds are disbursed in full as provided in Section 4, and shall terminate as to the Escrow Agent (but not as to CSI and the Stockholder) as of the effective date of the resignation of the Escrow Agent pursuant to Section 6, provided that the Escrow Agent deposits the Escrow Funds with a court of competent jurisdiction and institutes a bill of interpleader or other appropriate judicial proceeding to determine the rights of the parties, unless a substitute Escrow Agent is appointed pursuant to Section 6(d).

Section 8. Notice. All notices, demands, requests, or other communications, except monthly statements by the Escrow Agent, which may be or are required to be given or made by any party to any other party pursuant to this Agreement shall be in writing and shall be hand delivered (including delivery by courier), or mailed by first-class registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

(a) If to CSI:

Chicago Suites, Inc.
1117 Perimeter Center West
Suite 500 East
Atlanta, GA 30338
Attn: Joseph D. Wallace, President
Telecopy: (770/392-3497)

with a copy (which shall not constitute notice) to:

Hogan & Hartson L.L.P.
8300 Greensboro Drive
McLean, Virginia 22102
Attn: Richard K.A. Becker, Esq.
Telecopy No.: (703/610-6200)

(b) If to the Stockholder:

Ronald Whitehouse
3540 Mistletoe Lane
Long Boat Key, Florida 34228
Telecopy No.: (941/383-7964)

with a copy (which shall not constitute notice) to:

Varnum, Riddering, Schmidt & Howlett LLP
PO Box 352
Grand Rapids, MI 49501-0352
Attn: J. Terry Muran, Esq.
Telecopy No.: (616/336-70000

(c) If to Escrow Agent:

or such other address as the addressee may indicate by written notice.

Each notice, demand, request, or communication which shall be given or made in the manner described above shall be deemed sufficiently given or made for all purposes at such time as it is delivered to the addressee (with the return receipt, the delivery receipt or the affidavit of messenger being deemed conclusive but not exclusive evidence of such delivery) or at such time as delivery is refused by the addressee upon presentation. Notwithstanding the foregoing, the Escrow Agent shall be deemed to have received notice on the day following the day such notice is delivered pursuant to this section, if such notice is delivered after 5:00 p.m. For purposes of this Agreement, Joseph D. Wallace shall be authorized to deliver notices under this Agreement on behalf of CSI and Whitehouse shall be authorized to deliver notices under this Agreement on behalf of the Stockholder. Each party may designate by notice in writing a new address to which any notice, demand, request or communication may thereafter be so given or an individual authorized to deliver notices.

Section 9. Benefit and Assignment. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns as permitted hereunder. No person or entity other than the parties hereto is or shall be entitled to bring any action to enforce any provision of this Agreement against any

of the parties hereto, and the covenants and agreements set forth in this Agreement shall be solely for the benefit of, and shall be enforceable only by, the parties hereto or their respective successors and assigns as permitted hereunder. No party to this Agreement may assign this Agreement or any rights hereunder without the prior written consent of all of the parties hereto.

Section 10. Entire Agreement; Amendment. This Agreement, together with the Merger Agreement, contains the entire agreement among the parties with respect to the subject matter hereof and supersedes all prior oral or written agreements, commitments or understandings with respect to such matters. This Agreement may not be changed orally, but only by an instrument in writing signed by the party against whom enforcement of any waiver, change, modification, extension or discharge is sought.

Section 11. Headings. The headings of the sections and subsections contained in this Agreement are inserted for convenience only and do not form a part or affect the meaning, construction or scope thereof.

Section 12. Choice of Law. This Agreement shall be governed by and construed under and in accordance with the law of the State of Illinois (but not including the choice-of-law rules thereof).

Section 13. Signature in Counterparts. This Agreement may be executed in separate counterparts, none of which need contain the signatures of all parties, each of which shall be deemed to be an original, and all of which taken together constitute one and the same instrument. It shall not be necessary in making proof of this Agreement to produce or account for more than the number of counterparts containing the respective signatures of, or on behalf of, all of the parties hereto.

Section 14. Compensation of Escrow Agent. The Escrow Agent hereby acknowledges receipt of $_____, which represents payment for the services rendered by the Escrow Agreement under this Agreement for the period beginning on the date hereof and ending three hundred ninety five (395) days following the date of this Agreement in accordance with Section 7 hereof. The Escrow Agent also shall be entitled to reimbursement from the Escrow Funds for all reasonable expenses incurred by it in performing its obligations hereunder. If this Agreement remains in effect on the three hundred ninety sixth (396th) day following the date hereof, CSI and the Stockholders each agree to pay one-half an additional fee to the Escrow Agent, for each successive 365-day period in which this Agreement remains in effect, equal to the then-current annual fee generally charged by the Escrow Agent for such services, such annual fee to be paid in advance.

IN WITNESS WHEREOF, each of the parties hereto has duly executed or has caused this Agreement to be duly executed on its behalf, all as of the day and year first above written.

CSI:

CHICAGO SUITES, INC.

By: _____
Name:
Title:

THE STOCKHOLDER:

_____
Ronald Whitehouse

ESCROW AGENT:

_____

By: _____
Name:
Title:

Exhibit C-3

Form of Letter of Credit

Irrevocable Standby Letter of Credit No. S-XXXXXX

_____, 1998

Beneficiary:

Insert name and address
Stockholder

Applicant:

[CSI]

Dear Sir/Madam:

At the request and for the account of Chicago Suites, Inc., a Delaware Corporation (THE "APPLICANT") Morgan Guaranty Trust Company of New York (THE "BANK") hereby establishes its irrevocable Standby Letter of Credit No. S-XXXXXX (THE "LETTER OF CREDIT") in your favor, as beneficiary, in an amount not to exceed in the aggregate U.S. $_____ (THE "STATED AMOUNT") which is available by presentation at our office located at 500 Stanton Christiana Road, Newark, Delaware 19713-2107, Attention: Letter of Credit Services as follows:

(1) $_____ between [CLOSING DATE] and [*31 DAYS FOLLOWING CLOSING DATE PLUS FOUR BUSINESS DAYS] available by your signed draft in the form of Annex A attached hereto appropriately completed and accompanied by a written and signed drawing certificate in the form of Annex B attached hereto appropriately completed and executed by the beneficiary, or;

(2) $5,000,000.00 between [* PLUS ONE DAY] and [135 DAYS FOLLOWING CLOSING DATE] available by your signed draft in the form of Annex A attached hereto appropriately completed and accompanied by a written and signed drawing certificate in the form of Annex C attached hereto appropriately completed and executed by the beneficiary.

This Letter of Credit is issued in your favor or your successors or assigns. If a drawing is made by your estate pursuant to the Installment Note, such drawing shall be accompanied by a written and signed statement from the executor or personal representative of such estate reading as follows:

"The Undersigned being duly authorized does hereby certify that the Beneficiary is deceased and that the undersigned is the executor or personal representative of the Beneficiary's estate as evidenced by the documents hereby presented evidencing the appointment of the Undersigned as executor or personal representative."

We have been informed that this Letter of Credit is issued in connection with the agreement and plan of merger dated March ___, 1998 (AS THE SAME MAY BE HEREAFTER AMENDED, THE "MERGER AGREEMENT") by and among the applicant, Omni Offices, Inc., a Delaware Corporation, and beneficiary.

This Letter of Credit sets forth in full the terms of our undertaking and such undertaking shall not in any way be modified, amended or amplified by reason of our reference to any agreement or instrument referred to herein or in which this Letter of Credit is referred except such draft, statement or final payment certificate. Any such agreement or instrument shall not be deemed incorporated herein by reference except such draft, statement, or final payment certificate.

Beneficiary's drawing may be delivered to the bank by facsimile (Fax number (302) 634-1838) or such other fax number as we may designate in a written notice delivered to you prior to the date of your drawing. Any such drawing made by facsimile must be promptly confirmed to the bank in writing not later than the next following business day.

Only one drawing may be made hereunder not to exceed the stated amount available for drawing.

If a drawing is received by the bank at or prior to 11:00 a.m., New York City time, on a business day, and provided that such drawing conforms to the terms and conditions hereof, payment of the drawing amount shall be made to the beneficiary in immediately available funds not later than 1:00 p.m. on the next following business day. If a drawing is received by the bank after 11:00 a.m., New York City time, on a business day, and provided that such drawing conforms to the terms and conditions hereof, payment of the drawing amount shall be made to the beneficiary in immediately available funds, not later than 1:00 p.m. on the second next succeeding business day.

If a drawing made by you hereunder does not, in any instance conform to the terms and conditions of this Letter of Credit, the bank shall give you prompt notice that the drawing was not effected in accordance with the terms and conditions of this Letter of Credit stating the reasons therefor and the bank will hold any documents at your disposal or upon our instructions return the same to you. Upon being notified that the drawing was not made in conformity with the terms of this Letter of Credit, you may attempt to correct any such nonconforming drawing to the extent that you are entitled to do so.

As used in this Letter of Credit, "Business Day" shall mean any day except Saturday, Sunday and any other day on which banking institutions located in New York City are required or authorized to close.

Only the Beneficiary or successors or assigns may make a drawing under this Letter of Credit. Upon a payment of the amount specified in a draft drawn hereunder, we shall be fully discharged on our obligation under this Letter of Credit with respect to such draft and we shall not thereafter be obligated to make any further payment under this Letter of Credit in respect to such draft to you or any other person who may have made to you or makes to you a demand for payment of principal of, or interest on the installment note of even date herewith made by applicant payable to the order of beneficiary (THE "INSTALLMENT NOTE").

If so requested by beneficiary, payment of a drawing under this Letter of Credit may be made by wire transfer in accordance with the payment instructions submitted with beneficiary's draft, Annex A, and Certificate, Annex B or Annex C.

Draft must be marked "Drawn under Morgan Guaranty Trust Company of New York Letter of Credit No. S-XXXXXX."

Draft must be presented to Morgan Guaranty Trust Company of New York located at the address as specified herein not later than [135 DAYS FOLLOWING CLOSING DATE] (THE "EXPIRATION DATE").

It is a further condition of this Letter of Credit that upon the expiration date you will surrender this Letter of Credit to us for cancellation.

Payment of any drawing hereunder shall be made from our own funds.

Except as otherwise expressly stated herein, this Standby Letter of Credit is issued subject to the Uniform Customs and Practice for Documentary Credits (1993 Revision) International Chamber of Commerce Publication No. 500 (the "Uniform Customs"). This Letter of Credit shall be deemed to be a contract made under the laws of the State of New York and shall, as to matters not governed by the Uniform Customs, be governed by and construed in accordance with the laws of said state. If this credit expires during an interruption of business as described in Article 17 of said Publication 500, the bank hereby specifically agrees to effect payment if this credit is drawn against within thirty (30) days after resumption of business.

We hereby agree with beneficiary that draft drawn under and in compliance with the terms and conditions of this Letter of Credit shall be duly honored on due presentation to Morgan Guaranty Trust Company of New York as stipulated herein.

Communications to us with respect to this Letter of Credit must be in writing and shall be addressed to us at Morgan Guaranty Trust Company of New York c/o J. P. Morgan Services, Inc. 500 Stanton Christiana Road, Newark, Delaware 19713-2107 specifically referring thereon to this Letter of Credit by its number.

Very truly yours,

(Authorized Signature)

ANNEX A TO LETTER OF CREDIT NO. S-XXXXXX

FORM OF SIGHT DRAFT

DATE

Drawn Under Morgan Guaranty Trust Company of New York
Irrevocable Standby Letter of Credit No. S-XXXXXX

At sight pay to the order of [BENEFICIARY] U.S. Dollars

TO: Morgan Guaranty Trust Company of New York
c/o J.P. Morgan Services, Inc.
500 Stanton Christiana Road
Newark, Delaware 19713-2107

ATTENTION: Janeen Petrus, Letter of Credit Services

[BENEFICIARY]
By:
Name:
Title:

Instruction - Draft must be endorsed in blank on the reverse side by drawer.

ANNEX B TO LETTER OF CREDIT NO. S-XXXXXX

FINAL PAYMENT CERTIFICATE

TO: Morgan Guaranty Trust Company of New York
c/o J.P. Morgan Services, Inc.
500 Stanton Christiana Road
Newark, Delaware 19713-2107

ATTENTION: Janeen Petrus, Letter of Credit Services

RE: Irrevocable Standby Letter of Credit No. S-XXXXXX

Gentlemen:

The undersigned being duly authorized does hereby certify to Morgan Guaranty Trust Company of New York (THE "BANK) with reference to Irrevocable Standby Letter of Credit No. S-XXXXXX (THE "LETTER OF CREDIT" THE TERMS DEFINED THEREIN AND ARE NOT OTHERWISE DEFINED HEREIN BEING USED HEREIN AS THEREIN DEFINED) in favor of
as beneficiary, that:

(1) The undersigned is the beneficiary under the Installment Note, and is the beneficiary under the Letter of Credit and is entitled to present this certificate.

(2) Pursuant to the Installment Note, the undersigned has concurrently presented its draft ("DRAFT") drawn on the Bank in the amount of [INSERT AMOUNT IN WORDS] ($[INSERT AMOUNT IN FIGURES]). Such amount does not exceed the stated amount available for drawing.

(3) (i) The amount of the draft accompanying this certificate represents (a) the unpaid principal of the Installment Note ("INSTALLMENT NOTE"), dated _____, 1998, executed by applicant, and payable to the beneficiary in the original principal amount of $_____ and (b) accrued but unpaid interest in the amount of $_____, (ii) the amount represented by the draft accompanying this certification is due and owing under the installment note and has not been paid, (iii) the beneficiary is the Holder of the note, and (iv) an event of default, as defined in the note, has occurred and is continuing.

(4) The Letter of Credit attached hereto is being surrendered for cancellation.

(5) Funds paid in honor of the drawing amount are to be remitted as follows:

[INSERT REMITTANCE INSTRUCTIONS]

IN WITNESS WHEREOF THE UNDERSIGNED HAS EXECUTED AND DELIVERED THIS CERTIFICATION AS OF THIS ____ DAY OF _____, 199_.

Your very truly,

[BENEFICIARY]

By:
Name:
Title:

ANNEX C TO LETTER OF CREDIT NO. S-XXXXXX

FINAL PAYMENT CERTIFICATE

TO: Morgan Guaranty Trust Company of New York
c/o J.P. Morgan Services, Inc.
500 Stanton Christiana Road
Newark, Delaware 19713-2107

ATTENTION: Janeen Petrus, Letter of Credit Services

RE: Irrevocable Standby Letter of Credit No. S-XXXXXX

Gentlemen:

The undersigned being duly authorized does hereby certify to Morgan Guaranty Trust Company of New York (THE "BANK) with reference to Irrevocable Standby Letter of Credit No. S-XXXXXX (THE "LETTER OF CREDIT" THE TERMS DEFINED THEREIN AND ARE NOT OTHERWISE DEFINED HEREIN BEING USED HEREIN AS THEREIN DEFINED) in favor of
as beneficiary, that:

(1) We have been informed that an order for relief has been sought under the U.S. Bankruptcy Code with respect to Chicago Suites, Inc. and attached hereto is a copy of such bankruptcy filing.

IN WITNESS WHEREOF THE UNDERSIGNED HAS EXECUTED AND DELIVERED THIS CERTIFICATION AS OF THIS ____ DAY OF _____, 199_.

Your very truly,

[BENEFICIARY]

By:
Name:
Title:

Irrevocable Standby Letter of
Credit No. S-XXXXXX

_____, 1998

Beneficiary:

Escrow Agent

Applicant:

[CSI]

Gentlemen:

At the request and for the account of Chicago Suites, Inc., a Delaware Corporation (THE "APPLICANT") Morgan Guaranty Trust Company of New York (THE "BANK") hereby establishes its irrevocable Standby Letter of Credit No. S-XXXXXX (THE "LETTER OF CREDIT") in your favor, as beneficiary, in an amount not to exceed in the aggregate U.S. $2,500,000.00 (THE "STATED AMOUNT") as stipulated herein.

We have been informed that this Letter of Credit is issued in connection with the agreement and plan of merger dated March ___, 1998 (AS THE SAME MAY BE HEREAFTER AMENDED, THE "MERGER AGREEMENT") by and among the applicant, Omni Offices, Inc., a Delaware Corporation, and Ronald Whitehouse.

This Letter of Credit sets forth in full the terms of our undertaking and such undertaking shall not in any way be modified, amended or amplified by reason of our reference to any agreement or instrument referred to herein or in which this Letter of Credit is referred except such draft, statement or final payment certificate. Any such agreement or instrument shall not be deemed incorporated herein by reference except such draft, statement, or final payment certificate.

Beneficiary's drawing may be delivered to the bank by facsimile (Fax number (302) 634-1838) or such other fax number as we may designate in a written notice delivered to you prior to the date of your drawing. Any such drawing made by facsimile must be promptly confirmed to the bank in writing not later than the next following business day.

Only one drawing may be made hereunder not to exceed the stated amount available for drawing.

If a drawing is received by the bank at or prior to 11:00 a.m., New York City time, on a business day, and provided that such drawing conforms to the terms and conditions hereof, payment of the drawing amount shall be made to the beneficiary in immediately available funds not later than 1:00 p.m. on the next following business day. If a drawing is received by the bank after 11:00 a.m., New York City time, on a business day, and provided that such drawing conforms to the terms and conditions hereof, payment of the drawing amount shall be made to the beneficiary in immediately available funds, not later than 1:00 p.m. on the second next succeeding business day.

If a drawing made by you hereunder does not, in any instance conform to the terms and conditions of this Letter of Credit, the bank shall give you prompt notice that the drawing was not effected in accordance with the terms and conditions of this Letter of Credit stating the reasons therefor and the bank will hold any documents at your disposal or upon our instructions return the same to you. Upon being notified that the drawing was not made in conformity with the terms of this Letter of Credit, you may attempt to correct any such nonconforming drawing to the extent that you are entitled to do so.

As used in this Letter of Credit, "Business Day" shall mean any day except Saturday, Sunday and any other day on which banking institutions located in New York City are required or authorized to close.

Only the Beneficiary may make a drawing under this Letter of Credit. Upon a payment of the amount specified in a draft drawn hereunder, we shall be fully discharged on our obligation under this Letter of Credit with respect to such draft and we shall not thereafter be obligated to make any further payment

under this Letter of Credit in respect to such draft to you or any other person who may have made to you or makes to you a demand for payment of principal of, or interest on the installment note of even date herewith made by applicant payable to the order of beneficiary (THE "INSTALLMENT NOTE").

If so requested by beneficiary, payment of a drawing under this Letter of Credit may be made by wire transfer in accordance with the payment instructions submitted with beneficiary's draft, Annex A, and Certificate, Annex B.

Draft must be marked "Drawn under Morgan Guaranty Trust Company of New York Letter of Credit No. S-XXXXXX."

Draft must be presented to Morgan Guaranty Trust Company of New York located at the address as specified herein not later than [DATE] (THE "EXPIRATION DATE").

It is a further condition of this Letter of Credit that upon the date that there is no principal amount or accrued interest outstanding under the installment note, prior to the expiration date, that you will surrender this Letter of Credit to us for cancellation.

Payment of any drawing hereunder shall be made from our own funds.

Except as otherwise expressly stated herein, this Standby Letter of Credit is issued subject to the Uniform Customs and Practice for Documentary Credits (1993 Revision) International Chamber of Commerce Publication No. 500 (the "Uniform Customs"). This Letter of Credit shall be deemed to be a contract made under the laws of the State of New York and shall, as to matters not governed by the Uniform Customs, be governed by and construed in accordance with the laws of said state. If this credit expires during an interruption of business as described in Article 17 of said Publication 500, the bank hereby specifically agrees to effect payment if this credit is drawn against within thirty (30) days after resumption of business.

We hereby agree with beneficiary that draft drawn under and in compliance with the terms and conditions of this Letter of Credit shall be duly honored on due presentation to Morgan Guaranty Trust Company of New York as stipulated herein.

Communications to us with respect to this Letter of Credit must be in writing and shall be addressed to us at Morgan Guaranty Trust Company of New York c/o J. P. Morgan Services, Inc. 500 Stanton Christiana Road, Newark, Delaware 19713-2107 specifically referring thereon to this Letter of Credit by its number.

Very truly yours,

(Authorized Signature)

ANNEX A TO LETTER OF CREDIT NO. S-XXXXXX

FORM OF SIGHT DRAFT

DATE

Drawn Under Morgan Guaranty Trust Company of New York
Irrevocable Standby Letter of Credit No. S-XXXXXX

At sight pay to the order of [BENEFICIARY] U.S. Dollars

TO: Morgan Guaranty Trust Company of New York
c/o J.P. Morgan Services, Inc.
500 Stanton Christiana Road
Newark, Delaware 19713-2107

ATTENTION: Janeen Petrus, Letter of Credit Services

[BENEFICIARY]
By:
Name:
Title:

Instruction - Draft must be endorsed in blank on the reverse side by drawer.

ANNEX B TO LETTER OF CREDIT NO. S-XXXXXX

FINAL PAYMENT CERTIFICATE

TO: Morgan Guaranty Trust Company of New York
c/o J.P. Morgan Services, Inc.
500 Stanton Christiana Road
Newark, Delaware 19713-2107

ATTENTION: Janeen Petrus, Letter of Credit Services

RE: Irrevocable Standby Letter of Credit No. S-XXXXXX

Gentlemen:

The undersigned being duly authorized does hereby certify to Morgan Guaranty Trust Company of New York (THE "BANK) with reference to Irrevocable Standby Letter of Credit No. S-XXXXXX (THE "LETTER OF CREDIT" THE TERMS DEFINED THEREIN AND ARE NOT OTHERWISE DEFINED HEREIN BEING USED HEREIN AS THEREIN DEFINED) in favor of as beneficiary, that:

(1) The undersigned is the beneficiary under the Installment Note, and is the beneficiary under the Letter of Credit and is entitled to present this certificate.

(2) Pursuant to the Installment Note, the undersigned has concurrently presented its draft ("DRAFT") drawn on the Bank in the amount of [INSERT AMOUNT IN WORDS] ($[INSERT AMOUNT IN FIGURES]). Such amount does not exceed the stated amount available for drawing.

(3) (i) The amount of the draft accompanying this certificate represents (a) the unpaid principal of the Installment Note ("INSTALLMENT NOTE"), dated _____, 1998, executed by applicant, and payable to the beneficiary in the original principal amount of $_____ and (b) accrued but unpaid interest amount of $_____, (ii) The amount represented by the draft accompanying this certification is due and owing under the installment note and has not been paid, (iii) the beneficiary is the Holder of the note, and (iv) an event of default, as defined in the note, has occurred and is continuing.

(4) The Letter of Credit attached hereto is being surrendered for cancellation.

(5) Funds paid in honor of the drawing amount are to be remitted as follows:

[INSERT REMITTANCE INSTRUCTIONS]

IN WITNESS WHEREOF THE UNDERSIGNED HAS EXECUTED AND DELIVERED THIS CERTIFICATION AS OF THIS ____ DAY OF _____, 199_.

Your very truly,

[BENEFICIARY]

By:
Name:
Title:

Exhibit C-4

Form of Guaranty

GUARANTY

This Guaranty is entered into as of _____ by CarrAmerica Realty Corporation, a Maryland corporation, 1700 Pennsylvania Avenue, N.W., Washington, D.C. 20006 (the "Guarantor") in favor of Ronald Whitehouse of 3540 Mistletoe Lane, Long Boat Key, Florida 34228 (the "Stockholder").

For the purpose of inducing the Stockholder to extend credit to Chicago Suites, Inc. (the "Borrower"), the Guarantor guarantees the payment to Stockholder when due of all indebtedness of the Borrower to the Stockholder under an installment note dated _____ _____ in the original, principal amount of $52,500,000 and any extensions, modifications or renewals thereof (collectively, the "Guaranteed Liabilities").

The Guarantor agrees that the Stockholder may waive or modify any of the terms and conditions applicable to the Guaranteed Liabilities, without notice to or the consent of the Guarantor, without affecting the liability of the Guarantor hereunder.

The Guarantor waives notice of acceptance of this Guaranty, demand, presentment for payment, and all notices of protest, default, nonpayment, or dishonor with regard to the Guarantied Liabilities.

The obligation of the Guarantor is a primary and unconditional obligation which shall be enforceable before or after proceeding against the Borrower, any other guarantor, or any security held by the Stockholder. The Guarantor agrees that the Stockholder may, without notice to or the consent of the Guarantor, release any collateral securing the Guarantied Liabilities without diminishing the obligations of the Guarantor, and no omission or delay on the Stockholder's part in taking any action to collect the Guarantied Liabilities shall affect the obligations of the Guarantor hereunder.

If this Guaranty is executed by more than one person, the liability of the persons comprising the Guarantor shall be joint and several, and each reference herein to the Guarantor shall refer to the persons comprising the Guarantor individually and jointly. The obligations of the Guarantor under this Agreement and those of any other guarantors who may have guaranteed or may hereafter guarantee any portion of the Guarantied Liabilities shall be joint and several. The Stockholder may release or settle with any other guarantor without affecting the liability of the Guarantor. The Guarantor agrees that its obligation hereunder shall be satisfied only by its payment to the Stockholder of the total amount of the Guarantied Liabilities.

The Guarantor hereby subordinates any indebtedness now or hereafter owed by the Borrower to the Guarantor to the Guarantied Liabilities. The Guarantor waives any claim which it may have by way of contribution, indemnification, subrogation or otherwise, against the Borrower until the Guarantied Liabilities have been paid in full.

If any payment or collection by the Stockholder on the Guarantied Liabilities is avoided or otherwise recovered from the Stockholder for any reason, including recovery from

the Stockholder in any bankruptcy or other insolvency proceeding, this Guaranty shall apply to the amount of the payment or collection avoided or recovered as if said payment or collection had not been made.

In the event any portion of the Guarantied Liabilities is assigned by the Stockholder, this Guaranty shall inure to the benefit of the Stockholder's assignee to the extent of such assignment; provided, however, that such assignment shall not operate to relieve the Guarantor from any obligation to the Stockholder hereunder with respect to any unassigned portion of the Guarantied Liabilities.

The rights and remedies of the Stockholder under this Guaranty and any other rights or remedies with regard to the Guarantied Liabilities are cumulative and may be exercised singularly or concurrently, and the exercise of one or more of them shall not be a waiver of any other. No act, delay, or omission or course of dealing among the Stockholder, the Borrower or the Guarantor, or any of them, shall operate to waive any of the Stockholder's rights or remedies under this Guaranty. No waiver, change, modification or discharge of this Guaranty or any obligation created hereby will be effective unless agreed to by the Stockholder in writing.

In the event the Stockholder institutes legal proceedings to enforce this Guaranty or the terms of any agreement securing this Guaranty, the Stockholder shall be entitled to collect, as a part of the Guarantied Liabilities, all reasonable costs and expenses of suit, including reasonable attorney fees.

This Guaranty shall be governed by and construed and interpreted in accordance with the laws of the State of Illinois. In the event any provision hereof is in conflict with any statute or rule of law in the State of Illinois or is otherwise unenforceable for any reason whatsoever, then such provision shall be deemed severable from this Guaranty or enforceable to the maximum extent permitted by law, as the case may be, and the same shall not invalidate any other provisions hereof.

This Guaranty shall be binding upon the Guarantor, and the Guarantor's successors and assigns and each of them respectively, and shall inure to the benefit of the Stockholder and its successors and assigns.

IN WITNESS WHEREOF, this Guaranty is executed by the Guarantor as of the date specified above.

CARRAMERICA REALTY CORPORATION

By_____

Its_____

BREAKUP ESCROW AGREEMENT

THIS BREAKUP ESCROW AGREEMENT (this "Agreement") is entered into as of March 13th, 1998 by and among OmniOffices, Inc., a Delaware corporation ("OmniOffices"), Chicago Suites, Inc., a Delaware corporation ("CSI"), the companies identified on Exhibit A, (each a "Company," together the "Companies"), Ronald Whitehouse, who has the rights to acquire all capital stock of each Company ("the Stockholder") and First Union National Bank, as escrow agent (the "Escrow Agent");

WHEREAS, OmniOffices, CSI, the Companies and the Stockholder have entered into an Agreement and Plan of Merger of even date herewith (the "Merger Agreement") pursuant to which the Companies have agreed to merger with and into CSI, all in accordance with and subject to the terms and conditions set forth in the Merger Agreement;

WHEREAS, pursuant to Section 2.4 of the Merger Agreement, OmniOffices has deposited the Earnest Money Escrow Deposit (as defined below) in the amount of two million dollars ($2,000,000) with the Escrow Agent pursuant to this Agreement; and

WHEREAS, the Escrow Agent has agreed to act as escrow agent hereunder, in accordance with the terms and conditions hereinafter set forth.

NOW, THEREFORE, for and in consideration of the foregoing and of the mutual covenants and agreements hereinafter set forth, the parties hereto hereby agree as follows:

Section 1. Appointment of Escrow Agent. OmniOffices, CSI, the Companies and the Stockholder hereby mutually appoint and designate the Escrow Agent to act as escrow agent under this Agreement, and the Escrow Agent hereby accepts such appointment, for the purpose of receiving, holding and releasing the Escrow Funds (as hereinafter defined) in accordance with the terms hereof.

Section 2. Deposit of Funds. In accordance with Section 2.4 of the Merger Agreement, OmniOffices hereby is depositing the amount of two million dollars ($2,000,000) (the "Earnest Money Escrow Deposit") into an escrow account established with the Escrow Agent (the "Escrow Account"), all such funds to be held and released by the Escrow Agent in accordance with Section 4 hereof. (The funds so delivered to the Escrow Agent pursuant to this Section 2, together with all income earned on such funds, are referred to herein as the "Escrow Funds.")

Section 3. Investment of Escrowed Funds. From time to time, after the deposit of funds pursuant to Section 2 hereof and until such time as all funds being held by the Escrow Agent have been disbursed pursuant to Section 4 hereof, OmniOffices may, in its sole discretion, instruct the Escrow Agent in writing to, and the Escrow Agent thereupon shall, invest such amounts being then held by the Escrow Agent in such of the following securities, and in such proportion and maturing at such times, as the Buyer shall specify in its written instructions to the Escrow Agent:

(i) direct obligations, which mature in sixty (60) days or less, of the United States of America or any instrumentality thereof, for the payment of which the full faith and credit of the United States of America is pledged; or

(ii) bank accounts, including savings accounts and bank money market accounts of banks or trust companies (including the Escrow Agent) organized under the laws of the United States of America or any state thereof, and having a combined capital surplus of at least $50,000,000; and

(iii) Valliant Money Market Mutual Funds that may invest in U.S. Treasury bills, notes and bonds and other instruments issued directly by the U.S. Government ("U.S. Treasury Obligations") and other obligations issued or guaranteed as to payment of principal and interest by the U.S. Government, its agencies or instrumentalities ("U.S. Government Obligations"), bank and commercial instruments that may be available in the money markets, high quality short-term taxable obligations issued by state and local governments, their agencies and instrumentalities and repurchase agreements relating to U.S. Government Obligations and qualified first tier money market collateral.

In the event OmniOffices has not directed the Escrow Agent to invest the funds in writing pursuant to and in a manner consistent with this section, the Escrow Agent shall invest the funds in investments described in clause (iii) above. The Escrow Agent shall present for redemption any obligation so purchased or sell any such obligation in every case upon the direction of OmniOffices. Obligations so purchased as an investment of monies in the Escrow Account shall be deemed at all times to be a part of such Escrow Account, and the interest accruing thereon shall be credited to such Escrow Account. If OmniOffices so directs in writing, the Escrow Agent may make any and all investments permitted by this Section 3 through its own bond or investment department. The Escrow Agent shall not be responsible for any loss suffered from any investment of funds in the Escrow Account.

Section 4. Disbursement of Escrow Funds. The Escrow Agent shall disburse the Escrow Funds to OmniOffices, the Companies or the Stockholder in accordance with the following terms and conditions:

(a) If the Companies, the Stockholder, OmniOffices and CSI jointly submit a written instruction to the Escrow Agent regarding disbursement of Escrow Funds, the Escrow Agent shall disburse such funds in accordance with the terms of such instruction.

(b) Upon the consummation of the transactions contemplated by the Merger Agreement, the Escrow Agent shall release any remaining Escrow Funds to OmniOffices.

(c) In the event of the failure or refusal by OmniOffices or CSI to perform any of its covenants, obligations or agreements in any material respect under the Merger Agreement (a "Buyer Default"), and no Seller Default exists, and provided the Buyer Default is not the result of Force Majeure (as such terms are defined in the Merger Agreement) the

Companies shall notify OmniOffices, CSI and the Escrow Agent setting forth in writing the particulars of such Buyer Default and its intention to terminate the Merger Agreement pursuant to Section 13 thereof, and OmniOffices' or CSI's failure to cure such Buyer Default, such notice to the Escrow Agent to be accompanied by evidence that OmniOffices and CSI have received the notice from the Companies and/or the Stockholder under Section 7 hereof. OmniOffices and CSI shall have twenty (20) days after receipt of such notice to object to such claim by notifying the Companies, the Stockholder and the Escrow Agent of such objection and specifying the reasons for objecting to such claim. If no such notice of objection is received by the Escrow Agent within the time period specified above and the Escrow Agent received the evidence that OmniOffices and CSI have received the aforesaid notice from the Companies and/or the Stockholder, the Escrow Agent shall disburse all Escrow Funds to the Companies and/or the Stockholder, as the case may be, within two (2) business days after the expiration of the twenty (20) day period. If a notice of objection is received by the Escrow Agent, the Escrow Agent shall take no action until it shall have received (i) written instructions signed by the Companies and/or the Stockholder, as the case may be, and OmniOffices and CSI or (ii) a decision by a court of competent jurisdiction, directing the Escrow Agent to take certain action. After notice of an objection by OmniOffices and CSI, if the Companies' or the Stockholder's claim is resolved in favor of the Companies, or the Stockholder, as the case may be, the Companies or the Stockholder, as the case may be, will be entitled to the income earned from the investment of the funds pursuant to Section 3 from the date notice of the claim was received by OmniOffices and CSI until the date the Escrow Funds are disbursed.

(d) If on or after ninety (90) days from the date hereof, there is no matter outstanding for which a notice has been given pursuant to clause (c) above, and OmniOffices or CSI shall have notified Companies, the Stockholder and the Escrow Agent that they intend to terminate the Merger Agreement pursuant to Section 13.1(g) thereof, such notice to the Escrow Agent to be accompanied by evidence that the Companies and the Stockholder have received the notice from OmniOffices and CSI pursuant to Section 7 hereof, then the Escrow Agent shall release the remaining Escrow Funds to OmniOffices within ten (10) days of receipt of notice unless it shall have received an objection from the Companies or the Stockholder. Any such objection by the Companies or the Stockholder shall be treated as a notice of Buyer Default pursuant to clause (c) above.

Section 5. Escrow Agent Matters.

(a) The Escrow Agent may rely upon and shall be protected in acting or refraining from acting upon any written notice, instructions or request furnished to it hereunder and believed by it to be genuine and to have been signed or presented by the proper party or parties.

(b) The Escrow Agent shall not be liable for any action taken by it in good faith and without gross negligence, and believed by it to be authorized or within the rights

or powers conferred upon it by this Agreement, and may consult with counsel of its own choice and shall have full and complete authorization and protection for any action taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel.

(c) OmniOffices, CSI, the Companies and the Stockholder hereby agree to indemnify the Escrow Agent for, and to hold the Escrow Agent harmless against, any loss, liability or expense incurred without gross negligence or bad faith on the part of the Escrow Agent, arising out of or in connection with the Escrow Agent's entering into this Agreement and carrying out the Escrow Agent's duties hereunder, including costs and expenses of successfully defending the Escrow Agent against any claim of liability with respect thereto. One-half of any payment made pursuant to this Section 5(c) shall be made by OmniOffices and CSI, and one-half shall be made by the Companies and the Stockholder, jointly and severally. Should any controversy arise between or among the Companies, the Stockholder, OmniOffices, CSI and the Escrow Agent with respect to (i) this Agreement or (ii) any rights to payment, application or delivery of the Escrow Funds, or any part thereof, and a substitute escrow agent is not appointed subject to clause (d) below, the Escrow Agent shall have the right to institute a bill of interpleader or any other appropriate judicial proceeding in any court of competent jurisdiction to determine the rights of the parties. Should a bill of interpleader or other judicial proceeding be instituted, or should the Escrow Agent be involved in any manner whatsoever on account of this Agreement, the non-prevailing party or parties shall pay the Escrow Agent its reasonable attorney fees and any other disbursements, expenses, losses, costs or cash damages in connection with or resulting from such litigation.

(d) The Escrow Agent may resign hereunder (i) (x) at any time with the consent of the parties hereto, and the appointment of a substitute escrow agent by OmniOffices, CSI, the Companies and the Stockholder, or (y) upon thirty (30) days' written notice to the parties hereto and the appointment of a substitute escrow agent by OmniOffices, CSI, the Companies and the Stockholder, or (z) upon petition of a court of competent jurisdiction seeking the appointment of a substitute escrow agent and the appointment by such court of a substitute escrow agent and (ii) upon the acceptance of the substitute escrow agent.

Section 6. Termination. Except for the provisions of Section 5(c) and 5(d), which shall survive this Agreement, this Agreement shall terminate upon the earlier of the day on which all of the Escrow Funds are disbursed in full as provided in Section 4, and shall terminate as to the Escrow Agent (but not as to OmniOffices, CSI, the Companies, and the Stockholder) as of the effective date of the resignation of the Escrow Agent pursuant to Section 5, provided that the Escrow Agent deposits the Escrow Funds with a court of competent jurisdiction and institutes a bill of interpleader or other appropriate judicial proceeding to determine the rights of the parties; unless a substitute Escrow Agent is appointed pursuant to Section 5(d).

Section 7. Notice. All notices, demands, requests or other communications, except monthly statements by the Escrow Agent, which may be or are required to be given or made by any party to any other party pursuant to this Agreement, shall be in writing and shall be telecopied, hand delivered (including delivery by courier) or mailed by first-class registered or certified mail, return receipt requested, postage prepaid and addressed as follows:

(a) If to Buyer:

OmniOffices, Inc.
1117 Perimeter Center West
Suite 500 East
Atlanta, Georgia 30338
Attn: Joseph D. Wallace, Executive Vice President
Telecopy No.: (770/392-3497)

with a copy (which shall not constitute notice) to:

Hogan & Hartson L.L.P.
8300 Greensboro Drive
Suite 1100
McLean, VA 22102
Attn: Richard K.A. Becker, Esq.
Telecopy No.: (703/610-6200)

(b) If to Buyer:

Chicago Suites, Inc.
1117 Perimeter Center West
Suite 500 East
Atlanta, Georgia 30338
Attn: Joseph D. Wallace, President
Telecopy No.: (770/392-3497)

with a copy (which shall not constitute notice) to:

Hogan & Hartson L.L.P.
8300 Greensboro Drive
Suite 1100
McLean, VA 22102
Attn: Richard K.A. Becker, Esq.
Telecopy No.: (703/610-6200)

(c) If to the Companies:

c/o Whitehouse Companies
1901 Rosello Road
Schaumberg, IL 60195
Attn: Ronald Whitehouse
Telecopy No.: (847/839-7010)

with a copy (which shall not constitute notice) to:

Varnum, Riddering, Schmidt & Howlett LLP
P.O. Box 352
Grand Rapids, MI 49501-0352
Attn: J. Terry Moran, Esq.
Telecopy No.: (616/336-7000)

(d) If to Stockholder:

Ronald Whitehouse
3540 Mistletoe Lane
Long Boat Key, FL 34228
Telecopy No.: (941/383-7964)

with a copy (which shall not constitute notice) to:

Varnum, Riddering, Schmidt & Howlett LLP
P.O. Box 352
Grand Rapids, MI 49501-0352
Attn: J. Terry Moran, Esq.
Telecopy No.: (616/336-7000)

(e) If to Escrow Agent:

First Union National Bank
999 Peachtree Sreet, Suite 1100
Atlanta, Ga 30309
Attn: Brian K. Justice
Telecopy No. (404/827-7305)

or such other address as the addressee may indicate by written notice.

Each notice, demand, request, or communication which shall be given or made in the manner described above shall be deemed sufficiently given or made for all purposes at such time as it is delivered to the addressee (with the return receipt, the delivery receipt or the affidavit of messenger being deemed conclusive but not exclusive evidence of such delivery) or at such time as delivery is refused by the addressee upon presentation. Notwithstanding the foregoing, the Escrow Agent shall be deemed to have received notice on the day following the day such notice is delivered pursuant to this section, if such notice is delivered after 5:00 p.m. For purposes of this Agreement, Joseph D. Wallace shall be authorized to deliver notices under this Agreement on behalf of OmniOffices and CSI and Ronald Whitehouse shall be authorized to deliver notices under this Agreement on behalf of the Companies and the Stockholder. Each party may designate by notice in writing a new address or an individual authorized to deliver notices to which any notice, demand, request or communication may thereafter be so given.

Section 8. Benefit and Assignment. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns as permitted hereunder. No person or entity other than the parties hereto is or

shall be entitled to bring any action to enforce any provision of this Agreement against any of the parties hereto, and the covenants and agreements set forth in this Agreement shall be solely for the benefit of, and shall be enforceable only by, the parties hereto or their respective successors and assigns as permitted hereunder. No party to this Agreement may assign this Agreement or any rights hereunder without the prior written consent of all of the parties hereto.

Section 9. Entire Agreement: Amendment. This Agreement contains the entire agreement among the parties with respect to the subject matter hereof and supersedes all prior oral or written agreements, commitments or understandings with respect to such matters. This Agreement may not be changed orally, but only by an instrument in writing signed by the party against whom enforcement of any waiver, change, modification, extension or discharge is sought.

Section 10. Headings. The headings of the sections and subsections contained in this Agreement are inserted for convenience only and do not form a part or affect the meaning, construction or scope thereof.

Section 11. Choice of Law. This Agreement shall be governed by and construed under and in accordance with the laws of the State of Illinois (but not including the choice-of-law rules thereof).

Section 12. Signature in Counterparts. This Agreement may be executed in separate counterparts, none of which need contain the signatures of all parties, each of which shall be deemed to be an original, and all of which taken together constitute one and the same instrument. It shall not be necessary in making proof of this Agreement to produce or account for more than the number of counterparts containing the respective signatures of, or on behalf of, all of the parties hereto.

Section 13. Compensation of Escrow Agent. The Escrow Agent hereby acknowledges receipt of Two Thousand dollars ($2,000.00), which represents payment for the services rendered by the Escrow Agreement under this Agreement for the period beginning on the date hereof and ending upon termination of this Agreement as described in Section 6 hereof. The Escrow Agent also shall be entitled to reimbursement from the Escrow Funds for all reasonable expenses incurred by it in performing its obligations hereunder.

IN WITNESS WHEREOF, each of the parties hereto has duly executed or has caused this Agreement to be duly executed on its behalf, as of the day and year first above written.

OMNIOFFICES, INC.

By:_____
Name: B. Thomas Miller, Jr.
Title: Executive Vice President

CHICAGO SUITES, INC.

By:_____
Name: B. Thomas Miller, Jr.
Title: Vice President

COMPANIES:

HQ CHICAGO, INC., HQ LOOP, INC., HQ LISLE, INC., HQ WACKER, INC., HQ BANNOCKBURN, INC., HQ INDIANAPOLIS, INC., HQ MERIDIAN, INC., ANRON, INC., HQ ROCKY POINT, INC., RONETTE, INC., HQ HIDDEN RIVER, INC., HQ BOCA RATON, INC., HQ PLANTATION, INC., LAJOLLA ESM, INC., HQ RANCHO BERNARDO, INC., EXECUTIVE SUITE MANAGEMENT, INC., AND DEL MAR ESM, INC.,

By:_____
Name: Ronald Whitehouse
Title: Chief Executive Officer and Chairman of the Board

STOCKHOLDER:

_____
Ronald Whitehouse

IN WITNESS WHEREOF, each of the parties hereto has duly executed or has caused this Agreement to be duly executed on its behalf, as of the day and year first above written.

OMNIOFFICES, INC.

By:_____
Name: B. Thomas Miller, Jr.
Title: Executive Vice President

CHICAGO SUITES, INC.

By:_____
Name: B. Thomas Miller, Jr.
Title: Vice President

COMPANIES:

HQ CHICAGO, INC., HQ LOOP, INC., HQ LISLE, INC., HQ WACKER, INC., HQ BANNOCKBURN, INC., HQ INDIANAPOLIS, INC., HQ MERIDIAN, INC., ANRON, INC., HQ ROCKY POINT, INC., RONETTE, INC., HQ HIDDEN RIVER, INC., HQ BOCA RATON, INC., HQ PLANTATION, INC., LAJOLLA ESM, INC., HQ RANCHO BERNARDO, INC., EXECUTIVE SUITE MANAGEMENT, INC., AND DEL MAR ESM, INC.,

By:_____
Name: Ronald Whitehouse
Title: Chief Executive Officer and Chairman of the Board

STOCKHOLDER:

_____
Ronald Whitehouse

ESCROW AGENT:

First Union National Bank

By: Brian K. Justice
Name: Brian K. Justice
Title: Trust Officer

EXHIBIT A

HQ Chicago, Inc.
HQ Loop, Inc.
HQ Lisle, Inc.
HQ Wacker, Inc.
HQ Bannockburn, Inc.
HQ Indianapolis, Inc.
HQ Meridian, Inc.
Anron, Inc.
HQ Rocky Point, Inc.
Ronette, Inc.
HQ Hidden River, Inc.
HQ Boca Raton, Inc.
HQ Plantation, Inc.
LaJolla ESM, Inc.
HQ Rancho Bernardo, Inc.
Executive Suite Management, Inc.
Del Mar ESM Inc.

Exhibit E

Capital Expenditures

OH

OHARE
PRE-OPENING EXPENSES
NEW CENTER DEVELOPMENT COSTS

DATE	VENDOR	AMOUNT	Description	Reimbursable
12/97	C.S.O. ARCHITECTS 9/97	305.61	Architect	305.61
12/97	C.S.O. ARCHITECTS 10/97	2,475.70	Architect	2,475.70
2/5/98	KATZ RANDALL & WEINBURG	1,307.50	Legal (incurred 12/97)	
2/19/98	C.S.O. ARCHITECTS	3,386.56	Architect	3,386.56
	C.S.O. ARCHITECTS	2,582.42	Architect	2,582.42
TOTAL		10,057.79		8,750.29

HQ PLANTATION

Pre Opening Expenses (1640PT)

2/25/98

NEW CENTER DEVELOPMENT COSTS

DATE	VENDOR	DESCRIPTION	AMOUNT	Reimbursable
11/97	CT CORPORATION SYSTEM	ORGANIZATION COSTS	436.50	
12/97	SPEED PRINT TWO	FLYERS MAILING	28.76	
12/97	KATZ RANDALL & WEINBERG	LEGAL SERVICES	1,856.78	
12/97	KATZ RANDALL & WEINBERG	LEGAL SERVICES	388.13	
12/97	CSO ARCHITECTS	DESIGN PLANNING	2,049.24	2,049.24
12/97	SUN SENTINEL	AD FOR MANAGER	689.75	
12/97	D.V.S.	VIDEO CONFERENCE UNIT	29,336.56	29,336.56
12/97	CSO ARCHITECTS	DESIGN PLANNING	3,325.58	3,325.58
12/97	D.V.S.	VIDEO CONFERENCE UNIT	55.50	55.50
12/97	CSO ARCHITECTS	DESIGN PLANNING	2,647.83	2,647.83
12/97	CROSS RD BUSINESS PARK	CSO REIMB FROM LANDLORD	(1,584.00)	(1,584.00)
12/97	KATZ RANDALL & WEINBERG	LEGAL SERVICES	4,828.37	
12/97	PREMIER COMML REALTY	1ST MONTH RENT	23,047.73	23,047.73
12/97	FEDERAL EXPRESS	DELIVERY EXPENSE	8.50	
12/97	KATZ RANDALL & WEINBERG	LEGAL SERVICES	1,067.90	
12/97	CSO ARCHITECTS	DESIGN PLANNING	3,025.18	3,025.18
1/98	PIP PRINTING	PROMO FLYERS (incurred 12/97)	102.17	
1/98	PIP PRINTING	PROMO FLYERS (incurred 12/97)	42.71	
2/98	KATZ RANDALL & WEINBERG	LEGAL SERVICES (to 12/31)	479.47	
2/98	SPEEDY PRINTING	BROCHURES (incurred 1/28)	106.50	106.50
2/98	CSO ARCHITECTS	DESIGN PLANNING	3,756.61	3,756.61
2/98	CSO ARCHITECTS	DESIGN PLANNING	187.31	187.31
2/98	STRATMAR GROUP	MANAGER TEST (incrrd 1/5)	29.00	
2/98	BOISE CASCASE	SUPPLIES FOR MANAGER (1/28)	216.16	216.16
2/98	SPEEDY PRINTING	BUSINESS CARDS (incurred 2/5)	127.80	127.80
2/98	N. RACKEAR- FEB.PAYROLL	MANAGER SALARY	3,205.06	3,205.06
2/98	N. RACKEAR- FEB. P\R TAXES	MANAGER SALARY	300.64	300.64
	TOTAL		79,761.74	69,803.70

Louisville

CORPORATE
PRE-OPENING LOUISVILLE
NEW CENTER DEVELOPMENT COSTS

DATE	DESCRIPTION	AMOUNT	DESCRIPTION	REIMBURSABLE
7/97	C.S.O. ARCHITECTS	2,892.63	Architect Fees	2,892.63
8/97	AMEX /DC/MARIOT/LOUISVILLE	123.09	Travel	
8/97	DOUBLETREE INN	106.92	Travel	
9/97	Sally Warren (Exp report)	47.00	Travel	
9/97	Bellsouth	125.32	Call forwarding for ad	
9/97	Bellsouth	19.57	Call forwarding for ad	
9/97	C.S.O. ARCHITECTS	1,664.39	Architect Fees	1,664.39
10/97	Business First	60.00		
10/97	AT&T	10.52		
10/97	C.S.O. ARCHITECTS	2,240.78	Architect Fees	2,240.78
10/97	Federal Express	9.75		
10/97	Bellsouth	19.06	Call forwarding for ad	
11/97	AT&T	26.79	Call forwarding for ad	
11/7	Walstrom West	6,231.60	Yellow Pages	3,925.91
11/97	AT&T	12.30	Call forwarding for ad	
11/97	C.S.O. ARCHITECTS	741.25	Architect Fees	741.25
12/97	Bellsouth	19.06	Call forwarding for ad	
12/97	AT&T	48.27	Call forwarding for ad	
12/97	C.S.O. ARCHITECTS	8,642.57	Architect Fees	8,642.57
12/97	Bellsouth	19.06	Call forwarding for ad	
12/97	AMEX - Delores/Travel	79.00		
2/98	Katz Randall & Weinberg	4,797.43	Legal Fees (Incurred 12/97)	
2/98	C.S.O. ARCHITECTS	1,093.25	Architect Fees	1,093.25
2/98	C.S.O. ARCHITECTS	1,201.05	Architect Fees	1,201.05
TOTAL		30,230.66		22,401.83

Note: Yellow pages expense prorated from 1/22

FLORIDA LAKE MARY

Preopening Expense (1640LM)

NEW CENTER DEVELOPMENT COSTS

2/28/98

DATE	VENDOR	DESCRIPTION	AMOUNT	Reimbursable
12/97	CSO ARCHITECTS	Design Services	8,946.56	8,946.5
1/98	LINDA PTASHNIK	P\R JAN 22-31	1,121.59	1,121.5
1/98	LINDA PTASHNIK	P\RTAXES JAN 22-31	84.90	84.9
1/98	LINDA PTASHNIK	INSURANCE JAN 22-31	43.26	43.2
2/98	KATZ RANDALL & WEINBERG	Legal Services Lease (To 12/31/97)	3,644.70	
2/98	CSO ARCHITECTS	Design Services	282.39	282.3
2/98	CSO ARCHITECTS	Design Services	1,669.74	1,669.7
2/98	LINDA PTASHNIK	P\R February	4,292.08	4,292.0
2/98	LINDA PTASHNIK	P\RTAXES February	350.80	350.8
2/98	LINDA PTASHNIK	INSURANCE February	135.96	135.9
	TOTAL		20,571.98	16,927.2

Carlsbad

HQ - SAN DIEGO CORPORATE
PRE-OPENING EXPENSES (1640-CC)
(CARLSBAD)
02/28/98
NEW CENTER DEVELOPMENT COSTS

DATE	VENDOR	DESCRIPTION	AMOUNT	Reimbursable
8/31/97	CSO ARCHITECTS - CARLSBAD	Architect	1,491.62	1,491.62
10/28/97	KATZ,RANDALL & WEINBERG - CARLSBAD	Legal	3,612.84	
11/10/97	CSO ARCHITECTS - CARLSBAD	Architect	1,770.25	1,770.25
2/6/98	KATZ,RANDALL & WEINBERG - CARLSBAD	Legal (12/31/97)	5,239.14	
2/20/98	CSO ARCHITECTS - CARLSBAD	Architect	96.24	96.24
	TOTAL		12,210.09	3,358.11

Exhibit F

NONCOMPETITION AGREEMENT

THIS NONCOMPETITION AGREEMENT (this "Agreement") is entered into as of _____, 1998 by and between Ronald Whitehouse ("Whitehouse" or the "Stockholder"), and OmniOffices, Inc., a Delaware corporation ("OmniOffices").

WHEREAS, on the date hereof, Chicago Suites, Inc. ("CSI"), a wholly owned subsidiary of OmniOffices, is consummating a series of related transactions pursuant to which certain companies will be merged into CSI, under an Agreement and Plan of Merger dated as of March ___, 1998 (the "Merger Agreement") by and among OmniOffices, various executive suite companies (the "Companies"), and the Stockholder of all of the issued and outstanding stock of the Companies; and

WHEREAS, Whitehouse, a bona fide resident of the State of Florida, is the sole stockholder of each of the Companies; and

WHEREAS, as a condition to the consummation by OmniOffices of the transactions described above, the parties hereto desire to enter into certain agreements securing the services of and restricting the activities of Whitehouse in an effort to protect OmniOffices' legitimate business interests (including its interest in the goodwill of the Company) and for other business purposes.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the parties hereto agree as follows:

1. Definitions: Certain capitalized terms used herein shall have the meanings set forth below:

"Affiliate" means (i) any person or entity directly or indirectly controlling, controlled by, or under common control with Whitehouse and (ii) each other entity in which Whitehouse, directly or indirectly, owns any controlling interest or of which Whitehouse serves as a general partner.

"Business Center" means a location in which OmniOffices is engaged, directly or through a Subsidiary of OmniOffices, in the Executive Suites Business.

"Executive Suites Business" means the business of leasing and subleasing office space or an office address to clients.

"Restricted Area" means the area within a fifty (50) mile radius of any Business Center leased or owned, directly or indirectly, by the Companies as of the date of the Closing under the Merger Agreement.

"Restricted Period" means a term equal to five (5) years following the date hereof.

"Subsidiaries" means the corporations wholly owned by OmniOffices that own or lease or will own or lease office space which is utilized by OmniOffices in the Executive Suites Business.

2. Noncompetition. During the Restricted Period, neither Stockholder nor any of his Affiliates will serve as an officer, director, or partner of, or own a controlling interest in, any corporation, partnership, venture, or other business entity which engages, directly or indirectly, in the Executive Suites Business within the Restricted Area; provided, however, that notwithstanding the foregoing (i) either Stockholder or his Affiliates may acquire an interest in any such entity so long as the nature of any such interest does not afford him the power to influence, and he does not influence, in any material fashion, the decision-making process of the entity in which the interest is held, and (ii) either Stockholder or his Affiliates may serve as an employee, director, officer, or stockholder of OmniOffices or any Subsidiary of OmniOffices.

3. Nonsolicitation.

(a) Customers. Stockholder agrees with OmniOffices that, during the Restricted Period, neither he nor any of his Affiliates will solicit any now existing customer of any of the Companies for the purpose of inducing or otherwise intending to cause such customer to move from the space that such customer is occupying in a Business Center or to change his or her address in a Business Center in the Restricted Area to any executive office suite that is not part of a Business Center. Stockholder further agrees with OmniOffices that neither he nor any of his Affiliates will solicit any future customer of OmniOffices or any of the Companies after such person has become a customer during the Restricted Period in the Restricted Area for the purpose of inducing or otherwise intending to cause such customer to move from the space that such customer is occupying or to change his or her address in a Business Center in the Restricted Area to any executive office suite that is not part of a Business Center. For purposes of this Section 3(a), the term "solicit" means efforts undertaken to persuade a customer to relocate, and shall not include situations where a customer, on its own initiative, determines that it desires to relocate and contacts Stockholder to assist in that effort, provided that Stockholder, before undertaking any efforts on behalf of such customer, notifies OmniOffices that such customer is seeking to move out of the Business Center in which such customer is occupying space.

(b) Employees. During the Restricted Period, Stockholder agrees with OmniOffices that neither he nor any of his Affiliates will solicit any employee of OmniOffices or any of its Subsidiaries to leave such employment. For purposes of this Section 3(b), the term "solicit" means efforts undertaken to persuade an employee to leave the employment of OmniOffices or any of its Subsidiaries, and shall not include situations where an employee, on his or her own initiative, determines that he or she desires to leave and contacts Stockholder to assist in that effort, provided that Stockholder, before undertaking any efforts on behalf of such employee, notifies OmniOffices that such employee is seeking to leave such employment.

4. Nondisclosure of Trade Secrets and Confidential Information. Stockholder hereby agrees that he will hold in a fiduciary capacity for the benefit of OmniOffices and its Subsidiaries and will not directly or indirectly use or disclose any Trade Secret, as defined hereinafter, that Stockholder may have acquired prior to or during

the term of his employment by or ownership of the Companies for so long as such information remains a Trade Secret. The term "Trade Secret" as used in this Agreement shall mean non-public information of any Subsidiary or OmniOffices, including, but not limited to, technical or nontechnical data, a formula, a pattern, a compilation, a program, a device, a method, a technique, a drawing, a process, financial data, financial plans, product plans, or a list of actual or potential customers or suppliers which (i) derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use and (ii) is the subject of reasonable efforts by the Subsidiaries or OmniOffices to maintain its secrecy. The term "Trade Secret" does not include information that has become generally available to the public by the act of any person other than the Stockholder.

In addition to the foregoing and not in limitation thereof, Stockholder agrees that during the Restricted Period, he will hold in a fiduciary capacity for the benefit of OmniOffices and its Subsidiaries and shall not directly or indirectly use or disclose (unless required by law or pursuant to a decree or order of any judicial or governmental body or agency) any Confidential or Proprietary Information, as defined hereinafter, that Stockholder may have acquired (whether or not developed or compiled by Stockholder and whether or not Stockholder was authorized to have access to such Confidential and Proprietary Information) during the term of, in the course of, or as a result of his employment by or ownership of the Companies. The term "Confidential or Proprietary Information" as used in this Agreement means any secret, confidential or proprietary information of each of the Companies or OmniOffices not otherwise included in the definition of "Trade Secrets" above. The term "Confidential and Proprietary Information" does not include information that has become generally available to the public by the act of any person other than the Stockholder.

5. Reasonable and Necessary Restrictions. Stockholder acknowledges that the restrictions, prohibitions and other provisions hereof, including, without limitation, the Restricted Area and the Restricted Period, are reasonable, fair and equitable in terms of duration, scope and geographic area, are necessary to protect the legitimate business interests of OmniOffices (including OmniOffices' interest in the goodwill of the Companies which is being transferred pursuant to the Merger Agreement), and are a material inducement to OmniOffices to enter into the transactions contemplated by the Merger Agreement.

6. Specific Performance. Stockholder acknowledges that the obligations undertaken by him pursuant to this Agreement are unique and that OmniOffices likely will have no adequate remedy at law if he shall fail to perform any of his obligations hereunder, and Stockholder therefore confirms that OmniOffices' right to specific performance of the terms of this Agreement is essential to protect the rights and interests of OmniOffices. Accordingly, in addition to any other remedies that OmniOffices may have at law or in equity, OmniOffices shall have the right to have all obligations, covenants, agreements and other provisions of this Agreement specifically performed by Stockholder and his Affiliates, and OmniOffices shall have the right to obtain preliminary and permanent injunctive relief to secure specific performance and to prevent a breach or contemplated breach of this Agreement by either of the Stockholder or his Affiliates, and the Stockholder submits to the jurisdiction of the courts described in Section 7(g) for this purpose. Further, Stockholder

agrees to indemnify and hold harmless OmniOffices from and against any costs and expenses incurred by OmniOffices as a result of any breach of this Agreement by him, and in enforcing and preserving OmniOffices' rights under this Agreement, including, but not limited to, its attorneys fees.

7. Miscellaneous Provisions.

(a) Binding Effect. Subject to any provisions hereof restricting assignment, all covenants and agreements in this Agreement by or on behalf of any of the parties hereto shall bind and inure to the benefit of the respective successors, assigns, heirs, and personal representatives.

(b) Assignment. None of the parties hereto may assign any of his or its rights under this Agreement or attempt to have any other person or entity assume any of his or its obligations hereunder, except that OmniOffices may assign any of its rights, interests and obligations under this Agreement to any successor person or entity to OmniOffices in connection with a merger, consolidation, sale of all or substantially all of OmniOffices' assets, or other similar corporate transaction to which OmniOffices is a party.

(c) Integration; Amendment. This Agreement constitutes the entire agreement among the parties hereto with respect to the matters set forth herein and supersedes and renders of no force and effect all prior oral or written agreements, commitments and understandings among the parties with respect to the matters set forth herein. Except as otherwise expressly provided in this Agreement, no amendment, modification or discharge of this Agreement shall be valid or binding unless set forth in writing and duly executed by each of the parties hereto.

(d) Waivers. No waiver by a party hereto shall be effective unless made in a written instrument duly executed by the party against whom such waiver is sought to be enforced, and only to the extent set forth in such instrument. Neither the waiver by any of the parties hereto of a breach or a default under any of the provisions of this Agreement, nor the failure of any of the parties, on one or more occasions, to enforce any of the provisions of this Agreement or to exercise any right or privilege hereunder shall thereafter be construed as a waiver of any subsequent breach or default of a similar nature, or as a waiver of any such provisions, rights or privileges hereunder.

(e) Severability. If fulfillment of any provision of this Agreement, at the time such fulfillment shall be due, shall transcend the limit of validity prescribed by law, then the obligation to be fulfilled shall be reduced to the limit of such validity; and if any clause or provision contained in this Agreement operates or would operate to invalidate this Agreement, in whole or in part, then such clause or provision only shall be held ineffective, as though not herein contained, and the remainder of this Agreement shall remain operative and in full force and effect.

(f) Governing Law; Jurisdiction. This Agreement, the rights and obligations of the parties hereto, and any claims or disputes relating thereto, shall be governed by and construed in accordance with the laws of the State of Florida, but not including the choice of law rules thereof.

(g) Headings. Section and subsection headings contained in this Agreement are inserted for convenience of reference only, shall not be deemed to be a part of this Agreement for any purpose, and shall not in any way define or affect the meaning, construction or scope of any of the provisions hereof.

(h) Pronouns. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural, as the identity of the person or entity may require.

(i) Execution in Counterparts. To facilitate execution, this Agreement may be executed in as many counterparts as may be required. It shall not be necessary that the signature of or on behalf of each party appears on each counterpart, but it shall be sufficient that the signature of or on behalf of each party appears on one or more of the counterparts. All counterparts shall collectively constitute a single agreement. It shall not be necessary in any proof of this Agreement to produce or account for more than a number of counterparts containing the respective signatures of or on behalf of all of the parties.

(j) Notices. All notices called for under this Agreement shall be in writing and shall be deemed given upon receipt if delivered personally and followed promptly by mail, or mailed by registered or certified mail (return receipt requested), postage prepaid, to the parties at the following addresses:

if to Whitehouse:

Ronald Whitehouse
3540 Mistletoe Lane
Long Boat Key, FL 34228
Telecopy No.: (941) 383-7964

if to OmniOffices, Inc.:

OmniOffices, Inc.
Perimeter Center West
Suite 500 East
Atlanta, GA 30338
Attn: Joseph D. Wallace
Executive Vice President

or to any other address or addressee as any party entitled to receive notice under this Agreement shall designate, from time to time, to others in the manner provided in this Section 7(j) for the service of notices; provided, however, that notices of a change of address shall be effective only upon receipt thereof.

Any notice delivered to the party hereto to whom it is addressed shall be deemed to have been given and received on the day it was received; provided, however, that if such day is not a business day then the notice shall be deemed to have been given and received on the business day next following such day. Any notice sent by facsimile

transmission shall be deemed to have been given and received on the business day next following the transmission.

IN WITNESS WHEREOF, each of the undersigned has executed this Agreement, or caused this Agreement to be duly executed on its behalf, as of the date first set forth above.

_____
Ronald Whitehouse

OMNIOFFICES, INC.

By:_____
Name:_____
Title:_____

Exhibit G

Chicago Suites, Inc.
1117 Perimeter Center West
Suite 500 East
Atlanta, Georgia 30338

[Date]

[Employee]
[Address]

Re: Severance Benefits During First Year of Employment

Dear [Employee:]

This letter is intended to confirm our agreement to provide you with severance pay in the event that you are terminated by Chicago Suites, Inc. (the "Company"). As an inducement for your employment with the Company, in the event that you are terminated for any reason other than for Cause during the next three hundred sixty five (365) days, the Company hereby agrees to pay you your salary for a period of three hundred sixty five (365) days from the date of termination; provided, however, that you agree to refrain from competition against the Company under the terms of the Company's standard Confidentiality and Non-competition Agreement for so long as we continue to make severance payments to you. The payments will be made at the same rate and frequency as your current payments, and will continue until the first anniversary of your termination at which point all payments will cease. For purposes of this letter agreement, "Cause" shall mean (i) you are convicted of a felony or a crime involving moral turpitude, or (ii) you willfully disregard the Company's policies and procedures after written notice specifying the failure and a 15-day opportunity to cure.

This severance agreement shall terminate three hundred sixty five (365) days from the date hereof. After such termination, you will be entitled to the same severance benefits which are generally provided to other similarly situated executive officers of the Company (excluding for these purposes, other similar letter severance agreements granted on the date hereof).

Sincerely,

Chicago Suites, Inc.

By:_____
Name:_____
Title:_____

Exhibit H

AGREEMENT AND CONSENT TO ASSIGNMENT

This Agreement and Consent to Assignment ("Agreement") is entered into effective as of _____, 1998 by and among HQ Network Systems, Inc., a Delaware corporation ("Licensor"), HQ Chicago, Inc., an Illinois corporation ("HQ Chicago"), HQ Indianapolis, an Indiana corporation ("HQ Indianapolis"), Anron, Inc., a Florida corporation ("Anron"), Executive Suite Management, Inc., a California corporation ("ESM" and together with HQ Chicago, HQ Indianapolis, and Anron, the "Assignors") and OmniOffices, Inc., a Delaware corporation ("OmniOffices").

RECITALS

A. Licensor entered into four separate License Agreements, as amended with each of HQ Chicago, HQ Indianapolis, Anron and ESM dated as of May 10, 1988, December 19, 1988, March 9, 1991, and June 11, 1991, respectively, (the "License Agreements"), pursuant to which Assignors have the right to establish and operate HQ executive suite business centers ("HQ Business Centers") within the territories described therein (the "Territories").

B. Assignors own 19 shares of Class A Common Stock of Licensor, 12,863 shares of Class B Preferred Stock of Licensor, 1474.34 shares of Class C Preferred Stock of Licensor and 13,880 shares of Class D Preferred Stock of Licensor (collectively, the "Shares").

C. Pursuant to an Agreement and Plan of Merger dated as of March __, 1998 entered into by and among Chicago Suites, Inc. ("CSI"), a wholly owned subsidiary of OmniOffices, Assignors, various other executive suites companies (the "HQ Chicago Companies"), and the sole stockholder of each of Assignors and the HQ Chicago Companies (the "Merger Agreement"), each of Assignors and the HQ Chicago Companies will merge with and into CSI (the "Merger") which effectively results in an assignment of the License Agreements and the Shares to OmniOffices, as the sole stockholder of CSI (the "Assignment").

D. OmniOffices currently owns and operates OmniOffices executive suite business centers and Optima business centers located within and outside of the Territories, and intends to continue to own and operate such centers, and to acquire and develop additional OmniOffices executive suite business centers and Optima business centers in the future, both within and outside of the Territories, and, consequently desires that Licensor (i) consent to the ownership and operation by OmniOffices of other centers as provided in Section 8.02(a)(2) of the License Agreements, and (ii) consent to the sharing by CSI with OmniOffices in the ordinary course of business of information provided to CSI by Licensor (but excluding the HQ Standards or other proprietary systems and programs of Licensor) with respect to the HQ network during the term of the License Agreements.

NOW, THEREFORE, in consideration of the premises and the mutual covenants hereinafter set forth, the parties hereto hereby agree as follows:

1. Consent to Assignment.

(a) Subject to the terms and conditions hereof, Licensor hereby consents to the Assignment, and agrees that the Assignment shall not violate or constitute, with or without the giving of notice or the passage of time, or both, a default under the License Agreements or the bylaws of Licensor. Licensor hereby agrees that the Assignment may occur without the necessity for expiration of any particular time period from the date hereof. Subject to the other provisions of this Agreement, CSI hereby agrees that from and after the later of the effective date of the Assignment and the effective date of the Merger, CSI shall keep, perform and fulfill all the terms, covenants, conditions and obligations required to be kept, performed and fulfilled by it as the licensee under the License Agreements.

(b) The consent herein provided shall not be deemed a consent to any subsequent assignment of the License Agreement or the Shares, including any reassignment from CSI to the current stockholders of CSI, and any such assignment or reassignment shall be subject to the terms and conditions of the License Agreements and the bylaws of Licensor.

2. Other Consents.

(a) Pursuant to Section 8.02(a)(2) of the License Agreements, Licensor hereby consents to the ownership and operation by OmniOffices or any affiliate thereof of any existing or future OmniOffices executive suite business centers or Optima centers located within or outside of the Territories.

(b) Licensor hereby consents to the sharing by CSI with OmniOffices in the ordinary course of business of information provided to CSI by Licensor (but excluding the HQ Standards (as defined in the License Agreement) or other proprietary systems and programs of Licensor, including, without limitation, HQ Timesaver, HQ Center Management Systems, HQ Videoaccess, HQ Netaccess and HQ Best Practices) with respect to the HQ network during the term of the License Agreements, notwithstanding the provisions of Section 3.07(a) of the License Agreements.

3. No Existing Defaults. Licensor confirms that, as of the date hereof, Assignors are not in violation of or default under the License Agreements or the bylaws of Licensor.

4. Miscellaneous. This Agreement shall be binding on and inure to the benefit of the parties hereto, and their successors and permitted assigns. This Agreement shall be governed by and construed in accordance with the laws of the State of California. This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which shall be deemed one and the same instrument. Facsimile signatures shall be valid for all purposes.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the date first above written.

LICENSOR:

HQ Network Systems, Inc.

By: _____
Russell G. Abell
President

OMNIOFFICES:

OmniOffices, Inc.

By: _____
Joseph D. Wallace
Executive Vice President

CSI:

Chicago Suites, Inc.

By: _____
Joseph D. Wallace
President

ASSIGNORS:

HQ Chicago, Inc.

By: _____
Ronald Whitehouse
Chairman of the Board and
Chief Executive Officer

HQ Indianapolis, Inc.

By: _____
Ronald Whitehouse
Chairman of the Board and
Chief Executive Officer

Anron, Inc.

By: _____
Ronald Whitehouse
Chairman of the Board and
Chief Executive Officer

Executive Suite Management, Inc.

By: _____
Ronald Whitehouse
Chairman of the Board and
Chief Executive Officer

EXHIBIT I

_____, 1998

Ronald Whitehouse
c/o Whitehouse Companies
[ADDRESS]

Re: OmniOffices, Inc./Whitehouse Companies

Gentlemen:

This firm has acted as special counsel to OmniOffices, Inc., a Delaware corporation ("OmniOffices") and its wholly owned subsidiary Chicago Suites, Inc., a Delaware corporation ("CSI"), in connection with the Agreement and Plan of Merger dated as of March __, 1998 (the "Merger Agreement") by and among OmniOffices, CSI, the companies identified on Exhibit A (each a "Company," together the "Companies"), and Mr. Ronald Whitehouse, the sole stockholder of each Company (the "Stockholder"). This opinion letter is furnished to you pursuant to the requirements set forth in Section 9.7 of the Merger Agreement in connection with the closing thereunder on the date hereof. Capitalized terms used herein which are defined in the Merger Agreement shall have the meanings set forth in the Merger Agreement, unless otherwise defined herein.

For purposes of this opinion letter we have examined copies of the following documents:

1. Executed copy of the Merger Agreement.

2. The Certificates of Incorporation of each of OmniOffices and CSI, each as amended (the "Charters"), as certified by the Secretary of State of the State of Delaware (the "Secretary of State") on _____, 1998 and _____, 1998,

respectively, and as certified by the Secretaries of OmniOffices and CSI, respectively on the date hereof as being complete, accurate and in effect.

3. The bylaws of OmniOffices and CSI, as certified by the Secretaries of OmniOffices and CSI, respectively, on the date hereof as being complete, accurate and in effect.

4. Certificates of good standing of OmniOffices and CSI issued by the Secretary of State, dated _____, 1998 and _____, 1998, respectively.

5. Certain resolutions of the Board of Directors of OmniOffices adopted at a meeting thereof on February [18], 1998 and on _____, 1998, as certified by the Secretary of OmniOffices on the date hereof as being complete, accurate and in effect, relating to authorization of the Merger Agreement, and the transactions contemplated thereby.

6. Certain resolutions of the Board of Directors of CSI adopted by written consent of the sole director of CSI on _____, 1998, as certified by the Secretary of CSI on the date hereof as being complete, accurate and in effect, relating to authorization of the Merger Agreement, and the transactions contemplated thereby.

7. Certificates of the Secretaries of OmniOffices and CSI, as to the incumbency and signatures of certain officers of OmniOffices and CSI, respectively.

8. Certificates of certain officers of OmniOffices and CSI, dated the date hereof, as to certain facts relating to OmniOffices and CSI, respectively.

9. The Certificates of Merger filed with the Secretary of State on _____, 1998 (the "Certificates of Merger") and the [articles of merger] filed under the [Secretaries of State of the states of California, Illinois, Indiana and Florida] (the "Articles of Merger"), in respect of the merger of each Company with and into CSI.

We have not, except as specifically identified above, made any independent review or investigation of factual or other matters, including the organization, existence, good standing, assets, business or affairs of OmniOffices or CSI or any of the other entities referred to above. In our examination of the aforesaid certificates, records, documents and agreements, we have assumed the genuineness of all signatures, the legal capacity of all natural persons, the accuracy and completeness of all documents submitted to us, the authenticity of all original documents, and the conformity to authentic original documents of all documents submitted to us as copies (including telecopies). We also have assumed the authenticity, accuracy and completeness of the foregoing certifications (of public officials, governmental agencies and departments, corporate officers and individuals) and statements of fact, on which we are relying, and have made no independent investigations thereof. In rendering the following opinions we have relied as to factual matters, without independent investigation, upon the representations, warranties and certifications made by OmniOffices or CSI in or pursuant to the Merger Agreement and upon the officers' certificate identified in Paragraph 8 above. This opinion letter is given, and all statements herein are made, in the context of the foregoing.

As used in this opinion letter, the phrase "to our knowledge" means the actual knowledge (that is, the conscious awareness of facts or other information) of lawyers in the firm who have given substantive legal attention to representing OmniOffices and CSI in connection with the Merger Agreement.

For purposes of this opinion letter, we have assumed that (i) each of the parties to the Merger Agreement (other than OmniOffices and CSI) has all requisite power and authority under all applicable laws, regulations and governing documents to execute, deliver and perform its obligations under the Merger Agreement, (ii) each of the parties to the Merger Agreement (other than OmniOffices and CSI) has duly authorized, executed and delivered the Merger Agreement, (iii) each of the parties to the Merger Agreement (other than OmniOffices and CSI) is validly existing and in good standing in all necessary jurisdictions, (iv) the Merger Agreement constitutes a valid and binding obligation, enforceable against each of the parties thereto (other than OmniOffices and CSI) in accordance with its terms, and (v) there has been no material mutual mistake of fact or misunderstanding or fraud, duress or undue influence in connection with the negotiation, execution or delivery of the Merger Agreement.

This opinion letter is based as to matters of law solely on applicable provisions of (i) the General Corporation Law of the State of Delaware, as amended (the "Delaware Corporation Law") and (ii) District of Columbia law, and we express

no opinion as to any other laws, statutes, ordinances, rules or regulations (such as federal or state securities laws or regulations, antitrust or unfair competition laws or regulations or tax laws or regulations). For purposes of the opinions expressed in Paragraph (d) below, we have assumed that the relevant laws of the States of California, Illinois, Indiana and Florida are the same in substance as the relevant laws of the District of Columbia.

Based upon, subject to and limited by the foregoing, we are of the opinion that:

(a) OmniOffices and CSI were incorporated, and are existing in good standing as of the date identified in the certificates referred to in Paragraph 4 above, under the laws of the State of Delaware.

(b) OmniOffices and CSI have the corporate power and corporate authority under their respective Charters and the Delaware Corporation Law to execute and deliver the Merger Agreement and to perform their respective obligations thereunder.

(c) The execution, delivery and performance as of the date hereof by OmniOffices and CSI of the Merger Agreement (i) do not violate the Delaware Corporation Law or the Charters or bylaws of OmniOffices or CSI, or (ii) to our knowledge, do not violate any applicable law, rule, regulation, order, judgment or decree of any Delaware governmental agency.

(d) The Merger Agreement has been duly executed and delivered on behalf of OmniOffices and CSI and constitutes a valid and binding obligation of each of OmniOffices and CSI, enforceable in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights (including, without limitation, the effect of statutory and other law regarding fraudulent conveyances, fraudulent transfers and preferential transfers) and as may be limited by the exercise of judicial discretion and the application of principles of equity including, without limitation, requirements of good faith, fair dealing, conscionability and materiality (regardless of whether such agreement is considered in a proceeding in equity or at law).

(e) The Merger Agreement and the Certificates of Merger are in proper form, and have received the necessary corporate approvals on the part of the board of directors and stockholders of each of OmniOffices and CSI, so as to satisfy the requirements contained in the Delaware General Corporation Law, as amended,

as to the form of an agreement of merger and a certificate of merger and as to corporate approvals by Delaware corporations with respect to a merger between a Delaware corporation and corporations organized under the laws of another state. If the Certificates of Merger and the Articles of Merger are properly filed in accordance with the Delaware General Corporation Law, as amended, and the related Articles of Merger are properly filed in accordance with the laws of the States of California, Illinois, Indiana and Florida (and assuming that all the necessary corporate action in respect of such merger has been duly and validly taken by the Companies and their shareholders), then upon such filing the merger of each Company into CSI will be legally effective in accordance with the Delaware General Corporation Law, as amended.

The opinion expressed in Paragraph (d) above shall be understood to mean only that if there is a default in performance of an obligation, (i) if a failure to pay or other damage can be shown and (ii) if the defaulting party can be brought into a court which will hear the case and apply the governing law, then, subject to the availability of defenses, and to the exceptions set forth in Paragraph (d) above, the court will provide a money damage (or perhaps injunctive or specific performance) remedy.

* * * *

We assume no obligation to advise you of any changes in the foregoing subsequent to the delivery of this opinion letter. This opinion letter has been prepared solely for your use in connection with the Closing under the Purchase Agreement on the date hereof, and should not be quoted in whole or in part or otherwise be referred to, nor be filed with or furnished to any governmental agency or other person or entity, without the prior written consent of this firm.

Very truly yours,

Exhibit J

FORM OF COMPANIES' COUNSEL OPINION

(a) Each Company was incorporated, and is validly existing and in good standing as of the date of the respective certificates specified in Paragraph _____ above, under the laws of the respective states set forth on Exhibit A attached hereto. Each of the Companies has the corporate power and corporate authority under its articles of incorporation and the law of its jurisdiction of organization to own, lease and operate its current properties and to transact the business in which it is currently engaged.

(b) Each Company is authorized to transact business as a foreign corporation in the respective states and as of the respective dates of the certificates specified in Paragraph[s] ___, ___ and ___ above.

(c) Each Company has the corporate authority under its articles of incorporation and the law of its jurisdiction of organization to execute and deliver the Agreement and to perform its obligations thereunder. The execution, delivery and performance as of the date hereof by each Company of the Agreement have been duly authorized by all necessary corporate action of each Company.

(d) The Agreement has been duly executed and delivered on behalf of Whitehouse and each Company and constitutes a valid and binding obligation of Whitehouse and each Company, enforceable in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights (including, without limitation, the effect of statutory and other law regarding fraudulent conveyances, fraudulent transfers and preferential transfers) and as may be limited by the exercise of judicial discretion and the application of principles of equity including, without limitation, requirements of good faith, fair dealing, conscionability and materiality (regardless of whether such agreement is considered in a proceeding in equity or at law).

(e) The execution, delivery and performance as of the date hereof (i) by each Company of the Agreement do not require any approval of its shareholders which has not been obtained, (ii) by each Company of the Agreement do not violate the law of its jurisdiction of organization or the Articles of Incorporation or Bylaws of any Company, (iii) by Whitehouse and each Company of the Agreement do not to our knowledge, violate any applicable law, rule, regulation, order, judgment or decree of any governmental agency, (iv) to our knowledge, do not breach or constitute a default under any agreement or contract (other than the real property leases identified on Schedule A as to which we express no opinion) to which any Company or Whitehouse is a party or to which any Company or Whitehouse is subject or (v) to our knowledge, do not result in the creation of any lien upon any of the properties of any Company pursuant to any of the foregoing.

(f) No approval or consent of, or registration or filing with, [[specify federal agency] or] [specify State governmental agency] is required to be obtained or made by Whitehouse or any Company in connection with the execution, delivery and performance as of the date hereof by Whitehouse or such Company of the Agreement.

The authorized, issued and outstanding capital stock of each Company, and the holders of record thereof, are as set forth in the table appearing in Section _____ of the Agreement. All shares of capital stock of each Company shown as issued and outstanding in said table are duly authorized and are validly issued, fully paid and non-assessable. To our knowledge, there are no other shares of capital stock of any Company outstanding. To our knowledge, no Company has issued any outstanding securities convertible into or exchangeable for, or outstanding options, warrants or other rights to purchase or to subscribe for, any shares of stock or other securities of any Company.

(h) The Agreement and Plan of Merger, the Certificates of Merger and Articles of Merger are in proper form, and have received the necessary corporate approvals on the part of the board of directors and stockholders of each Company, so as to satisfy the requirements contained in the Delaware General Corporation Law, as amended; the

California General Corporation Law, as amended; the Illinois Business Corporation Act of 1983, as amended; the Indiana Business Corporation Law, as amended; and the Florida Business Corporation Act, as amended as to the form of an agreement of merger and a certificate of merger and as to corporate approvals by California, Illinois, Indiana and Florida corporations with respect to a merger between a Delaware corporation and a corporation organized under the laws of California, Illinois, Indiana or Florida, as the case may be. If the Certificates of Merger are properly filed in accordance with the Delaware General Corporation Law, as amended, and the related Articles of Merger are properly filed in accordance with the laws of the States of Illinois, Indiana, California, and Florida, as the case may be (and assuming that all the necessary corporate action in respect of such merger has been duly and validly taken by OmniOffices and NEWCO and their respective shareholders), then upon such filing, the merger of each Company into NEWCO will be legally effective in accordance with the California General Corporation Law, as amended; the Illinois Business Corporation Act of 1983, as amended; the Indiana Business Corporation Law, as amended; and the Florida Business Corporation Act, as amended.

Based solely upon the officers' certificate identified in Paragraph ___ above and a review of this firm's litigation docket, we hereby confirm to you that, to our knowledge, there are no actions, suits or proceedings pending or threatened against Whitehouse or any Company, or in which Whitehouse or any Company is a party, before any court or governmental department, commission, board, bureau, agency or instrumentality that question the validity of the Agreement or any action taken or to be taken pursuant thereto, or that seek to enjoin or otherwise prevent the consummation of the transactions contemplated by the Agreement or to recover in damages or obtain other relief as a result thereof, or that, if determined adversely to Whitehouse or any Company, would result in any material liability on the part of Whitehouse or such Company or in any material adverse change in the financial condition of Whitehouse or any Company.

The opinion expressed in Paragraph (d) above shall be understood to mean only that if there is a default in performance of an obligation, (i) if a failure to pay or other damage can be shown and (ii) if the defaulting party can be brought into a court which will hear the case and apply the governing law, then, subject to the availability of defenses, and to the exceptions set forth in Paragraph (d) above, the court will provide a money damage (or perhaps injunctive or specific performance) remedy.

EXHIBIT K

MERGER CONSIDERATION ALLOCATION

Merging Company	Merger Consideration	Outstanding Shares	Price Per Share
Illinois Business Unit			
HQ Chicago, Inc.	20,476,597	151,000	$ 135.6066
HQ Loop, Inc.	5,005,368	1,000	5,005.368
HQ Lisle, Inc.	3,296,089	1,000	3,296.089
HQ Wacker, Inc.	3,332,794	1,000	3,332.794
HQ Bannockburn, Inc.	1,776,881	1,000	1,776.881
HQ Indianapolis, Inc.	1,298,448	100	12,984.48
HQ Meridian, Inc.	1,905,823	1,000	1,905.823
TOTAL	37,092,000		
Florida Business Unit			
Anron, Inc.	3,852,929	1,000	3,852.929
Ronette, Inc.	2,330,854	1,000	2,330.854
HQ Boca Raton, Inc.	1,998,782	1,000	1,998.782
HQ Plantation, Inc.		1,000	0
HQ Hidden River, Inc.	1,365,866	1,000	1,365.866
HQ Rocky Point, Inc.	3,745,069	1,000	3,745.069
TOTAL	13,293,500		
California Business Unit			
LaJolla ESM, Inc.	2,955,606	1,000	2,955.606
HQ Rancho Bernardo, Inc.	349,438	100	3,494.38
Executive Suite Management, Inc.	428,644	1,000	428.644
Del Mar ESM Inc.	880,811	100	8,808.11
TOTAL	4,614,500		

Exhibit L

Form of Real Estate Counsel's Opinion

DRAFT

March _____, 1998

OmniOffices, Inc./Chicago Suites, Inc.
1117 Perimeter Center West
Suite 500 East
Atlanta, Georgia 30338

Gentlemen:

This opinion is furnished pursuant to that certain Agreement and Plan of Merger dated as of March _____, 1998 (hereinafter referred to as the "Merger Agreement") by and among OmniOffices, Inc. (hereinafter referred to as "OmniOffices"), Chicago Suites, Inc. ("Newco"), and HQ CHICAGO, INC., an Illinois corporation ("HQ-Chicago"), HQ LOOP, INC., an Illinois corporation ("HQ-Loop"), HQ LISLE, INC., an Illinois corporation ("HQ-Lisle"), HQ WACKER, INC., an Illinois corporation ("HQ-Wacker"), HQ BANNOCKBURN, INC., an Illinois corporation ("HQ-Bannockburn"), HQ INDIANAPOLIS, INC., an Indianan corporation ("HQ-Indianapolis"), HQ MERIDIAN, INC., an Indiana corporation ("HQ-Meridian"), ANRON, INC., a Florida corporation ("Anron"), HQ ROCKY POINT, INC., a Florida corporation ("HQ-Rocky Point"), RONETTE, INC., a Florida corporation ("Ronette"), HQ HIDDEN RIVER, INC., a Florida corporation ("HQ-Hidden River"), HQ BOCA RATON, INC., a Florida corporation ("HQ-Boca Raton"), HQ PLANTATION, INC., a Florida corporation ("HQ-Plantation"), LAJOLLA ESM, INC., a California corporation ("LaJolla ESM"), HQ RANCHO BERNARDO, INC., a California corporation ("HQ-Rancho Bernardo"), EXECUTIVE SUITE MANAGEMENT, INC., a California corporation ("ESM"), DEL MAR ESM INC., a California corporation ("Del Mar ESM"), and Ronald Whitehouse (the "Stockholder"), the sole stockholder of HQ-Chicago, HQ-Loop, HQ-Lisle, HQ-Wacker, HQ-Bannockburn, HQ-Indianapolis, HQ-Meridian, Anron, HQ-Rocky Point, Ronette, HQ-Hidden River, HQ-Boca Raton, HQ-Plantation, LaJolla ESM, HQ-Rancho Bernardo, ESM, and Del Mar ESM (each a "Merging Company," together the "Merging

Companies") and in consideration of your agreement to request an estoppel certificate from all lessors under the leases referred to in Section 4.15 of the Merger Agreement (hereinafter referred to collectively as the "Leases") within ten (10) days of the consummation of the transactions contemplated by the Merger Agreement acknowledging that the lessee thereunder is not then in default under such Lease. In connection with the Merger Agreement, we have acted as special real estate counsel for the Merging Companies and the Stockholder.

In rendering this opinion, we have examined the Merger Agreement, the leases and such other documents and records pertaining to our clients as in our judgment are necessary or appropriate to enable us to render the opinion expressed below.

For the purposes of this opinion, we have assumed that:

(a) The execution and delivery of the Merger Agreement, Leases, and other documents reviewed by us, and the entry into and performance of the transactions contemplated by the Merger Agreement and the Leases, by all parties other than the Merging Companies and the Stockholder have been duly authorized by all necessary actions, and the Merger Agreement and the Leases constitute the valid and binding obligations of all parties other than the Merging Companies and the Stockholder.

(b) All natural persons who are signatories to the Merger Agreement and the Leases were legally competent at the time of execution.

(c) All signatures on the Merger Agreement and the Leases and other documents reviewed by us, on behalf of parties other than the Merging Companies and the Stockholder, are genuine.

(d) The copies of all documents submitted to us are accurate and complete and conform to originals.

The opinion hereinafter expressed is further subject to the following qualifications:

(1) This opinion is based upon existing laws, ordinances and regulations in effect as of the date hereof and as they presently apply.

(2) We express no opinion as to the effect of the laws of any state or jurisdiction other than the State of Illinois upon the transactions described herein. We are rendering no opinion on federal or state securities or banking laws, or the effect of such laws on the transaction described in the Merger Agreement. We shall have no continuing obligations to inform you of changes in law or fact subsequent to the date hereof or of facts of which we become aware after the date hereof.

Based upon and subject to the foregoing, WE ARE OF THE OPINION THAT, provided that (i) consents of certain landlords under certain Leases as identified on Schedule A attached hereto and by this reference incorporated herein are obtained, and (ii) OmniOffices meets all creditworthiness tests under certain other leases identified on said Schedule A, the execution, delivery and performance as of the date hereof of the Merger Agreement do not breach or constitute a default which has continued beyond, or which might mature into a default after expiration of, any applicable grace or cure period after notice, if required, under any Lease.

This opinion is being given upon your agreement to request consent from and provide all relevant infromation to any lessor under a Lease claiming a requirement of consent or approval to the transfer of such Lease to you.

This opinion is limited to the matters set forth herein. No opinion may be inferred or implied beyond the matters expressly contained herein. This opinion is rendered solely for your benefit and no other person or entity shall be entitled to rely on any matter set forth herein without the express written consent of the undersigned.

Very truly yours,

KATZ RANDALL & WEINBERG

By:_____

SCHEDULE A

Schedule of Leases Requiring Landlord's Consent or Creditworthiness of OmniOffices

A. Leases Requiring Landlord's Consent:

1. One Brickle Square
   Miami, FL

2. First Union Tower
   Orlando, Fl

3. Orion Building
   Tampa, FL

4. Chatham Centre Northwest
   Schaumburg, IL

B. Leases Requiring Creditworthiness of OmniOffices

1. Westwood of Lisle
   Lisle, IL

2. One Northbrook Place
   Northbrook, IL

3. One Boca Place
   Boca Raton, FL

~~4. Chatham Centre Northwest~~
~~Schaumburg, IL~~

FIRST AMENDMENT TO THE AGREEMENT AND PLAN OF MERGER

THIS FIRST AMENDMENT TO THE AGREEMENT AND PLAN OF MERGER (this "First Amendment") is dated as of April 20th, 1998 by and among OMNIOFFICES, INC., a Delaware corporation ("OmniOffices"), CHICAGO SUITES, INC., a Delaware corporation ("NEWCO"), HQ CHICAGO, INC., an Illinois corporation ("HQ-Chicago"), HQ LOOP, INC., an Illinois corporation ("HQ-Loop"), HQ LISLE, INC., an Illinois corporation ("HQ-Lisle"), HQ WACKER, INC., an Illinois corporation ("HQ-Wacker"), HQ BANNOCKBURN, INC., an Illinois corporation ("HQ-Bannockburn"), HQ INDIANAPOLIS, INC., an Indiana corporation ("HQ-Indianapolis"), HQ MERIDIAN, INC., an Indiana corporation ("HQ-Meridian"), ANRON, INC., a Florida corporation ("Anron"), HQ ROCKY POINT, INC., a Florida corporation ("HQ-Rocky Point"), RONETTE, INC., a Florida corporation ("Ronette"), HQ HIDDEN RIVER, INC., a Florida corporation ("HQ-Hidden River"), HQ BOCA RATON, INC., a Florida corporation ("HQ-Boca Raton"), HQ PLANTATION, INC., a Florida corporation ("HQ-Plantation"), LAJOLLA ESM, INC., a California corporation ("LaJolla ESM"), HQ RANCHO BERNARDO, INC., a California corporation ("HQ-Rancho Bernardo"), EXECUTIVE SUITE MANAGEMENT, INC., a California corporation ("ESM"), DEL MAR ESM INC., a California corporation ("Del Mar ESM"), and RONALD WHITEHOUSE (the "Stockholder"), the sole stockholder of HQ-Chicago, HQ-Loop, HQ-Lisle, HQ-Wacker, HQ-Bannockburn, HQ-Indianapolis, HQ-Meridian, Anron, HQ-Rocky Point, Ronette, HQ-Hidden River, HQ-Boca Raton, HQ-Plantation, LaJolla ESM, HQ-Rancho Bernardo, ESM, and Del Mar ESM (each a "Merging Company," together the "Merging Companies").

WHEREAS, pursuant to Section 15.5 of the Agreement and Plan of Merger by and among the parties hereto dated as of March 13, 1998 (the "Merger Agreement"), the parties hereto desire to amend the Merger Agreement to provide that the effective date shall be May 1, 1998 with respect to the mergers of HQ-Chicago, HQ-Loop, HQ-Lisle, HQ-Wacker, HQ-Bannockburn, HQ-Indianapolis, and HQ-Meridian with and into NEWCO, subject to the satisfaction or waiver of certain conditions.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements hereinafter set forth, the parties hereto hereby amend Section 2.3 of the Merger Agreement to provide that the effective date shall be May 1, 1998 with respect to the mergers of HQ-Chicago, HQ-Loop, HQ-Lisle, HQ-Wacker, HQ-Bannockburn, HQ-Indianapolis, and HQ-Meridan with and into NEWCO, provided that the conditions set forth in Sections 9 and 10 of the Merger Agreement are satisfied or waived by such date.

Except as modified herein, all terms and conditions of the Merger Agreement shall remain in full force and effect, which terms and conditions the parties hereby ratify and affirm.

IN WITNESS WHEREOF, the parties hereto have duly executed this First Amendment, or have caused this First Amendment to be duly executed on their behalf, as of the day and year first above written.

BUYER:

OMNIOFFICES, INC.

By: _____
Name: Joseph D. Wallace
Title: Executive Vice President

CHICAGO SUITES, INC.

By: _____
Name: Joseph D. Wallace
Title: President

MERGING COMPANIES:

HQ CHICAGO, INC., HQ LOOP, INC., HQ LISLE, INC., HQ WACKER, INC., HQ BANNOCKBURN, INC., HQ INDIANAPOLIS, INC., HQ MERIDIAN, INC., ANRON, INC., HQ ROCKY POINT, INC., RONETTE, INC., HQ HIDDEN RIVER, INC., HQ BOCA RATON, INC., HQ PLANTATION, INC., LAJOLLA ESM, INC., HQ RANCHO BERNARDO, INC., EXECUTIVE SUITE MANAGEMENT, INC., AND DEL MAR ESM, INC.,

By: _____
Name: Ronald Whitehouse
Title: Chief Executive Officer and Chairman of the Board

IN WITNESS WHEREOF, the parties hereto have duly executed this First Amendment, or have caused this First Amendment to be duly executed on their behalf, as of the day and year first above written.

BUYER:

OMNIOFFICES, INC.

By: _____
Name: Joseph D. Wallace
Title: Executive Vice President

CHICAGO SUITES, INC.

By: _____
Name: Joseph D. Wallace
Title: President

MERGING COMPANIES:

HQ CHICAGO, INC., HQ LOOP, INC., HQ LISLE, INC., HQ WACKER, INC., HQ BANNOCKBURN, INC., HQ INDIANAPOLIS, INC., HQ MERIDIAN, INC., ANRON, INC., HQ ROCKY POINT, INC., RONETTE, INC., HQ HIDDEN RIVER, INC., HQ BOCA RATON, INC., HQ PLANTATION, INC., LAJOLLA ESM, INC., HQ RANCHO BERNARDO, INC., EXECUTIVE SUITE MANAGEMENT, INC., AND DEL MAR ESM, INC.,

By: _____
Name: Ronald Whitehouse
Title: Chief Executive Officer and Chairman of the Board

STOCKHOLDER:

Ronald Whitehouse

For purposes of Sections 3.5 and 15.9 of the Merger Agreement only:

CARRAMERICA REALTY CORPORATION

By: _____
Name: _____
Title: _____

STOCKHOLDER:

Ronald Whitehouse

For purposes of Sections 3.5 and 15.9 of the Merger Agreement only:

CARRAMERICA REALTY CORPORATION

By: _____
Name: Brian Reilly
Title: CFO