

The Work Letter

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Attached are two work letters - one to be utilized when the Landlord performs the tenant improvement work and the second to be utilized when the Tenant performs the tenant improvement work.

Key issues are:

- Deciding who will engage the contractor and be responsible for the performance of the work;
- Determining when the space is ready for occupancy;
- Determining what constitutes a delay and the penalties therefor;
- Determining when Rent will commence;
- Determining who pays for the build-out and related costs; and
- The relationship with the Alterations Section and other key Sections of the Lease.

LANDLORD DOES THE WORK

WORK LETTER

This is the Tenant Work Letter referred to in the Lease of even date herewith (the "Lease") wherein _____ ("Tenant"), has agreed to lease certain space from _____, a _____ ("Landlord"), at _____, _____, _____. Unless otherwise defined herein, all capitalized terms used herein shall have the respective meanings assigned to them in the Lease.

1. Work

- (a) Landlord shall provide the construction material, hardware and equipment and the labor to construct and install the improvements to the Premises described in the Plans (as that term is hereinafter described). The material, hardware and equipment as incorporated into the Premises pursuant to the Plans are herein collectively referred to as the "Work". **[In addition, and as part of the Work, Landlord shall supply the base building conditions set forth on Schedule 1-A attached hereto.** Tenant agrees that notwithstanding anything contained herein to the contrary, the Plans and accordingly, the Work shall in all events include the building standard material, hardware and equipment described on Schedule 1[-B] attached hereto. Subject to the provisions of this Work Letter, Landlord shall proceed diligently to cause the Work (approved by Landlord) to be Substantially Completed (as determined pursuant to Paragraph 4 below) in accordance with the terms and conditions of the Lease.
- (b) Tenant agrees to cause its interior space planner, _____ (the "Interior Space Planner"), to deliver to Landlord on or before _____, 200__, preliminary space plans for the Premises, which preliminary space plans shall include the following information: (1) partition layout; (2) door layout; (3) identification of ceiling types; (4) identification of flooring types; (5) identification of proposed room types and uses; (6) identification of all special floor loading areas and above standard furniture and equipment (files, safes, etc.), along with applicable structural loading information to determine if any structural reinforcing is required; and (7) general information in the form of outline specifications for all proposed millwork, electrical, mechanical, fire protection, communications technology systems and plumbing requirements. Such preliminary space plans are herein referred to as the "Preliminary Space Plans". The Preliminary Space Plans are subject to Landlord's review and approval. Upon receipt of a complete set of the Preliminary Space Plans Landlord will review the same and shall submit written comments to Tenant within seven (7) business days. Tenant shall cause the Preliminary Space Plans to be revised to incorporate Landlord's comments.
- (c) On or before _____, 200__, Tenant shall deliver to Landlord architectural design development plans and specifications (the "Architectural Design Plans") for the Work to be performed in the Premises. The Architectural

Design Plans shall be sufficient in all respects for Tenant to cause the mechanical/electrical/communications technology systems engineer, Environmental Systems Design, Inc. (the "Engineer" or "ESD") to commence the preparation of the mechanical/electrical/fire protection/plumbing plans and the communications technology design and review (herein referred to as the "MEP/CT Engineering Plans") and without limiting the foregoing shall include the following: (1) all of Landlord's comments to the Preliminary Space Plans; (2) demolition plans; (3) partition plans; (4) reflected ceiling plans; (5) flooring plans; (6) electrical and telephone outlet plans; (7) furniture plans; (8) floor loading plans indicating any special floor loading areas, specific weights for concentrated loads in sufficient detail to allow for structural engineering; (9) computer equipment and support area plans; (10) special area plans (i.e., kitchens, A/V, washrooms, etc.); (11) door, frame and hardware schedules; (12) wall finish plans; (13) elevations, details and sections as required; and (14) specific critical information required by the Engineer to sufficiently engineer the aforesaid Premises. The Architectural Design Plans shall be subject to Landlord's prior written approval. Landlord shall either approve or disapprove the Architectural Design Plans in writing within seven (7) days of receipt by Landlord of a complete set thereof. If Landlord does not approve the same, Landlord shall advise Tenant in writing generally of the changes required in such Architectural Design Plans so that they will meet with Landlord's approval. Tenant shall cause the Interior Space Planner to revise the Architectural Design Plans pursuant to Landlord's comments and to deliver to Landlord, within seven (7) days after receipt by Tenant of such comments, revised Architectural Design Plans noting the changes for Landlord's approval. Landlord shall continue to comment on such Architectural Design Plans and Tenant shall continue to revise said Architectural Design Plans within seven (7) days of receipt of comments from Landlord until such Architectural Design Plans are approved by Landlord. Notwithstanding anything herein to the contrary, if Tenant elects to use the services of a communication systems design engineer other than ESD, Landlord requires that Tenant submit drawings to Landlord for review and approval by ESD. The cost of such review, along with the cost of updating Landlord's infrastructure documents, shall be borne by Tenant.

- (d) Tenant agrees to cause the Interior Space Planner and the Engineer to prepare the MEP/CT Engineering Plans for the Premises and deliver said drawings to Landlord. Tenant and the Engineer shall cooperate fully to provide all information necessary for the timely completion of the MEP/CT Engineering Plans and approval thereof by Landlord. Landlord agrees to either approve or disapprove said MEP/CT Engineering Plans in writing within seven (7) days of receipt thereof by Landlord. If Landlord disapproves of said MEP/CT Engineering Plans, Landlord agrees to advise Tenant in writing generally of the required changes. Tenant shall deliver to Landlord revised MEP/CT Engineering Plans pursuant to Landlord's comments within five (5) days of receipt of Landlord's comments. This procedure shall be repeated until Landlord approves the MEP/CT Engineering Plans for the Premises.

- (e) Notwithstanding anything herein to the contrary, on or before _____, 200_, Tenant agrees to cause to be delivered to Landlord fully completed and coordinated Architectural Design Plans and MEP/CT Engineering Plans (the "Construction Documents") sufficient in detail so that Landlord can use such revised plans to obtain a building permit and contractors' bids for the Work. The Construction Documents must be in a final and complete form with all necessary design elements identified and specified to fully bid and construct the Work. The Construction Documents are subject to Landlord's review and approval. Landlord shall review the Construction Documents and submit written comments to Tenant within seven (7) days of receipt by Landlord of a complete set thereof. If Landlord does not approve the same, Landlord shall advise Tenant in writing generally of the changes required in the Construction Documents so that they meet with Landlord's approval. Tenant shall cause the Construction Documents to be revised until they will meet with Landlord's approval. The Architectural Design Plans, the MEP/CT Engineering Plans and the Construction Documents are herein collectively referred to as the "Plans".
- (f) Tenant represents to Landlord that Tenant has reviewed its needs and the above specified delivery dates with the Interior Space Planner and that Tenant has assured itself that the Plans can be delivered as herein above required. Tenant agrees to cooperate with the Interior Space Planner as promptly as possible and in any event in sufficient time to cause the Plans to be prepared and timely delivered as herein above required.
- (g) Neither review nor approval by Landlord of any of the Plans shall constitute a representation or warranty by Landlord that such Plans either (i) are complete or suitable for their intended purpose or (ii) comply with applicable laws, ordinances, codes and regulations, it being expressly agreed by Tenant that Landlord assumes no responsibility or liability whatsoever to Tenant or to any other person or entity for such completeness, suitability or compliance.
- (h) Landlord agrees to reimburse Tenant up to (i) \$_____ per square foot of Rentable Area in the Premises toward the cost of the Preliminary Space Plans, (ii) \$_____ per square foot of Rentable Area in the Premises toward the cost of the MEP/CT Engineering Plans and (iii) \$_____ per square foot of Rentable Area in the Premises toward the cost of the Architectural Design Plans, promptly following the presentation to Landlord of final bills and invoices marked "Paid" for the same. All costs in excess of the maximum amounts specified herein shall be paid by Tenant. All amounts paid by Landlord to Tenant under this Section 1(h) shall reduce the Allowance paid by the Landlord to Tenant under Section 2(c).
- (i) Tenant's obligations to pay Rent under the Lease shall not commence until Landlord shall have Substantially Completed the Work, provided, however, that the payment of Rent shall not be affected or deferred on account of any delay in substantially completing the Work which results from the following events (collectively, "Tenant Delays"):

- (i) The failure of Tenant to furnish any of the Plans in accordance with the schedule and meeting the requirements set forth in this Section 1 including, without limitation, the failure of Landlord and Tenant to agree upon final versions of the Plans by the following dates: (A) Preliminary Space Plans - _____, 200__; (B) Architectural Design Plans - _____, 200__; (C) Construction Documents - _____, 200__; or
- (ii) The failure of Tenant to approve the cost of the Work within the time specified in Section 2 hereof; or
- (iii) The request by Tenant for materials, finishes or installations identified by Landlord as long lead items; or
- (iv) Changes in the Plans requested by Tenant (notwithstanding Landlord's approval of such changes); or
- (v) The performance of any work by Tenant or any person, firm or corporation employed by Tenant; or
- (vi) Any default or delay by Tenant or its agents hereunder or any Default under the Lease.

Landlord's determination as to the duration of Tenant Delays shall be conclusive and binding upon Tenant absent manifest error.

2. Cost of Work

- (a) Upon Landlord's approval of the Work incorporated into the Plans, Landlord shall obtain and submit to Tenant a fixed, lump sum price for the Work. This price (the "Construction Price") will be obtained by bidding the Work to a minimum of three (3) general contractors from Landlord's list of approved contractors which list is attached hereto as Schedule 2 and made a part hereof. Tenant shall have the right to reasonably object to any but not all proposed bidders. Landlord will submit a detailed recommendation if other than the low bidder is deemed by Landlord to have the best overall proposal.
- (b) Tenant shall approve the Construction Price within five (5) days after Landlord submits the Construction Price to Tenant. The Construction Price shall include an additional charge which shall be payable to Landlord of \$1.00 per square foot of Rentable Area in the Premises to cover Landlord's coordination, supervision and overhead and related expense (including, without limitation, hoisting costs during normal business hours, the hoist operator's charges during normal business hours, temporary power during construction, temporary toilet/water during construction, dumpster (subject to the provisions of Section 3(e) hereof), hot water during construction and final cleanup) allocable to the Work ("Landlord's Expenses"). Such charge payable to Landlord shall be in addition to any general contractor's fees and general conditions. The Landlord's Expenses shall be deducted from the

Allowance. If Tenant does not approve said Construction Price, then Tenant shall submit to Landlord, within such five (5) day period, written changes to the Plans (which changes are subject to Landlord's reasonable approval) in detail sufficient for Landlord to obtain a new Construction Price for the Work which is acceptable to Tenant. Landlord shall have the right to approve all such changes in the Plans.

- (c) Landlord shall give Tenant a total allowance ("Allowance") of _____ and _____/100 Dollars (\$_____) per square foot of Rentable Area in the Premises as a credit toward the cost of the Work, the preparation of the Plans and Landlord's Expenses. Tenant may use up to \$_____.00 per square foot of Rentable Area in the Premises of the Allowance for non-tenant improvement items, including soft costs, cabling, furniture and moving. The Allowance shall be reduced by the amount of Landlord's contribution towards the cost of preparation of the Plans pursuant to Section 1(h) above. Tenant shall pay the amount by which the aggregate cost of the Work, the preparation of the Plans, Landlord's Expenses, Tenant's moving costs and any other costs incurred by Tenant in connection with the preparation of and move into the Premises exceeds the Allowance (the "Excess Costs"). Tenant shall deposit the amount of the Excess Costs, if any, with Landlord within five (5) business days following the determination of the Construction Price as provided in Paragraph 2(b) above.
- (d) Landlord shall disburse the Allowance and the amount of the Excess Costs deposited by Tenant from time to time, but not more frequently than monthly to cover the costs and expenses of the preparation of the Plans, performance of the Work, Landlord's Expenses, and any other amounts payable from said funds. Landlord shall disburse funds attributable to Landlord's Expenses and the performance of the Work directly to parties entitled to receive the same and shall disburse funds attributable to the preparation of the Plans and Tenant's moving costs upon receipt from Tenant of bills, invoices, lien waivers and other supporting documentation as Landlord may reasonably require. Payment of the Allowance may be made at Landlord's election, through a construction escrow with a title insurance company selected by Landlord pursuant to escrow instructions approved by Landlord. Tenant shall be a party to the construction escrow.
- (e) Notwithstanding the foregoing, if Tenant does not use the entire amount of the Allowance for the purposes stated above, then Landlord agrees to give Tenant a credit against Base Rent payable hereunder in an amount not to exceed \$_____ per square foot of Rentable Area in the Premises, beginning with the first full monthly payment of Rent after (i) all invoices for the build-out of the Premises have been submitted and been paid and (ii) Tenant has moved into the Premises and **[(iii) any abatement of [Base] Rent under Section[s] 2(b) and 3(e) of the Lease has expired.]**

3. Access by Tenant Prior to Completion of Work

Landlord will permit Tenant and Tenant's agents, suppliers, contractors and workmen to enter the Premises prior to the completion of all Work to be performed by Landlord and its contractors to enable Tenant to install carpeting or do such other things as may be required by Tenant to make the Premises ready for Tenant's occupancy, provided that Tenant shall fully perform and comply with each of the following covenants, conditions and requirements:

- (a) If Landlord permits such entry prior to the completion of the Work, then such permission is conditioned upon Tenant and Tenant's agents, contractors, workmen, mechanics, suppliers and invitees, working in harmony and not interfering with Landlord and Landlord's agents in doing the Work in the Premises or work for other tenants and occupants of the Building; and if at any time such entry shall in the judgment of Landlord cause or threaten to cause disharmony or interference, Landlord shall have the right to withdraw such permission upon twenty-four (24) hours written notice;
- (b) Tenant agrees that any such entry into the Premises shall be deemed to be under all of the terms, covenants, conditions and provisions of the Lease except as to the covenant to pay Rent, and Tenant further agrees that in connection therewith Landlord shall not be liable in any way for any injury, loss, or damage which may occur to any of Tenant's work and installations made in the Premises or to property placed therein prior to the Commencement Date and thereafter, the same being at Tenant's sole risk. In addition, Tenant shall require all entities performing work on behalf of Tenant to provide protection for existing improvements to an extent that is satisfactory to Landlord and shall allow Landlord access to the Premises, for inspection purposes, at all times during the period when Tenant is undertaking construction activities therein. If any entity performing work on behalf of Tenant causes any injury to any person or any damage to the Premises, the Building, any other property of Landlord or any other person, then Tenant agrees to indemnify, defend and hold Landlord harmless from any loss, damage or injury suffered in connection with any such damage or injury. Further, Tenant shall cause such damage to be repaired at Tenant's expense and if Tenant fails to cause such damage to be repaired promptly upon Landlord's demand therefor, Landlord may in addition to any other rights or remedies available to Landlord under this Lease or at law or equity cause such damage to be repaired, in which event Tenant shall promptly upon Landlord's demand pay to Landlord the cost of such repairs;
- (c) All contractors and subcontractors shall use only those service corridors and service entrances designated by Landlord for ingress and egress of personnel and the delivery and removal of equipment and material through or across any common areas of the Building shall only be permitted with the written approval of Landlord and during hours determined by Landlord. Landlord shall have the right to order Tenant or any contractor or subcontractor who violates the above requirements to cease work in the Building and leave the Building and remove its

equipment and its employees from the Building and, at Landlord's option restore any portion of the Building on which it has done work to its original condition;

- (d) As part of the Coordination Fee Landlord shall allow Tenant and Tenant's contractors to have use of the hoist serving the Building during normal operating hours. To the extent Tenant or Tenant's contractors require use of the hoist after normal operating hours Landlord shall use reasonable efforts to accommodate Tenant and the cost thereof shall be determined at Landlord's reasonable discretion. Landlord shall not be required to defer use of the hoist by Landlord or others until after normal operating hours in order to allow use of the hoist by Tenant or Tenant's contractors during normal operating hours. Scheduling of Tenant's work in the Premises and the use of said hoist shall be at the reasonable discretion of Landlord or Landlord's contractor;
- (e) During the performance of Tenant's work and Tenant's fixturing, Landlord may provide trash removal service from a location designated by Landlord. Tenant shall be responsible for breaking down boxes and placing trash in Landlord's containers at such designated location. Tenant shall accumulate its trash in containers supplied by Landlord and Tenant shall not permit trash to accumulate within the Premises or in the corridors or public areas adjacent to the Premises. Tenant shall cause each entity employed by it to perform work on the Premises to abide by the provisions of this Work Letter as to the storage of trash and shall require each such entity to perform its work in a way that dust or dirt is contained entirely within the Premises and not within any other portion of the Building and shall cause Tenant's contractors to leave the Premises in broom clean condition at the end of each day. Should Landlord deem it necessary to remove Tenant's trash because of accumulation, Tenant shall pay to Landlord an additional charge for such removal on a time and material basis. The cost to Tenant for Landlord removing such trash will be based on reasonable and competitive cost which Tenant could have secured independently had Landlord not provided such service;
- (f) Tenant agrees that all services and work performed on the Premises by, on behalf of, or for the account of Tenant, including, installation of telephones, carpeting, materials and personal property delivered to the Premises shall be done in a first-class workmanlike manner using only good grades of material and shall be performed only by persons covered by a collective bargaining agreement with the appropriate trade union;
- (g) Tenant agrees to protect, indemnify, defend and hold Landlord and its agents, partners, contractors and employees harmless from and against any and all losses, damages, liabilities, claims, liens, costs, and expenses, including reasonable attorneys' fees, of whatever nature including those to the person and property of Tenant, its employees, agents, invitees, licensees and others arising out of or in connection with the activities of Tenant or Tenant's contractors in or about the Premises or the Building, and the cost of any repairs to the Premises or the Building necessitated by activities of Tenant or Tenant's contractors;

- (h) Tenant shall secure, pay for, and maintain during the continuance of its work within the Premises, policies of insurance with such coverages and such amounts as Landlord may reasonably require, which policies shall be endorsed to include Landlord and its contractor and their respective employees and agents and Landlord's mortgagees as additional insured parties and which shall provide thirty (30) days prior written notice of any alteration or termination of coverage, in such amounts and insuring such risks as Landlord may require. Tenant shall not permit Tenant's contractors to commence any work until all required insurance has been obtained by Tenant and certificates evidencing such coverage have been delivered to Landlord; and
- (i) Tenant's agents, subcontractors and vendors shall be required to conform with the "Contractor & Vendor Guidelines" attached hereto as Schedule 3 and made a part hereof.

4. Acceptance of Work

Landlord shall give Tenant or shall cause its architect to give Tenant ten (10) days prior written notice of the date on which the Work to be performed by Landlord hereunder shall be Substantially Completed. Tenant shall then have the obligation to conduct an inspection of the Premises with Landlord or Landlord's representatives within seven (7) days of the date of such notice and to give Landlord, within said seven-day period, a punch list of all items ("Punchlist Items") to be completed and/or corrected. Any items not on such punch list shall be deemed accepted by Tenant. Landlord shall correct any Punchlist Item within a reasonable period of time after the Commencement Date. The determination of Landlord's architect or Landlord's interior space planner for the Premises shall be final, conclusive, and binding on Tenant as to whether the Premises are "Substantially Completed" and ready for occupancy.

5. Miscellaneous

- (a) Except as expressly set forth herein, Landlord has no other agreement with Tenant and has no other obligation to do any other work or pay any amounts with respect to the Premises. Any other work in the Premises which may be permitted by Landlord pursuant to the terms and conditions of the Lease shall be done at Tenant's sole cost and expense and in accordance with the terms and conditions of the Lease.
- (b) This Work Letter shall not be deemed applicable to any additional space added to the original Premises at any time or from time to time, whether by any options under the Lease or otherwise, or to any portion of the original Premises or any additions thereto in the event of a renewal or extension of the initial term of the Lease, whether by any options under the Lease or otherwise, unless expressly so provided in the Lease or any amendment or supplement thereto.
- (c) The failure by Tenant to pay any monies due Landlord pursuant to this Work Letter within the time period herein stated shall be deemed a Default under the

terms of the Lease for which Landlord shall be entitled to exercise all remedies available to Landlord for nonpayment of Rent. All late payments shall bear interest and shall be subject to a late charge pursuant to the Lease.

- (d) This Work Letter is being executed in conjunction with the Lease and is subject to each and every term and condition thereof, including without limitation, the limitations of Landlord's liability set forth therein.
- (e) Tenant shall be solely responsible to determine at the site all dimensions of the Premises and the Building which affect any work to be performed by or for Tenant hereunder.

Dated this _____ day of _____, 200__.

LANDLORD:

_____ a _____

By: _____

Its: _____

TENANT:

_____ a _____

By: _____

Its _____

TENANT DOES THE WORK

WORK LETTER

This is the Tenant Work Letter referred to in the Lease of even date herewith (the "Lease") wherein _____, a _____ ("Tenant"), has agreed to lease certain space from _____, a _____ ("Landlord"), at _____, _____, _____. Unless otherwise defined herein, all capitalized terms used herein shall have the respective meanings assigned to them in the Lease.

1. Landlord's Work

- (a) Landlord, at Landlord's sole cost and expense, shall put the Premises into the condition as set forth in Schedule 1 attached hereto and hereby made a part hereof (the "Landlord's Work") on or before _____, ____ [Target Turnover Date] (provided that that portion of Landlord's Work described as the Concurrent Work on Schedule 1 [collectively, the "Concurrent Work"] is to be performed by Landlord concurrently with the performance of the Tenant's Work [as such term is hereinafter defined] in a timely manner so as not to delay completion of the Tenant's Work but, in any event, prior to the Commencement Date).

2. Tenant's Work

- (a) Tenant shall provide the construction material, hardware and equipment and the labor to construct and install the improvements to the Premises described in the Plans (as that term is hereinafter described). The material, hardware and equipment as incorporated into the Premises pursuant to the Plans are herein collectively referred to as the "Tenant's Work". Subject to the provisions of this Work Letter, Tenant shall proceed diligently to cause the Tenant's Work approved by Landlord to be completed in accordance with the terms and conditions of the Lease and this Work Letter. Notwithstanding anything contained herein to the contrary, Tenant's Work in all events shall include the material, hardware and equipment described in, and Tenant shall otherwise comply with, the Landlord's Construction Guidelines, Rules and Regulations.
- (b) Tenant agrees to cause its interior space planner, _____ (the "Interior Space Planner"), to deliver to Landlord on or before _____, 200__, preliminary space plans for the Premises, which preliminary space plans shall include the following information: (1) partition layout; (2) door layout; (3) identification of ceiling types; (4) identification of flooring types; (5) identification of proposed room types and uses; (6) identification of all special floor loading areas and above standard furniture and equipment (files, safes, etc.), along with applicable structural loading information to determine if any structural reinforcing is required; and (7) general information in the form of outline specifications for all proposed millwork, electrical, mechanical, fire protection, communication technology systems and plumbing requirements. Such preliminary space plans are herein referred to as the "Preliminary Space Plans". The Preliminary Space Plans are subject to Landlord's review and approval.

Upon receipt of a complete set of the Preliminary Space Plans Landlord will review the same and shall submit written comments to Tenant within ten (10) business days. Tenant shall cause the Preliminary Space Plans to be revised to incorporate Landlord's comments.

- (c) On or before _____, 200__, Tenant shall deliver to Landlord architectural design development plans and specifications (the "Architectural Design Plans") and mechanical/ electrical/ fire protection/ plumbing and communications technology design plans and specifications (herein referred to as the "MEP/CT Engineering Plans") for [the] [Tenant's] Work to be performed in the Premises. Such plans and specifications shall include the following: (1) all of Landlord's comments to the Preliminary Space Plans; (2) demolition plans; (3) partition plans; (4) reflected ceiling plans; (5) flooring plans; (6) electrical and telephone outlet plans; (7) furniture plans; (8) floor loading plans indicating any special floor loading areas, specific weights for concentrated loads in sufficient detail to allow for structural engineering; (9) computer equipment and support area plans; (10) special area plans (i.e., kitchens, A/V, washrooms, etc.); (11) door, frame and hardware schedules; (12) wall finish plans; (13) elevations, details and sections as required; and (14) specific critical information required to sufficiently engineer the aforesaid Premises. The Architectural Design Plans and MEP/CT Engineering Plans shall be subject to Landlord's prior written approval. Landlord shall either approve or disapprove the Architectural Design Plans and MEP/CT Engineering Plans in writing within ten (10) business days of receipt by Landlord of a complete set thereof. If Landlord does not approve the same, Landlord shall advise Tenant in writing generally of the changes required in such Architectural Design Plans and MEP/CT Engineering Plans so that they will meet with Landlord's approval. Tenant shall cause the Interior Space Planner to revise the Architectural Design Plans and MEP/CT Engineering Plans pursuant to Landlord's comments and to deliver to Landlord, within ten (10) days after receipt by Tenant of such comments, revised Architectural Design Plans and MEP/CT Engineering Plans noting the changes for Landlord's approval. Landlord shall continue to comment on such Architectural Design Plans and MEP/CT Engineering Plans and Tenant shall continue to revise said Architectural Design Plans and MEP/CT Engineering Plans within ten (10) days of receipt of comments from Landlord until such Architectural Design Plans and MEP/CT Engineering Plans are approved by Landlord. Any cost of updating Landlord's infrastructure documents shall be borne by Tenant.
- (d) Notwithstanding anything herein to the contrary, on or before _____, 200__, Tenant agrees to cause to be delivered to Landlord fully completed and coordinated Architectural Design Plans and MEP/CT Engineering Plans (the "Construction Documents") sufficient in detail so that Tenant can use such revised plans to obtain a building permit and contractors' bids for [the] [Tenant's] Work. The Construction Documents must be in a final and complete form with all necessary design elements identified and specified to fully bid and construct [the] [Tenant's] Work. The Construction Documents are subject to Landlord's review and approval. Landlord shall review the Construction Documents and submit written comments to Tenant within ten (10) business days

of receipt by Landlord of a complete set thereof. If Landlord does not approve the same, Landlord shall advise Tenant in writing generally of the changes required in the Construction Documents so that they meet with Landlord's approval. Tenant shall cause the Construction Documents to be revised until they will meet with Landlord's approval. The Architectural Design Plans, the MEP/CT Engineering Plans and the Construction Documents are herein collectively referred to as the "Plans".

- (e) Tenant represents to Landlord that Tenant has reviewed its needs and the above specified delivery dates with the Interior Space Planner and that Tenant has assured itself that the Plans can be delivered as hereinabove required. Tenant agrees to cooperate with the Interior Space Planner as promptly as possible and in any event in sufficient time to cause the Plans to be prepared and timely delivered as hereinabove required.
- (f) Neither review nor approval by Landlord of any of the Plans shall constitute a representation or warranty by Landlord that such Plans either (i) are complete or suitable for their intended purpose or (ii) comply with applicable laws, ordinances, codes and regulations, it being expressly agreed by Tenant that Landlord assumes no responsibility or liability whatsoever to Tenant or to any other person or entity for such completeness, suitability or compliance.

3. Cost of Tenant's Work

- (a) Prior to commencement of any portion of the Tenant's Work, Tenant shall obtain a contract to perform the Tenant's Work by bidding the Tenant's Work to certain of those general contractors from Landlord's list of approved contractors or such other contractor as may be approved by Landlord. Tenant agrees to promptly give Landlord a copy of the contract. The general contractor must use only those subcontractors on Landlord's list of approved subcontractors, as the same may be amended by Landlord from time to time, or such other subcontractors as may be approved by Landlord.
- (b) Landlord shall give Tenant a total allowance ("Allowance") of _____ and 00/100 Dollars (\$_____.00) per square foot of Rentable Area in the Premises as a credit towards the cost of the Tenant's Work including the cost of Tenant's initial move to the Premises. Tenant shall pay all costs of the Tenant's Work in excess of the Allowance. All amounts shall be paid by Tenant within thirty (30) days after Tenant's receipt of invoices therefor.
- (c) Tenant shall pay a construction coordination and overhead fee to Landlord in an amount equal to 10% of the cost of Tenant's Work to cover Landlord's coordination, supervision and overhead and related expense allocable to such work (the "Coordination Fee"). The Coordination Fee shall be deducted by Landlord from the Allowance. In addition, Tenant shall pay all of Landlord's costs, including, without limitation: (i) the cost of Landlord's (and Landlord's consultants) preliminary and ongoing review of the Preliminary Space Plans, the Plans, and all other construction documents; (ii) the cost of temporary electricity,

temporary toilets, access to phone service and hot and cold water to the Premises during the construction period; (iii) all hoisting charges for reserving and using the Building's freight elevators for the construction of [the] [Tenant's] Work; (iv) the costs of trash removal and disposal; and (v) freight dock services and normal Building security during Tenant's construction and move-in period.

- (d) Landlord shall make payments of the Allowance only one time per month upon receipt of invoices, sworn statements, mechanics lien waivers as provided herein and such other documentation as Landlord may reasonably request. Payment of the Allowance shall be made by Landlord upon Tenant's direction through a construction escrow with the title insurance company selected by Landlord pursuant to escrow instructions approved by Landlord. Landlord shall have no obligation to make any payment of the Allowance at any time that Tenant is in Default hereunder.
- (e) Prior to commencing Tenant's Work, Tenant shall submit to Landlord a total project budget (the "Budget") outlining the cost of the Tenant's Work plus the cost of all non-tenant improvement items, including soft costs, cabling, and telephone to be incurred by Tenant in connection with the Premises (collectively, the "Tenant's Project Costs"). Tenant shall deliver to Landlord an updated Budget with each draw request for a payment of a portion of the Allowance. If, as of the time any such draw request is made, the Tenant's Project Costs pursuant to the current Budget exceed the remaining amount of the Allowance, Tenant shall deposit into the escrow the amount by which the Tenant's Project Costs set forth in the current Budget exceed the remaining amount of the Allowance. All amounts so deposited by Tenant are herein collectively called "Tenant Deposits".
- (f) Tenant shall make draw requests on the escrow based upon the percentage of Tenant's Project Costs incurred as of the date of the draw request. Tenant shall present to Landlord and to the title company which is acting as escrow, a letter requesting a disbursement of funds, invoices (or paid receipts for each item paid by Tenant and for which Tenant is seeking reimbursement), a copy of any cancelled checks pursuant to which such invoice has been paid, and, with respect to any construction to any portion of the Premises, such lien waivers (for lienable items) required by the title company or Landlord. The lien waiver from the general contractor and from each subcontractor and material supplier must be delivered with each draw request. Landlord shall have no obligation to make a payment until all waivers for the prior draw are submitted.
- (g) Draw requests shall be submitted to Landlord and the title company not later than the 23rd day of the calendar month. Not later than the 20th day of the next calendar month Landlord will review Tenant's Work and Tenant's draw request and advise Tenant in writing of any respects in which the draw request is disapproved and the reason for such disapproval. Such advice need not comply with the notice provisions of the Lease. Otherwise, the draw request will be deemed approved. Draw requests submitted by the 23rd day of a calendar month shall be paid, subject to the foregoing approval procedure, not later than the 25th

day of the following calendar month. Landlord and Tenant agree to cooperate in attempting to resolve disapproved portions of each draw request.

- (h) Notwithstanding anything herein to the contrary, in the event that on the date that all Tenant's Work has been completed and paid for the sum of the Allowance and any Tenant Deposits exceed the amount disbursed by the escrowee on account of Tenant's Project Costs (the amount of such excess being herein called the "Excess Funds") and provided that Tenant is not then in Default under the Lease, Landlord shall apply such Excess Funds in the following order of priority until such Excess Funds are exhausted:
 - (i) Landlord shall pay to Tenant, within sixty (60) days following the [Rent] Commencement Date out of such Excess Funds an amount not to exceed the Tenant Deposits, if any;
 - (ii) The balance of such Excess Funds, if any, shall be refunded to Landlord.

4. Access by Tenant; Work in Harmony

Tenant agrees for itself and its agents, representatives, employees, suppliers, contractors, subcontractors, workmen, mechanics, and suppliers, that all such parties shall work in harmony and not unreasonably interfere with Landlord and Landlord's agents, representatives, employees, suppliers, contractors, subcontractors, mechanics, and workmen in doing [the Landlord's Work in the Premises or] work for other tenants and occupants of the Building. Landlord agrees for itself and its agents, representatives, employees, suppliers, contractors, subcontractors, workmen, mechanics, and suppliers, that all such parties shall work in harmony and not unreasonably interfere with Tenant and Tenant's agents, representatives, employees, suppliers, contractors, subcontractors, mechanics, and workmen in doing the Tenant Work.

5. Construction Requirements

- (a) Tenant agrees that the entry into the Premises by Tenant and its contractors shall be deemed to be under all of the terms, covenants, conditions and provisions of the Lease except as to the covenant to pay Rent, and Tenant further agrees that in connection therewith Landlord shall not be liable in any way for any injury, loss, or damage which may occur to any of Tenant's Work and installations made in the Premises or to property placed therein prior to the Commencement Date and thereafter, the same being at Tenant's sole risk. In addition, Tenant shall require all entities performing work on behalf of Tenant to provide protection for existing improvements to an extent that is satisfactory to Landlord and shall allow Landlord access to the Premises, for inspection purposes, at all times during the period when Tenant is undertaking construction activities therein. If any entity performing work on behalf of Tenant causes any injury to any person or any damage to the Premises, the Building [(including the Landlord's Work)], any other property of Landlord or any other person, then Tenant agrees to indemnify, defend and hold Landlord harmless from any loss, damage or injury suffered in connection with any such damage or injury. Further, Tenant shall cause such

damage to be repaired at Tenant's expense and if Tenant fails to cause such damage to be repaired promptly upon Landlord's demand therefor, Landlord may in addition to any other rights or remedies available to Landlord under this Lease or at law or equity cause such damage to be repaired, in which event Tenant shall promptly upon Landlord's demand pay to Landlord the cost of such repairs;

- (b) All contractors and subcontractors shall use only those service corridors and service entrances designated by Landlord for ingress and egress of personnel and the delivery and removal of equipment and material through or across any common areas of the Building shall only be permitted with the written approval of Landlord and during hours determined by Landlord. Landlord shall have the right to order Tenant or any contractor or subcontractor who violates the above requirements to cease work in the Building and leave the Building and remove its equipment and its employees from the Building and, at Landlord's option, restore any portion of the Building on which it has done work to its original condition;
- (c) Tenant agrees that all services and work performed on the Premises by, on behalf of, or for the account of Tenant, including installation of telephones, carpeting, materials and personal property delivered to the Premises shall be done in a first-class workmanlike manner using only good grades of material and shall be performed only by persons covered by a collective bargaining agreement with the appropriate trade union;
- (d) Tenant agrees to protect, indemnify, defend and hold Landlord and its agents, partners, contractors and employees harmless from and against any and all losses, damages, liabilities, claims, liens, costs, and expenses, including reasonable attorneys' fees, of whatever nature including those to the person and property of Tenant, its employees, agents, invitees, licensees and others arising out of or in connection with the activities of Tenant or Tenant's contractors in or about the Premises or the Building, and the cost of any repairs to the Premises or the Building necessitated by activities of Tenant or Tenant's contractors;
- (e) Tenant shall secure, pay for, and maintain during the continuance of its work within the Premises, policies of insurance with such coverages and such amounts as Landlord may reasonably require, which policies shall be endorsed to include Landlord and its contractor and their respective employees and agents and Landlord's mortgagees as additional insured parties and which shall provide thirty (30) days prior written notice of any alteration or termination of coverage, in such amounts and insuring such risks as Landlord may require. Tenant shall not permit Tenant's contractors to commence any work until all required insurance has been obtained by Tenant and certificates evidencing such coverage have been delivered to Landlord; and
- (f) Tenant's agents, subcontractors and vendors shall be required to conform with Landlord's Construction Guidelines, Rules and Regulations.

6. Miscellaneous

- (a) Except as expressly set forth herein, Landlord has no other agreement with Tenant and has no other obligation to do any other work or pay any amounts with respect to the Premises. Any other work in the Premises which may be permitted by Landlord pursuant to the terms and conditions of the Lease shall be done at Tenant's sole cost and expense and in accordance with the terms and conditions of the Lease.
- (b) This Work Letter shall not be deemed applicable to any additional space added to the original Premises at any time or from time to time, whether by any options under the Lease or otherwise, or to any portion of the original Premises or any additions thereto in the event of a renewal or extension of the initial term of the Lease, whether by any options under the Lease or otherwise, unless expressly so provided in the Lease or any amendment or supplement thereto.
- (c) The failure by Tenant to pay any monies due Landlord pursuant to this Work Letter within the time period herein stated shall be deemed a Default under the terms of the Lease for which Landlord shall be entitled to exercise all remedies available to Landlord for nonpayment of Rent. All late payments shall bear interest and shall be subject to a late charge pursuant to the Lease.
- (d) This Work Letter is being executed in conjunction with the Lease and is subject to each and every term and condition thereof, including without limitation, the limitations of Landlord's liability set forth therein.
- (e) Tenant shall be solely responsible to determine at the site all dimensions of the Premises and the Building which affect any work to be performed by or for Tenant hereunder.

Dated this _____ day of _____, _____.

LANDLORD:

By: _____
Name: _____
Its: _____

TENANT:

By: _____
Name: _____
Its: _____