

DISTRICT OF COLUMBIA DEPARTMENT OF REAL ESTATE SERVICES WORK AGREEMENT (Existing Lease)	IN RESPONSE TO RFP / LEASE NO	DATED
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This Work Agreement (the “**Work Agreement**”) sets forth the terms and conditions for the design and construction of the Improvements to the Premises.

Capitalized terms not otherwise defined in this Work Agreement shall have the meanings set forth in the Lease. In the event of a conflict between the terms hereof and the terms of the Lease, the terms hereof shall prevail for the purpose of design and construction of the improvements.

A. IMPROVEMENTS.

Landlord shall furnish, construct and install the “**Base Buildings Improvements**” (designated in the Schedule of Base Building Improvements, Attachment 1, attached hereto and incorporated herein) and the “**Tenant Improvements**” (designated in the Schedule of Tenant Improvements, Attachment 2, attached hereto and incorporated herein) in the Premises, in accordance with the terms and conditions of this Work Agreement and the Plans and Specifications. Landlord shall be responsible to ensure that the quality of the Base Building Improvements and Tenant Improvements (collectively, the “**Improvements**”) is consistent with the requirements hereof. The Improvements shall be of good and workmanlike quality and accurately reflect the requirements contained in the Plans and Specifications and shall be in compliance with Building Codes.

The Improvements shall be completed on or before [INSERT DATE] (the “**Completion Date**”).

B. PLANS AND SPECIFICATIONS.

1. Architect. Landlord has retained the services of an architect, [INSERT NAME OF FIRM], who is approved by District (the “**Architect**”), who will design the Improvements and prepare all architectural plans, working drawings, and specifications required to obtain a building permit (the “**Plans and Specifications**”) for the Improvements.

2. Submission of Plans and Specifications. Within ten (10) days after the Commencement Date, Landlord shall cause the Architect to deliver to District the Plans and Specifications necessary and sufficient (i) for the construction of the Improvements to the Premises and (ii) to enable the contractors retained by Landlord to construct the Improvements (collectively “**Contractor**”) to obtain building permits for the Improvements to be constructed in accordance with this Work Agreement.

3. Approval by District. All Plans and Specifications shall be subject to the District’s written approval of the same, which may be granted or denied within the District’s sole discretion. Within ten (10) days of District’s receipt of the Plans and Specifications, District shall provide Landlord written notice of its approval, disapproval or any reasonable revisions to the Plans and Specifications. In the event District disapproves or provides reasonable revisions to the Plans and Specifications, Landlord shall cause the Architect to revise the Plans and Specifications to meet District’s objections or requested reasonable revisions and Landlord shall resubmit the Plans and Specifications for District’s review and approval within ten (10) days after Landlord’s receipt of District’s written notice. Notwithstanding anything herein to the contrary, approval by District of any Plans and Specifications shall not constitute an assurance by District that the Plans and Specifications: (a) satisfy applicable code requirements, (b) are sufficient to obtain a building permit for the undertaking of the Improvements to the Premises, or (c) will not interfere with, or otherwise adversely affect, Building Structures and Systems. The Plans and Specifications shall be prepared in accordance with a Data

Cadd or convertible DXF format for working drawings in conformity with the Building Structures and Systems and with information furnished by and in coordination with Landlord and Architect. The Landlord and Architect shall be responsible to ensure that the Plans and Specifications shall comply with all applicable building codes, laws, and regulations (including without limitation the Americans With Disabilities Act) (“**Building Codes**”).

4. **Changes.**

a. In the event that District wants to make any changes to the Plans and Specifications of the Tenant Improvements, after District’s approval of the same, District shall submit to Landlord a written notice of its intended changes (“**Change Order**”). Change Orders shall not be subject to Landlord’s prior written approval, unless the work requested in the Change Order (i) would require an increase in the Cost Ceiling or (ii) would affect the Building Structures and Systems. Landlord’s approval shall not be unreasonably withheld, conditioned or delayed. If Landlord’s prior written approval of a Change Order is required pursuant to the foregoing, then Landlord shall notify District of its approval, disapproval or reasonable revisions to the same within ten (10) days after receipt of District’s Change Order.

b. Upon Landlord’s written approval of the Change Order, or if no approval is required, within ten (10) days after Landlord’s receipt of District’s Change Order, Landlord shall direct Architect to revise the Plans and Specifications in accordance with the Change Order. The revised Plans and Specifications shall be subject to District’s approval pursuant to Paragraph B.3 herein.

c. Upon the completion by the Architect of such revised Plans and Specifications, and their submission to, and approval by, District, Landlord shall notify District in writing of the cost or savings that will result by reason of such Change Order. District shall, within ten (10) business days after receipt of Landlord’s notice of cost increase or savings, notify Landlord in writing whether District desires to proceed with such Change Order.

d. District shall be responsible for all actual additional costs and expenses over the Cost Ceiling resulting from a Change Order and for all delay resulting therefrom, including without limitation costs or expenses relating to (i) any additional architectural or engineering services and related design expenses, (ii) any changes to materials in process of fabrication, (iii) cancellation or modification of supply or fabricated contracts, or (iv) removal or alteration or work or plans completed or in process (less any salvage or restocking credits).

C. **COST OF THE IMPROVEMENTS.**

1. **Base Building Improvements.** All costs of design and construction of the Base Building Improvements, including without limitation the costs of all space planning, architectural, and engineering work related thereto; all governmental and quasi-governmental approvals and permits required therefore; all demolition costs; and all direct and indirect construction costs stemming from insurance, bonds, and other requirements directly attributable solely to the construction of the Base Building Improvements shall be paid by Landlord.

2. **Tenant Improvements.** All costs of design and construction of the Tenant Improvements, including without limitation the costs of all space planning, architectural, and engineering work related thereto; all governmental and quasi-governmental approvals and permits required therefore; all demolition costs; and all direct and indirect construction costs stemming from Change Orders, insurance, bonds, and other requirements directly attributable solely to the construction of the Tenant Improvements (collectively, “**TI Construction Costs**”) shall be paid by the District as [INSERT DESCRIPTION OF SOURCE OF FUNDING FOR TI CONSTRUCTION COSTS, SUCH AS A TENANT IMPROVEMENT ALLOWANCE, IF ANY.] and subject to the Cost Ceiling in Paragraph C.3 below.

3. **Cost Ceiling.** The TI Construction Costs shall not exceed _____ dollars (\$) (“**Cost Ceiling**”). Landlord shall make commercially reasonable efforts to ensure that the Contractor delivers the Tenant

Improvements for an amount less than or equal to the Cost Ceiling. Landlord shall notify District, in writing, whenever it has reason to believe, due to the Contractor's bid, Change Orders, or unforeseen circumstance not reasonably contemplated or attributable to the Contractor, that the total cost for the Tenant Improvements will be either greater or substantially less than the Cost Ceiling. As part of the notification, Landlord shall provide District a revised estimate for constructing the Tenant Improvements. District is not obligated to reimburse Landlord for amounts incurred in excess of the Cost Ceiling and Landlord is not obligated to continue to construct the Tenant Improvements or otherwise incur amounts in excess of the Cost Ceiling ("**Excess Costs**"), until District notifies Landlord, in writing, that any such Excess Cost has been approved and that District is authorized to pay Landlord the Excess Cost. Any delay in completion of the Tenant Improvements pending such authorization shall be deemed a District Delay. No notice, communication, or representation in any form from any person other than the Director of the District of Columbia Department of Real Estate Services shall authorize the payment of any Excess Cost. In the absence of the specified notice, District is not obligated to pay Landlord for any amounts in excess of the Cost Ceiling. A Change Order shall not be considered an authorization to exceed the Cost Ceiling, unless the Change Order specifically indicates that it shall result in Excess Cost and is executed by the Director of the District of Columbia Department of Real Estate Services as provided herein.

D. CONSTRUCTION.

1. Pricing. Prior to beginning construction on the Tenant Improvements for Phase II, Landlord shall submit to District a written estimate of the cost of the Tenant Improvements (on an open book basis), which estimates shall reflect the firm bids from Contractor and shall include proposed unit costs on DC DRES Form A-104 (Lessor's Unit Costs for Tenant Improvements). Within five (5) business days after Landlord's submission of such estimate to District, District shall deliver to Landlord its written acceptance of such estimate or if District does not wish to accept such estimate, District shall have the right to revise the Plans and Specifications and obtain rebids as set forth below. If District desires to make revisions to the Plans and Specifications to obtain rebids for the Tenant Improvements, Landlord shall be responsible for directing the Architect in revising the Plans and Specifications and delivering such revised Plans and Specifications to District, for which District shall be responsible for all fees incurred in making such revisions. District shall deliver to Landlord any such revised Plans and Specifications approved and dated by the District in writing. Upon delivery of any revised Plans and Specification by the District, Landlord shall attempt to obtain a rebid within a reasonable time period and resubmit them for District's acceptance. Landlord shall not be responsible for escalations in the original cost estimates due to delays in acceptance caused by District's desire for rebids. The time necessary to revise the Plans and Specifications and obtain rebids shall constitute a District Delay. The District's written acceptance of the estimate for the cost of the Tenant Improvements shall attach DC DRES Form A-104 setting forth unit costs per the approved estimate. The Parties hereby agree that the amounts set forth in such attached Lessor's Unit Costs for Tenant Improvements shall apply to any Change Orders through the Completion Date.

2. Timing. Immediately after District's final approval of the Plans and Specifications, Landlord shall apply for all necessary permits and approvals necessary to undertake and thereafter complete construction of the Improvements. Landlord shall endeavor to complete construction of the Improvements on or before the Completion Date. The Contractor shall commence construction of the Improvements promptly upon issuance of approvals or permits required to commence construction (the "**Start Date**"), provided the Start Date shall be delayed until the date, if later, that District has approved the Contractor bids for the construction of the Improvements as provided in Paragraph D.1 above.

3. Construction Supervision. All the Improvements shall be performed by the Contractor, under the supervision of Landlord and the Architect. Landlord shall deliver to District any mechanical, electrical, and plumbing drawings ("MEP's") and "as built" drawings of the Building that Landlord may have in its possession to facilitate District's planning with respect to the Improvements. Landlord makes no representation whatsoever with respect to the existence of any such plans or drawings or as to the completeness or accuracy thereof. District shall

not be responsible for or pay a fee to compensate Landlord for reviewing the plans or supervising construction of the Improvements.

4. Delays.

a. If Landlord shall be delayed in substantially completing the Improvements solely as a result of any act, neglect, failure, or omission of District, its employees or agents, such delay shall be deemed a **“District Delay”** and shall postpone the Completion Date on a day-by-day basis. Any District Delay resulting in Landlord incurring additional costs in connection with the Tenant Improvements shall be District’s responsibility and paid for by District.

b. If Landlord shall be delayed in substantially completing the Improvements solely as a result of any act, neglect, failure, or omission of Landlord, including its employees or agents, Architect or the Contractor, such delay shall be deemed a **“Landlord Delay.”** In the event of any Landlord Delay, District shall be entitled to exercise any of the remedies available to it in the event of a Landlord Default.

E. CONTRACTOR’S RULES.

From the Commencement Date through March 31, 2009, the Contractor may not enter the Premises between the hours of 7:00 p.m. and 7:00 a.m., without the prior written consent of District, such consent to be within District’s sole discretion.

F. THE DISTRICT’S REPRESENTATIVE.

The Director is the exclusive agent for District authorized (subject to the certification of the availability of appropriated funds). The Director is authorized to initial all plans, drawings, Change Orders and approvals in accordance with the terms of this Work Agreement. The Director may delegate by written office order her authority to an employee of the Department of Real Estate Services to execute any document that does not involve Excess Cost or otherwise involves the expenditure of funds.

IN WITNESS WHEREOF, and intending to be legally bound, the undersigned [INSERT NAME OF LANDLORD], a [INSERT TYPE OF ENTITY], has caused this instrument to be executed on its behalf by [INSERT OFFICER NAME], its [INSERT OFFICER TITLE] as of the date written below.

LANDLORD:

By: _____[SEAL]
Name: _____
Title: _____
Date: _____

STATE OF _____)
) ss
COUNTY OF _____)

On the _____ day of _____, 20___, before me, a notary public in and for the State and County aforesaid, personally appeared [INSERT NAME], who acknowledged himself/herself to be the [INSERT

TITLE] of [INSERT LANDLORD], [INSERT TYPE OF ENTITY], being authorized to do, executed the foregoing instrument for the purposes therein in the name and on behalf of [INSERT LANDLORD].

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Notary Public
My Commission Expires: _____

IN WITNESS WHEREOF, and intending to be legally bound, the undersigned District of Columbia, a municipal corporation, has caused this instrument to be executed on its behalf by _____, its Director, as of the date written below.

TENANT:

Department of Real Estate Services

By: _____ [SEAL]

Name:

Title: Director

Date: _____

ATTACHMENT 1
Schedule of Base Building Improvements

[TO BE INSERTED]

ATTACHMENT 2
Schedule of Tenant Improvements

[TO BE INSERTED]