

EXHIBIT B

TENANT WORK LETTER

This Tenant Work Letter shall set forth the terms and conditions relating to the construction of the tenant improvements in the Premises. This Tenant Work Letter is essentially organized chronologically and addresses the issues of the construction of the Premises, in sequence, as such issues will arise during the actual construction of the Premises. All references in this Tenant Work Letter to Articles or Sections of "**this Lease**" shall mean the relevant portion of Articles 1 through 29 of the Office Lease to which this Tenant Work Letter is attached as Exhibit B and of which this Tenant Work Letter forms a part, and all references in this Tenant Work Letter to Sections of "**this Tenant Work Letter**" shall mean the relevant portion of Articles 1 through 6 of this Tenant Work Letter.

ARTICLE 1

TENANT IMPROVEMENTS

Using Building standard methods, materials, components and finishes, Landlord shall cause the installation and/or construction, in the Premises, of those certain improvements (the "**Tenant Improvements**") identified in that certain space plan approved by Landlord and Tenant, (the "**Space Plan**"), a reduced copy of which Space Plan is attached to this Tenant Work Letter as Schedule 1. Tenant acknowledges that the Tenant Improvements are limited to only those specific improvements identified in this Work Letter. Notwithstanding anything to the contrary contained herein, Landlord shall have no obligation to provide or pay for any furniture, equipment or personal property in the Premises or for any data or telephone cabling in the Premises or for any other items to be provided or installed by Tenant.

Landlord shall provide a Tenant Improvement Allowance of Ten Dollars (\$10) per rentable square feet for an overall allowance amount not to exceed Twenty Thousand One Hundred Seventy and 00/100 Dollars (\$20,170.00) (the "**Maximum Allowance Amount**"). In the event Tenant does not timely utilize all or any portion of the Tenant Improvement Allowance within one hundred eighty (180) days of the Lease Commencement Date, any unutilized Tenant Improvement Allowance remaining as of such date shall revert to Landlord and Tenant shall have no further right thereto. Tenant acknowledges that Tenant shall be solely responsible and liable to pay for costs of the Tenant Improvements that are in excess of the Maximum Allowance Amount. Any costs for the design and construction of the Tenant Improvements that are in excess of the Maximum Allowance Amount shall be paid by Tenant to Landlord in cash, in advance, within ten (10) days following Landlord's demand for payment. Landlord shall have no obligation to cause the construction of the Tenant Improvements prior to Landlord's receipt from Tenant of Tenant's share of the cost of the Tenant Improvements. Landlord and Tenant hereby acknowledge and agree that Landlord shall be entitled to a construction supervision and management fee (the "**Landlord Coordination Fee**") in an amount equal to the product of (i) five percent (5%), and (ii) the total costs of the Tenant Improvements. The Landlord Coordination Fee shall be deducted from the Tenant Improvement Allowance. Notwithstanding the foregoing or any contrary provision of the Lease, all Tenant Improvements shall be deemed Landlord's property under the terms of the Lease.

Tenant shall make no changes, additions or modifications to the Tenant Improvements or the Space Plan or require the installation of any "Non-Conforming Improvements," as defined in Article 2, below without the prior written consent of Landlord, which consent may be withheld in Landlord's sole discretion if such change or modification would directly or indirectly impose any additional costs or delay the construction of the Tenant Improvements.

ARTICLE 2

OTHER IMPROVEMENTS

Notwithstanding anything to the contrary contained herein, Tenant shall be responsible for the cost of any items not identified in the Space Plan and/or any items requiring other than Building standard methods, materials, components or finishes (collectively, the "**Non-Conforming Improvements**"). In connection therewith, any costs which arise in connection with any such Non-Conforming Improvements shall be paid by Tenant to Landlord in cash, in advance, upon Landlord's request. In addition to such costs of Non-Conforming Improvements, Landlord shall be entitled to receive from Tenant a construction supervision and management fee in an amount equal to the product of (i) 5 percent (5%), and (ii) the total costs of the Non-Conforming Improvements. Any such amounts required to be paid by Tenant shall be disbursed by Landlord prior to any Landlord provided funds for the costs of construction of the Tenant Improvements.

ARTICLE 3

CONTRACTOR'S WARRANTIES AND GUARANTIES

Landlord hereby assigns to Tenant all warranties and guaranties by the contractor who constructs the Tenant Improvements (the "**Contractor**") relating to the Tenant Improvements, and Tenant hereby waives all claims against Landlord relating to or arising out of the design and construction of the Tenant Improvements and/or Non-Conforming Improvements.

ARTICLE 4

TENANT'S AGENTS

Tenant hereby protects, defends, indemnifies and holds Landlord harmless for any loss, claims, damages or delays arising from the actions of Tenant's space planner/architect and/or any separate contractors, subcontractors or consultants on the Premises or in the Building.

ARTICLE 5

SUBSTANTIAL COMPLETION

5.1 **Substantial Completion.** For purposes of this Lease, "**Substantial Completion**" of the Tenant Improvements shall be deemed to occur upon the date of the substantial completion of construction of the Tenant Improvements in the Premises as reasonably determined by Landlord, with the exception of any punch list items and any tenant fixtures, work-stations (including any related fixture and/or equipment electrification), built-in furniture or equipment (including security and other Tenant systems), or other items to be installed by Tenant.

5.2 **Delay of the Substantial Completion of the Tenant Improvements.** Except as provided in this Section 5.2, the Lease Commencement Date shall occur as set forth in the Lease. If there shall be a delay or there are delays in the Substantial Completion of the Tenant Improvements or in the occurrence of any of the other conditions precedent to the Lease Commencement Date, as set forth in the Lease, as a direct, indirect, partial, or total result of:

5.2.1 Tenant's failure to timely respond to Landlord's request for information or approval as to any matter requiring Tenant's information or approval;

5.2.2 A breach by Tenant of the terms of this Tenant Work Letter or the Lease;

5.2.3 Tenant's request for changes in the Space Plan or the Tenant Improvements;

5.2.4 Tenant's request for materials, components, finishes or improvements which are not available in a commercially reasonable time given the anticipated date of Substantial Completion of the Premises, or which are different from, or not included in, Landlord's standard improvement package items for the Building; or

5.2.5 Any other acts or omissions of Tenant, or its agents, or employees;

then, notwithstanding anything to the contrary set forth in the Lease or this Tenant Work Letter and regardless of the actual date of the Substantial Completion of the Tenant Improvements, the date of Substantial Completion of the Tenant Improvements shall be deemed to be the date the Substantial Completion of the Tenant Improvements would have occurred if no Tenant delay or delays, as set forth above, had occurred (as reasonably determined by Landlord).

ARTICLE 6

MISCELLANEOUS

6.1 **Tenant's Cooperation.** Tenant shall cooperate in good faith with Landlord to supply such information as is necessary to allow the Landlord's architects and engineers to complete any necessary architectural and engineering drawings for the Tenant Improvements in a form which is complete to allow subcontractors to bid on the work and to obtain all applicable permits and in a manner consistent with, and which are a logical extension of, the Space Plan (as reasonably determined by Landlord) and otherwise in accordance with Building standards. Tenant acknowledges that the timing of the completion of the Tenant Improvements is of the utmost importance to Landlord. Accordingly, Tenant hereby agrees to fully and diligently cooperate with all reasonable requests by Landlord in connection with or related to the design and construction of the Tenant Improvements, and in connection therewith, shall respond to Landlord's requests for information and/or approvals, except as specifically set forth herein to the contrary, within one (1) business day following request by Landlord.

6.2 **Tenant's Representative.** Tenant has designated Ken Stockton as its sole representative with respect to the matters set forth in this Tenant Work Letter, who, until further notice to Landlord, shall have full authority and responsibility to act on behalf of the Tenant as required in this Tenant Work Letter.

6.3 **Landlord's Representative.** Landlord shall designate a "Project Manager" who shall be responsible for the implementation of all Tenant Improvements to be performed by Landlord in the Premises. With regard to all matters involving such Tenant Improvements, Tenant shall communicate with the Project Manager rather than with the Contractor. Landlord shall not be responsible for any statement, representation or agreement made between Tenant and the Contractor or any subcontractor. It is hereby expressly acknowledged by Tenant that such Contractor is not Landlord's agent and has no authority whatsoever to enter into agreements on Landlord's behalf or otherwise bind Landlord. The Project Manager will furnish Tenant with notices of substantial completion, cost estimates for Non-Conforming Improvements, Landlord's approvals or disapprovals of all documents to be prepared by Tenant pursuant to this Tenant Work Letter and changes thereto.

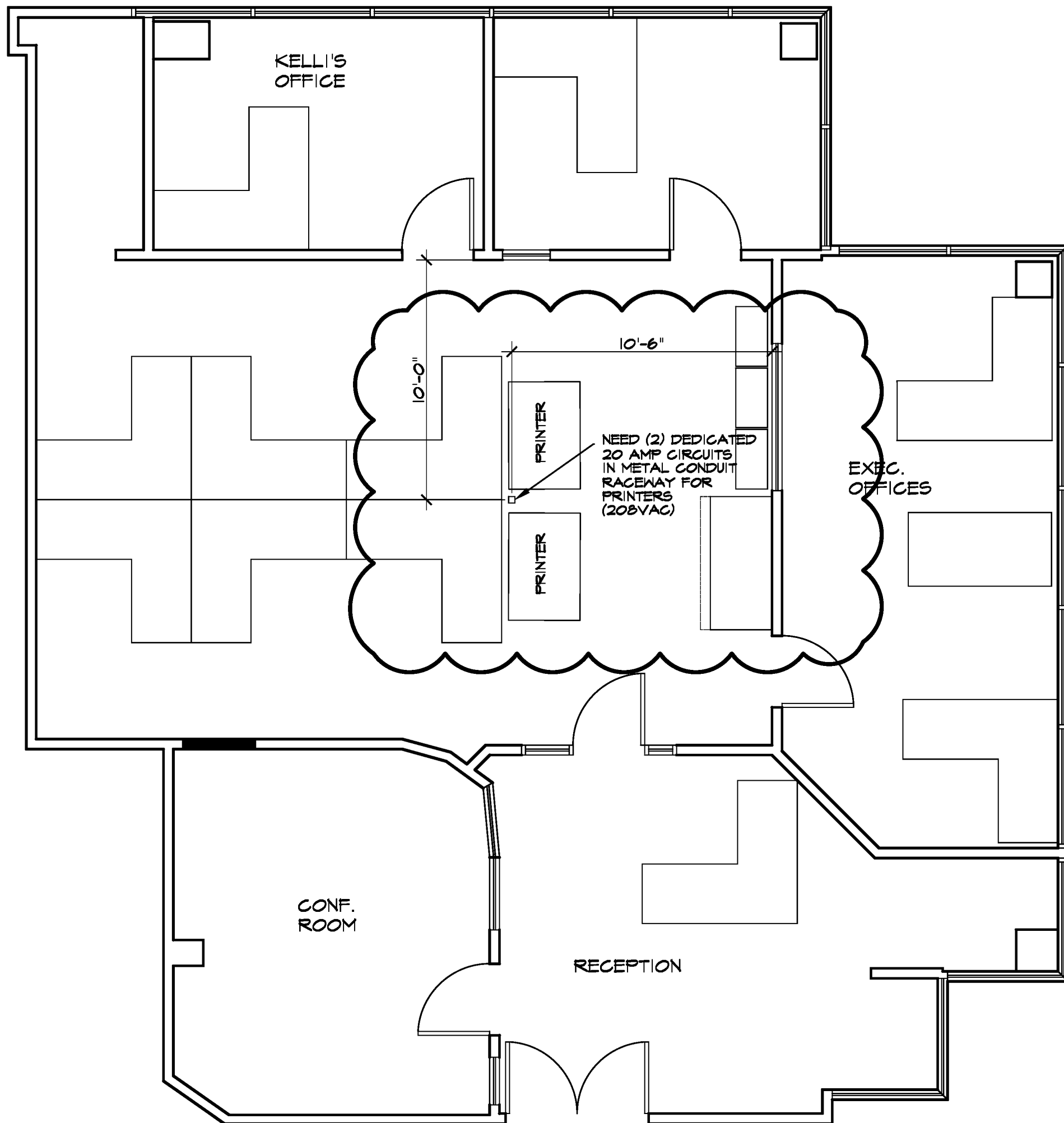
6.4 **Prevailing Wage.** All contractors, subcontractors, laborers, materialmen, and suppliers, retained by either Landlord or Tenant under contract to perform the Tenant Improvements, shall be paid no less than the general prevailing wage for each craft or type of worker needed to perform the Tenant Improvements, at such rate(s) as have been determined by the Director of the Department of Industrial Relations of the State of California in accordance with State Labor Code Section 1770 et seq.

6.5 **Tenant's Agents.** All subcontractors, laborers, materialmen, and suppliers retained directly by Tenant shall all be union labor in compliance with the master labor agreements existing between trade unions and the Southern California Chapter of the Associated General Contractors of America.

6.6 **Time of the Essence in This Tenant Work Letter.** In all instances where Tenant is required to approve or deliver an item, if no written notice of approval is given or the item is not delivered within the stated time period, at Landlord's sole option, at the end of such period the item shall automatically be deemed approved or delivered by Tenant and the next succeeding time period shall commence.

6.7 **Tenant's Lease Default.** Notwithstanding any provision to the contrary contained in this Lease or this Tenant Work Letter, if any default by Tenant under this Lease or this Tenant Work Letter (including, without limitation, any failure by Tenant to fund in advance the costs for any Non-Conforming Improvements) occurs, then (i) in addition to all other rights and remedies granted to Landlord pursuant to this Lease, Landlord shall have the right to cause the cessation of construction of the Tenant Improvements (in which case, Tenant shall be responsible for any delay in the Substantial Completion of the Tenant Improvements and any costs occasioned thereby), and (ii) all other obligations of Landlord under the terms of this Lease and this Tenant Work Letter shall be forgiven until such time as such default is cured pursuant to the terms of this Lease.

6.8 **No Constructive Eviction; Tenant Cooperation.** Notwithstanding any provision of the Prior Lease, Tenant acknowledges and agrees that the provisions of this Section 6.8 are binding upon Tenant and grant to Landlord the right to enter upon the Premises (including the Existing Premises as may be reasonably necessary) at all reasonable times prior to and after the Lease Commencement Date for purposes of constructing the Tenant Improvements. Tenant hereby acknowledges that (i) Landlord shall have no obligation to complete the construction of the Tenant Improvements prior to the Lease Commencement Date, (ii) subject to the terms and conditions of this Section 6.8, Landlord, the Contractor, and/or any other party involved in connection with the construction of the Tenant Improvements shall have the right to construct the Tenant Improvements on and after the Lease Commencement Date and during Tenant's occupancy of the Premises pursuant to the terms and conditions of this Lease, and (iii) notwithstanding Tenant's occupancy of the Premises during the construction of the Tenant Improvements, Tenant shall fully comply and cooperate with requests made by Landlord, the Contractor, and/or any other party involved in connection with the construction of the Tenant Improvements. Tenant, at Tenant's sole cost and expense, shall provide Landlord with (a) access to the Premises for the construction of the Tenant Improvements, and (b) a clear working area for the performance of such work (including, but not limited to, the moving of furniture, fixtures and Tenant's property away from the area in which Landlord is conducting such work). Tenant hereby agrees that the construction of the Tenant Improvements, and Tenant's inability to use any portion of the Premises as a result thereof, shall in no way constitute a constructive eviction of Tenant nor entitle Tenant to any abatement of rent. Landlord shall have no responsibility, or for any reason be liable, to Tenant for any direct or indirect injury to, or interference with, Tenant's business arising from the construction of the Tenant Improvements, nor shall Tenant be entitled to any compensation or damages from Landlord for loss of the use of the whole or any part of the Premises, or of Tenant's personal property or improvements, resulting from the construction of the Tenant Improvements or Landlord's actions in connection therewith, or for any inconvenience or annoyance occasioned by the construction of the Tenant Improvements or Landlord's actions in connection therewith.



SCALE : 1/4" = 1'-0"