

Build-out Allowance

Rules to Qualify for Allowance

1. General:

The build-out allowance is provided by the Landlord to help the prospective Tenant in creating a space that suits his needs. Each Tenant has requirements that are different and unique from another Tenant. Furthermore, some Tenants require more office space or a premium finish to conduct their business, while others are satisfied with a standard finish.

The Landlord has based the build out allowances on a standard space consisting of one-Office with a restroom.

Consequently, the allowance is not intended to meet all the cost for a Tenant build-out.

2. Build-out requirements:

- 2.1. At his discretion Landlord will pay a Build-out allowance agreed upon.
- 2.2. Build-out allowance can be used only for Construction Costs. Fees, permits, utility connection fees and architectural plans do not qualify as Construction Costs. No Build-out allowance is due if there is no build-out. Build-out Allowance paid cannot exceed actual construction costs incurred for the build-out.
- 2.3. Construction has to adhere to Uniform Building Code (UBC) and be passed by the City of Anna Code Enforcement Department.
- 2.4. Tenant must provide a full set of plans approved by the City of Anna to Landlord for Landlord's subsequent approval.
- 2.5. Tenant must provide to Landlord a final and signed construction contract by a qualified General Contractor that has been in business at least 3 years and General Contractor must provide Landlord proof of \$500,000 Liability Insurance prior to starting work.
- 2.6. Tenant must have signed a minimum three-year lease agreement with Landlord and have paid security deposit and, first and last month rent prior to commencing work on the build-out.

3. Payment Requirements:

Landlord will cut a two-party check made out to both Tenant and General Contractor once;

- 3.1. Construction is complete and all work has passed City of Anna building code inspection
- 3.2. A copy of the Certificate of Occupancy has been furnished to the Landlord
- 3.3. A notarized Waiver of Lean from the General Contactor AND all Sub-Contractors is furnished to the Landlord
- 3.4. Copy of all invoices paid for Labor and Materials used in the Build-out

4. Minimum Construction Requirements:

- 4.1. At least one bathroom/restroom has to be constructed per leased space.
- 4.2. Steel studs are required for all walls. Wood studs are not allowed.
- 4.3. Ceiling height in office areas has to be a minimum of 10 feet
- 4.4. Ceiling must be freestanding, i.e. independent from walls, and use square (2'x2') ceiling tile.
- 4.5. HVAC unit must be Rheem brand, or other specified by Landlord.
- 4.6. Security systems, if installed, have to be purchased from Dallas Security Systems. No leased security systems are permitted.