

FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D. C. 20549

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended: June 30, 2000

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE
SECURITIES EXCHANGE ACT OF 1934
For the transition period from to

Commission file number 0-21055

TELETECH HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

DELAWARE

(State or other jurisdiction of
incorporation or organization)

84-1291044
(I.R.S. Employer
Identification No.)

1700 LINCOLN STREET, SUITE 1400
DENVER, COLORADO
(Address of principal
executive office)

80203
(Zip Code)

(303) 894-4000
(Registrant's telephone number, including area code)

Not Applicable
(Former name, former address and former fiscal year,
if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required
to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934
during the preceding 12 months, and (2) has been subject to such filing
requirements for the past 90 days.

YES NO
--- ---

Indicate the number of shares outstanding of each of the issuer's classes of
common stock, as of the latest practicable date.

Class of Common Stock	Outstanding at August 4, 2000
Common Stock, par value \$.01 per share	62,793,509

TELETECH HOLDINGS, INC. AND SUBSIDIARIES

FORM 10-Q

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Item 1.

TELETECH HOLDINGS, INC. AND SUBSIDIARIES
 CONDENSED CONSOLIDATED BALANCE SHEETS
 (AMOUNTS IN THOUSANDS EXCEPT PER SHARE AMOUNTS)

ASSETS	December 31, 1999 -----	June 30, 2000 ----- (Unaudited)
CURRENT ASSETS:		
Cash and cash equivalents	\$ 14,663	\$ 6,119
Short-term investments	41,599	47,359
Investment in common stock	--	70,839
Accounts receivable, net of allowance for doubtful accounts of \$3,787 and \$4,388, respectively	78,753	123,601
Prepays and other assets	5,361	7,852
Deferred tax asset	4,889	--
Total current assets	----- 145,265	----- 255,770
PROPERTY AND EQUIPMENT, net of accumulated depreciation of \$65,083 and \$80,120, respectively	----- 108,945	----- 136,912
OTHER ASSETS:		
Long-term accounts receivable	3,930	2,290
Investment in customer relationship management software company, at cost	2,500	--
Goodwill, net of amortization of \$3,103 and \$3,862, respectively	20,633	22,296
Contract acquisition cost, net of amortization of \$1,614 and \$2,607, respectively	9,286	13,893
Deferred tax asset	550	550
Other assets	2,621	6,602
Total assets	----- \$293,730 =====	----- \$438,313 =====

The accompanying notes are an integral part of these
condensed consolidated balance sheets.

TELETECH HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(AMOUNTS IN THOUSANDS EXCEPT PER SHARE AMOUNTS)

LIABILITIES AND STOCKHOLDERS' EQUITY	December 31, 1999 -----	June 30, 2000 ----- (Unaudited)
CURRENT LIABILITIES:		
Current portion of long-term debt	\$ 4,842	\$ 7,755
Bank overdraft	1,323	930
Accounts payable	8,217	9,782
Accrued employee compensation	26,282	29,066
Accrued income taxes	1,523	5,069
Deferred income taxes	--	16,733
Other accrued expenses	16,831	23,509
Customer advances, deposits and deferred income	4,510	3,199
	-----	-----
Total current liabilities	63,528	96,043
LONG-TERM DEBT, net of current portion:		
Capital lease obligations	1,697	23
Line of credit	18,000	43,000
Other debt	5,469	3,359
	-----	-----
Total liabilities	88,694	142,425
	-----	-----
MINORITY INTEREST, in consolidated subsidiaries	--	5,499
	-----	-----
STOCKHOLDERS' EQUITY:		
Stock purchase warrants	--	5,100
Common stock; \$.01 par value; 150,000,000 shares authorized; 61,823,645 and 62,745,671 shares, respectively, issued and outstanding	617	627
Additional paid-in capital	121,060	136,318
Accumulated other comprehensive income	(1,148)	37,555
Retained earnings	84,507	110,789
	-----	-----
Total stockholders' equity	205,036	290,389
	-----	-----
Total liabilities and stockholders' equity	\$ 293,730	\$438,313
	=====	=====

The accompanying notes are an integral part of these
condensed consolidated balance sheets.

TELETECH HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(AMOUNTS IN THOUSANDS EXCEPT PER SHARE DATA)
(UNAUDITED)

	Three Months Ended June 30,	
	1999	2000
REVENUES	\$ 120,565	\$ 181,846
OPERATING EXPENSES:		
Costs of services	79,835	117,913
Other operating expenses	31,565	46,660
Total operating expenses	111,400	164,573
INCOME FROM OPERATIONS	9,165	17,273
OTHER INCOME (EXPENSE):		
Interest expense	(477)	(1,087)
Interest income	648	688
Gain on sale of securities	--	12,762
Other	(170)	(675)
	1	11,688
INCOME BEFORE INCOME TAXES AND MINORITY INTEREST	9,166	28,961
Provision for income taxes	3,712	10,952
INCOME BEFORE MINORITY INTEREST	5,454	18,009
Minority interest, net of income taxes	--	(399)
NET INCOME	\$ 5,454	\$ 17,610
WEIGHTED AVERAGE SHARES OUTSTANDING		
Basic	61,095	62,607
Diluted	62,692	66,700
NET INCOME PER SHARE		
Basic	\$.09	\$.28
Diluted	\$.09	\$.26

The accompanying notes are an integral part of these condensed consolidated financial statements.

TELETECH HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(AMOUNTS IN THOUSANDS EXCEPT PER SHARE DATA)
(UNAUDITED)

	Six Months Ended June 30,	
	----- 1999 -----	----- 2000 -----
REVENUES	\$ 231,203	\$ 340,340
OPERATING EXPENSES:		
Costs of services	154,203	222,915
Other operating expenses	59,969	85,723
Total operating expenses	----- 214,172	----- 308,638
INCOME FROM OPERATIONS	17,031	31,702
OTHER INCOME (EXPENSE):		
Interest expense	(894)	(1,893)
Interest income	1,202	1,322
Gain on sale of securities	--	12,762
Other	(104)	(657)
	----- 204	----- 11,534
INCOME BEFORE INCOME TAXES AND MINORITY INTEREST	17,235	43,236
Provision for income taxes	6,970	16,555
INCOME BEFORE MINORITY INTEREST	10,265	26,681
Minority interest, net of income taxes	--	(399)
NET INCOME	\$ 10,265 =====	\$ 26,282 =====
WEIGHTED AVERAGE SHARES OUTSTANDING		
Basic	60,933 =====	62,299 =====
Diluted	62,371 =====	66,716 =====
NET INCOME PER SHARE		
Basic	\$.17 =====	\$.42 =====
Diluted	\$.16 =====	\$.39 =====

The accompanying notes are an integral part of these
condensed consolidated financial statement

TELETECH HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(AMOUNTS IN THOUSANDS)
(UNAUDITED)

	Six Months Ended June 30,	
	----- 1999 -----	----- 2000 -----
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 10,265	\$ 26,282
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation and amortization	13,983	18,197
Minority interest	--	399
Allowance for doubtful accounts	311	601
Gain on sale of securities	--	(12,762)
Deferred income taxes	(64)	(459)
Changes in assets and liabilities:		
Accounts receivable	(1,005)	(45,449)
Prepays and other assets	(2,207)	(2,657)
Accounts payable and accrued expenses	(5,391)	12,707
Customer advances, deposits and deferred income	(130)	785
Net cash provided by (used in) operating activities	----- 15,762 -----	----- (2,356) -----
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(30,835)	(45,818)
Acquisitions, net of \$339 cash acquired	(4,052)	--
Contract acquisition costs	--	(1,356)
Investment in customer relationship management software company	--	(7,989)
Proceeds from minority interest in subsidiary	--	5,100
Changes in accounts payable and accrued liabilities related to investing activities	(55)	(600)
Decrease in short-term investments	2,969	8,961
Net cash used in investing activities	----- (31,973) -----	----- (41,702) -----
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net increase (decrease) in bank overdraft	499	(393)
Net increase in short-term borrowings	22,000	25,000
Net decrease on long-term debt and capital leases	(2,326)	(1,102)
Proceeds from exercise of stock options including tax benefit	(675)	13,468
Net cash provided by financing activities	----- 19,498 -----	----- 36,973 -----
Effect of exchange rate changes on cash	(1,860)	(1,459)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,427	(8,544)
CASH AND CASH EQUIVALENTS, beginning of period	8,796	14,663
CASH AND CASH EQUIVALENTS, end of period	=====	=====

The accompanying notes are an integral part of these condensed consolidated financial statements.

TELETECH HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE (1)--BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements have been prepared without audit pursuant to the rules and regulations of the Securities and Exchange Commission. The condensed consolidated financial statements reflect all adjustments (consisting of only normal recurring accruals) which, in the opinion of management, are necessary to present fairly the financial position, results of operations and cash flows of TeleTech Holdings, Inc. and subsidiaries as of June 30, 2000 and 1999 and for the periods then ended. Operating results for the three and six months ended June 30, 2000 are not necessarily indicative of the results that may be expected for the year ended December 31, 2000.

The unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and footnotes thereto included in the Company's Form 10-K for the year ended December 31, 1999. Certain 1999 amounts have been reclassified to conform to 2000 presentation.

NOTE (2)-- SEGMENT INFORMATION AND CUSTOMER CONCENTRATIONS

The Company classified its business activities into four fundamental areas: outsourced operations in the United States, facilities management operations, international outsourced operations, and technology services and consulting. These areas are separately managed and each has significant differences in capital requirements and cost structures. Outsourced, facilities management and international outsourced operations are reportable business segments with their respective financial performance detailed herein. Technology services and consulting is included in corporate activities as it is not a material business segment. Also included in corporate activities are general corporate expenses and overall operational management expenses. Assets of corporate activities include unallocated cash, short-term investments and deferred income taxes. There are no significant transactions between the reported segments for the periods presented.

(in thousands)	Three Months Ended June 30,	
	1999 -----	2000 -----
REVENUES:		
Outsourced	\$ 72,530	\$ 94,790
Facilities Management	20,399	28,304
International Outsourced	20,690	55,420
Corporate Activities	6,946	3,332
	-----	-----
Total	\$ 120,565	\$ 181,846
	=====	=====
OPERATING INCOME (LOSS):		
Outsourced	\$ 16,801	\$ 21,032
Facilities Management	1,406	3,547
International Outsourced	532	8,046
Corporate Activities	(9,574)	(15,352)
	-----	-----
Total	\$ 9,165	\$ 17,273
	=====	=====

TELETECH HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2000 - CONTINUED

(in thousands)	Six Months Ended June 30,	
	1999	2000
	-----	-----
REVENUES:		
Outsourced	\$ 138,776	\$ 184,794
Facilities Management	40,733	55,208
International Outsourced	38,826	94,159
Corporate Activities	12,868	6,179
	-----	-----
Total	\$ 231,203	\$ 340,340
	=====	=====
OPERATING INCOME (LOSS):		
Outsourced	\$ 30,555	\$ 42,081
Facilities Management	3,054	6,510
International Outsourced	1,132	12,802
Corporate Activities	(17,710)	(29,691)
	-----	-----
Total	\$ 17,031	\$ 31,702
	=====	=====

(in thousands)	Balance as of	
	December 31, 1999	June 30, 2000
	-----	-----
ASSETS:		
Outsourced Assets	\$ 76,401	\$103,178
Facilities Management Assets	11,290	13,417
International Outsourced Assets	88,643	129,486
Corporate Activities Assets	117,396	192,232
	-----	-----
Total	\$293,730	\$438,313
	=====	=====
GOODWILL:		
International Outsourced Goodwill, Net	\$ 10,496	\$ 10,554
Corporate Activities Goodwill, Net	10,137	11,742
	-----	-----
Total	\$ 20,633	\$ 22,296
	=====	=====

The following geographic data include revenues based on the location the services are provided (in thousands).

(in thousands)	Three Months Ended June 30,	
	1999	2000
	-----	-----
REVENUES:		
United States	\$ 95,062	\$120,887
Canada	7,484	23,726
Australia	13,228	16,484
Latin America	3,500	14,632
Rest of world	1,291	6,117
	-----	-----
Total	\$120,565	\$181,846
	=====	=====

TELETECH HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2000 - CONTINUED

	Six Months Ended June 30,	
	1999	2000
	-----	-----
REVENUES:		
United States	\$182,653	\$235,335
Canada	16,404	36,453
Australia	23,947	31,396
Latin America	5,745	27,012
Rest of world	2,454	10,144
	-----	-----
Total	\$231,203	\$340,340
	=====	=====

NOTE (3)--SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION AND NONCASH INVESTING AND FINANCING ACTIVITIES (IN THOUSANDS):

	Six Months Ended June 30,	
	1999	2000
	-----	-----
Cash paid for interest	\$ 533	\$1,087
Cash paid for income taxes	\$5,218	\$2,909
Noncash investing and financing activities:		
Stock issued in purchase of Pamet River, Inc.	\$1,753	\$ --
Issuance of stock purchase warrants in connection with formation of joint venture	\$ --	\$5,100

NOTE (4)--COMPREHENSIVE INCOME

In June 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income" ("SFAS 130"). The purpose of SFAS 130 is to report a measure of all changes in equity that result from recognized transactions and other economic events of the period other than transactions with owners in their capacity as owners.

The Company's comprehensive income for the three months and six months period ended June 30, 1999 and 2000 was as follows (in thousands):

	Three Months Ended June 30,	
	1999	2000
	-----	-----
Net income for the period	\$5,454	\$ 17,610
Change in cumulative translation adjustment	558	(970)
Unrealized gain on securities available for sale, less related tax effect	--	40,303
	-----	-----
Comprehensive income	\$6,012	\$ 56,943
	=====	=====

TELETECH HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2000 - CONTINUED

	Six Months Ended June 30,	
	1999	2000
Net income for the period	\$10,265	\$ 26,282
Change in cumulative translation adjustment	676	(1,600)
Unrealized gain on securities available for sale, less related tax effect	--	40,303
Comprehensive income	\$10,941	\$ 64,985
	=====	=====

NOTE (5)--FORD JOINT VENTURE

During the first quarter of 2000, the Company and Ford Motor Company ("Ford") formed the Percepta LLC. In connection with this formation, the Company issued stock purchase warrants to Ford entitling Ford to purchase 750,000 shares of TeleTech common stock. These warrants were valued at \$5.1 million using the Black Scholes Option model.

NOTE (6)--LEASE COMMITMENT

In March, 2000 the Company and State Street Bank and Trust Company of Connecticut ("State Street") entered into a lease agreement (the "Agreement") whereby State Street acquired 12 acres of land in Arapahoe County, Colorado for approximately \$5.2 million for the purpose of constructing a new corporate headquarters for the Company. In June, 2000 the Agreement was amended to provide for the construction of the building. The total estimated cost of the land and building provided for under the Agreement is \$30 million. Rent expense will commence upon completion of the building, which is estimated to be in the first quarter of 2001. The rental expense will be based upon the total project costs times a floating rate factor based on a spread of 100 to 175 basis points over LIBOR.

NOTE (7)--INVESTMENT IN COMMON STOCK

In December 1999 and January 2000, the Company invested a total of \$9.6 million in a privately held customer relationship management software company which resulted in an ownership of approximately 7%. In June, 2000, this company merged with E.piphany, Inc., a publicly traded customer relationship management company. As a result of the merger, TeleTech received 825,000 shares of E.piphany common stock. Prior to June 30, 2000, TeleTech sold 152,500 shares of E.piphany for total proceeds of \$14.7 million, which resulted in a realized gain of \$12.7 million. The remaining 673,400 shares of E.piphany are reflected in the accompanying June 30, 2000 balance sheet as an available for sale security. Accordingly, they are reflected at their market value with the corresponding unrealized income reflected in other comprehensive income net of tax. Subsequent to June 30, 2000 TeleTech has sold an additional 290,000 shares for \$35.9 million which resulted in a realized gain of \$32 million.

NOTE (8)--SUBSEQUENT EVENT

In July 2000, the Company sold a division of its Australian subsidiary which provides services in the healthcare industry for cash of approximately \$5.4 million. This sale will result in a gain recognized in the third quarter of 2000 of approximately \$3.0 million. The operating results, assets and liabilities of this division are not significant to the consolidated operating results, assets and liabilities of the Company.

Item 2.

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
FOR THE PERIOD ENDED JUNE 30, 2000 AND 1999

INTRODUCTION

Management's discussion and analysis of financial condition and results of operations in this Form 10-Q should be read in conjunction with the note regarding Forward Looking Information included in the Company's Form 10-K for the year ended December 31, 1999. Specifically, the Company has experienced, and in the future could experience, quarterly variations in revenues and earnings as a result of a variety of factors, many of which are outside the Company's control, including: the timing of new contracts; the timing of new product or service offerings or modifications in client strategies; the expiration or termination of existing contracts; the timing of increased expenses incurred to obtain and support new business; and the seasonal pattern of certain of the businesses serviced by the Company.

RESULTS OF OPERATIONS

THREE MONTH PERIOD ENDED JUNE 30, 2000 COMPARED TO JUNE 30, 1999

Revenues increased \$61.3 million or 51% to \$181.8 million for the three months ended June 30, 2000 from \$120.6 million for the three months ended June 30, 1999. Outsourced revenues increased \$22.3 million, resulting from \$9.8 million in new customers and \$12.4 million in increased revenues from existing clients. Revenues for the three months ended June 30, 2000 include approximately \$28.3 million from facilities management contracts as compared with \$20.4 million for the three months ended June 30, 1999. This increase is a result of significantly increased call volumes from one of the company's facility management clients. International outsourced revenues increased \$34.7 million. This is due to significant increases in Canada as a result of the commencement of operations of Percepta and an increasing number of United States clients utilizing the Company's Canadian locations. In addition, revenues in Latin America grew by \$11.1 million as a result of an acquisition in the fourth quarter of 1999, and increased capacity utilization.

Costs of services increased \$38.1 million, or 48%, to \$117.9 million for the three months ended June 30, 2000 from \$79.8 million for the three months ended June 30, 1999. Costs of services as a percentage of revenues decreased from 66.2% for the three months ended June 30, 1999 to 64.8% for the three months ended June 30, 2000. The decrease in the costs of services as a percentage of revenues is a result of increased capacity utilization in several of the Company's domestic and foreign customer interaction centers.

Selling, general and administrative expenses increased \$15.1 million, or 48% to \$46.7 million for the three months ended June 30, 2000 from \$31.6 million for the three months ended June 30, 1999. Selling, general and administrative expenses as a percentage of revenues decreased from 26.2% for the three months ended June 30, 1999 to 25.7% for the three months ended June 30, 2000 primarily as a result of increased capacity utilization in the Company's customer interaction centers

As a result of the foregoing factors, income from operations increased \$8.1 million or 88%, to \$17.3 million for the three months ended June 30, 2000 from \$9.2 million for the three months ended June 30, 1999. Operating income as a percentage of revenues increased from 7.6% for the three months ended June 30, 1999 to 9.5% for the three months ended June 30, 2000.

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
FOR THE PERIOD ENDED JUNE 30, 2000 AND 1999 - CONTINUED

Other income totaled \$11.7 million for the three months ended June 30, 2000 compared with other income of \$1,000 during the three months ended June 30, 1999. This is primarily related to a one-time gain of \$12.8 million on the sale of securities offset by increased interest expense of \$610,000 resulting from the increased levels in borrowings on the line of credit from \$22.0 million at June 30, 1999 to \$43.0 million at June 30, 2000. In addition, the Company incurred a loss of \$660,000 resulting from litigation with an equipment supplier concerning cancellation of a contract.

As a result of the foregoing factors, net income increased \$12.2 million or 223%, to \$17.6 million for the three months ended June 30, 2000 from \$5.5 million for the three months ended June 30, 1999.

SIX MONTH PERIOD ENDED JUNE 30, 2000 COMPARED TO JUNE 30, 1999

Revenues increased \$109.1 million or 47% to \$340.3 million for the six months ended June 30, 2000 from \$231.2 million for the six months ended June 30, 1999. Outsourced revenues increased \$46.0 million, resulting from \$16 million in new customers and \$30 million in increased revenues from existing clients. Revenues for the six months ended June 30, 2000 include approximately \$55.2 million from facilities management contracts as compared with \$40.7 million for the six months ended June 30, 1999. This increase is a result of significantly increased call volumes from one of the Company's facility management clients. International outsourced revenues increased \$55.3 million. This is due to significant increases in Canada as a result of the commencement of operations of Percepta and an increasing number of United States clients utilizing the company's Canadian locations. In addition, revenues in Latin America grew by \$21.3 million as a result of acquisitions in the first quarter and fourth quarter of 1999 and increased capacity utilization.

Costs of services increased \$68.7 million, or 45%, to \$222.9 million for the six months ended June 30, 2000 from \$154.2 million for the six months ended June 30, 1999. Costs of services as a percentage of revenues decreased from 66.7% for the six months ended June 30, 1999 to 65.5% for the six months ended June 30, 2000. The decrease in the costs of services as a percentage of revenues is a result of increased capacity utilization in several of the Company's domestic and foreign customer interaction centers.

Selling, general and administrative expenses increased \$25.8 million, or 43% to \$85.7 million for the six months ended June 30, 2000 from \$60.0 million for the six months ended June 30, 1999. Selling, general and administrative expenses as a percentage of revenues decreased from 25.9% for the six months ended June 30, 1999 to 25.2% for the six months ended June 30, 2000 primarily as a result of increased capacity utilization in the Company's customer interaction centers.

As a result of the foregoing factors, income from operations increased \$14.7 million or 86%, to \$31.7 million for the six months ended June 30, 2000 from \$17.0 million for the six months ended June 30, 1999. Operating income as a percentage of revenues increased from 7.4% for the six months ended June 30, 1999 to 9.3% for the six months ended June 30, 2000.

Other income totaled \$11.5 million for the six months ended June 30, 2000 compared with other income of \$204,000 during the six months ended June 30, 1999. This is primarily related to a one-time gain of \$12.8 million on the sale of securities offset by increased interest expense of \$1.0 million resulting from the increased levels in borrowings on the line of credit from \$22.0 million at June 30, 1999 (of which the entire amount was not outstanding during the period) to \$43.0 million at June 30, 2000. In addition, the Company incurred a loss of \$660,000 resulting from litigation with an equipment supplier concerning cancellation of a contract.

As a result of the foregoing factors, net income increased \$16.0 or 156%, to \$26.3 million for the six months ended June 30, 2000 from \$10.3 million for the six months ended June 30, 1999.

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
FOR THE PERIOD ENDED JUNE 30, 2000 AND 1999 -- CONTINUED

LIQUIDITY AND CAPITAL RESOURCES

As of June 30, 2000 the Company had cash and cash equivalents of \$6.1 million, short-term investments of \$47.4 million and an investment in common stock of \$70.8 million. Cash used by operating activities was \$2.4 million for the six months ended June 30, 2000, which primarily resulted from increased accounts receivable due to unscheduled early payments in 1999 totaling approximately \$15.0 million the Company was expecting to receive in January 2000. This helped the Company achieve cash flow from operations of \$14.0 million in the fourth quarter of 1999.

Cash used in investing activities was \$41.7 million for the six months ended June 30, 2000 resulting primarily from \$9.0 million decrease in short-term investments, \$5.1 million in capital contribution from a minority interest partner offset by \$45.8 million toward the purchase of property and equipment and \$8.0 million towards an investment in a customer relationship management software company.

Cash provided by financing activities was \$37.0 million resulting from the increase in borrowings of \$25.0 million and \$13.5 million from stock option exercises and their related tax benefit offset in part by pay downs of capital leases and other debt.

During the first quarter of 2000, the Company completed an amendment to its unsecured revolving line of credit with a syndicate of four banks. The amendment increased the line of credit to \$75.0 million from \$50.0 million. The Company has the option to secure at any time up to \$25.0 million of the line with available cash investments. The Company has two interest rate options: an offshore rate option or a bank base rate option. The Company will pay interest at a spread of 50 to 150 basis points over the applicable offshore or bank base rate, depending upon the Company's leverage. Interest on the secured portion is based on the applicable rate plus 22.5 basis points. Borrowings under this agreement totaled \$43.0 million at June 30, 2000 of which \$20.0 million was secured at the Company's option with temporary short term investments disclosed on the balance sheet. Interest rates under these borrowings ranged from 6.7% to 9.5% at June 30, 2000. Under this line of credit, the Company has agreed to maintain certain financial ratios and capital expenditure limits.

The Company currently expects total capital expenditures in 2000 to be approximately \$80 to \$90 million of which \$45.8 million was expended in the first six months. The Company believes that existing cash on hand and available borrowings under the line of credit together with cash from operations and proceeds from the sale of E.piphany common stock will be sufficient to finance the Company's operations, planned capital expenditures and anticipated growth through 2000.

FORWARD-LOOKING STATEMENTS

All statements not based on historical fact are forward-looking statements that involve substantial risks and uncertainties. In accordance with the Private Securities Litigation Reform Act of 1995, following are important factors that could cause TeleTech's actual results to differ materially from those expressed or implied by such forward-looking statements: lower than anticipated customer interaction center capacity utilization; the loss or delay in implementation of a customer management program; TeleTech's ability to build-out facilities in a timely and economic manner; greater than anticipated competition from new entrants into the customer care market, causing increased price competition or loss of clients; the loss of one or more significant clients; higher than anticipated start-up costs associated with new business opportunities; TeleTech's ability to predict the potential volume or profitability of any future technology or consulting sales; TeleTech's agreements with clients may be canceled on relatively short notice; and TeleTech's ability to generate a specific level of revenue is dependent upon customer interest in and use of the Company's clients' products and services. Readers are encouraged to review TeleTech's 1999 Annual Report on Form 10-K, which describes other important factors that may impact TeleTech's business, results of operations and financial condition. However, these factors

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
FOR THE PERIOD ENDED JUNE 30, 2000 AND 1999 -- CONTINUED

should not be construed as an exhaustive list. TeleTech cannot always predict which factors could cause actual results to differ materially from those in its forward-looking statements. In light of these risks and uncertainties the forward-looking statements might not occur. TeleTech assumes no obligation to update its forward-looking statements to reflect actual results or changes in factors affecting such forward-looking statements.

Item 3.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK
FOR THE PERIOD ENDED JUNE 30, 2000

Market risk represents the risk of loss that may impact the financial position, results of operations or cash flows of the Company due to adverse changes in financial and commodity market prices and rates. The Company is exposed to market risk in the areas of changes in U.S. interest rates and changes in foreign currency exchange rates as measured against the U.S. dollar. These exposures are directly related to its normal operating and funding activities.

INTEREST RATE RISK

The interest on the Company's line of credit and its Canadian subsidiary's operating loan is variable based on the bank's base rate or offshore rate, and therefore, affected by changes in market interest rates. At June 30, 2000, there was approximately \$930,000 in borrowings outstanding on the operating loan and \$43.0 million outstanding on the Company's line of credit. The Company monitors interest rates frequently and has sufficient cash balances to significantly reduce the line of credit, should interest rates increase significantly. The Company's investments are typically short-term in nature and as a result do not expose the Company to significant risk from interest rate fluctuations. Therefore, the Company does not believe that reasonably possible near-term changes in interest rates will result in a material effect on future earnings, fair values or cash flows of the Company.

FOREIGN CURRENCY RISK

The Company has wholly owned subsidiaries in Argentina, Australia, Brazil, Canada, Mexico, New Zealand, Singapore and the United Kingdom. The substantial majority of revenues and expenses from these operations are denominated in local currency, thereby creating exposures to changes in exchange rates. The changes in the exchange rate may positively or negatively affect the Company's revenues and net income attributed to these subsidiaries. For the three and six months ended June 30, 2000, revenues from non-U.S. countries represented 34% and 31% of consolidated revenues, respectively.

The Company's Canadian subsidiary receives payment in U.S. dollars for certain of its larger customer contracts. As all its expenditures are in Canadian dollars, the Company must acquire Canadian currency on a monthly basis. Accordingly, the Company has contracted with a Commercial bank at no material cost, to acquire a total of \$27 million Canadian dollars during the last 6 months of 2000 at a fixed price in U.S. dollars of \$18.3 million. There is no material differences between the fixed exchange ratio and the current exchange ratio of the U.S./Canadian dollar.

OTHER ITEMS

From time to time, the Company engages in discussions regarding restructuring, dispositions, acquisitions and other similar transactions. Any such transaction could include, among other things, the transfer, sale or acquisition of significant assets, businesses or interests, including joint ventures, or the incurrence, assumption or refinancing of indebtedness, and could be material to the Company's financial condition and results of operations. There is no assurance that any such discussions will result in the consummation of any such transaction.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, the Company is involved in litigation, most of which is incidental to its business. In the Company's opinion, no litigation to which the Company currently is a party is likely to have a material adverse effect on the Company's results of operations or financial condition.

Item 4. Submission of Matters to a Vote of Security Holders

The Company held its annual meeting of shareholders ("Annual Meeting") on May 3, 2000. As of March 24, 2000, the record date for the Annual Meeting, approximately 62,338,826 shares of common stock were outstanding. Each matter submitted to a vote of the shareholders at the Annual Meeting received a number of votes sufficient for approval.

The following items were submitted to a vote of the Company's shareholders at the Annual Meeting:

(a) Election of Directors

	VOTES FOR	VOTES ABSTAINED
Kenneth D. Tuchman	53,054,481	15,547
Scott Thompson	53,054,481	15,547
James Barlett	53,054,481	15,547
Rod Dammeyer	53,054,481	15,547
George Heilmeyer	53,054,481	15,547
Morton Meyerson	53,054,481	15,547
Alan Silverman	53,054,481	15,547

(b) Ratification of appointment of Arthur Andersen LLP as the Company's independent auditors for fiscal year 2000:

VOTES FOR	VOTES AGAINST	VOTES ABSTAINED
53,062,122	5,174	2,732

(c) A proposal to adopt the Company's Amended and Restated 1999 Stock Option and Incentive Plan:

VOTES FOR	VOTES AGAINST	VOTES ABSTAINED
40,399,166	7,001,740	3,690

(d) A proposal to adopt the Company's Amended and Restated Employee Stock Purchase Plan:

VOTES FOR	VOTES AGAINST	VOTES ABSTAINED
47,035,869	364,961	3,766

Item 5. Recent Developments

New Corporate Headquarters

In March, 2000 the Company and State Street Bank and Trust Company of Connecticut ("State Street") entered into a lease agreement (the "Agreement") whereby State Street acquired 12 acres of land in Arapahoe County, Colorado for approximately \$5.2 million for the purpose of constructing a new corporate headquarters for the Company. In June, 2000 the Agreement was amended to provide for the construction of the building. The total estimated cost of the land and building provided for under the Agreement is \$30 million. Rent expense will commence upon completion of the building, which is estimated to be in the first quarter of 2001.

Investment in Common Stock

In December 1999 and January 2000, the Company invested a total of \$9.6 million in Octane Software, Inc., a privately held customer relationship management software company. In June, 2000, Octane merged with E.piphany, Inc., a publicly traded customer relationship management company. As a result of the merger, TeleTech received 825,000 shares of E.piphany common stock. Prior to June 30, 2000, TeleTech sold 152,500 shares of E.piphany, and subsequent to June 30, 2000 TeleTech has sold an additional 290,000 shares.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits filed through the filing of this Form 10-Q

- 3.1 Restated Certificate of Incorporation of TeleTech[1] {Exhibit 3.1}
- 3.2 Amended and Restated Bylaws of TeleTech[1] {Exhibit 3.2}
- 10.28* Letter Agreement dated March 27, 2000 between
Larry Kessler and TeleTech
- 10.29* Stock Option Agreement dated March 27, 2000 between Larry Kessler
and TeleTech
- 10.30* Promissory Note dated April 3, 2000 by Larry Kessler for the
benefit of TeleTech
- 10.31* Lease and Deed of Trust Agreement dated June 22, 2000
- 10.32* Participation Agreement dated June 22, 2000
- 27.1 * Financial Data Schedule

(b) Reports on Form 8-K

None

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* Filed Herewith

[] Such exhibit previously filed with the Securities and Exchange Commission as exhibits to the filings indicated below, under the exhibit number indicated in brackets { }, and is incorporated by reference.

[1] TeleTech's Registration Statement on Form S-1, as amended (Registration Statement No. 333-04097).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

TELETECH HOLDINGS, INC.
(Registrant)

Date: August 11, 2000

By: /s/ SCOTT D. THOMPSON

Scott D. Thompson
Chief Executive Officer and President

Date: August 11, 2000

By: /s/ MICHAEL E. FOSS

Michael E. Foss
Chief Financial Officer and President
TeleTech Companies Group

March 27, 2000

Larry Kessler
1520 Floribunda Avenue
Burlingame, CA 94010

Dear Larry:

We are pleased to extend to you an offer of employment as Executive Vice President, World Wide Sales and Marketing of TeleTech Holdings Inc. The position will be located at our corporate office in Denver, Colorado. You will start no later than April 3, 2000 and will report to Scott Thompson, Chief Executive Officer and President. Your annual base salary will be \$300,000 with a target annual bonus opportunity of 100% of your base. Your bonus will be based upon both TeleTech performance and your individual achievement of MBO goals to be set jointly by yourself and Scott. For 2000 100% of your annual bonus will be guaranteed.

You will receive vacation as per TeleTech's policy, which is accrued each pay period to a maximum of four (4) weeks per year. You will be eligible for TeleTech's executive medical and dental insurance, as well as a term Life Insurance policy in the amount of \$4,000,000 on your start date (subject to standard physical exam). You will be eligible for a Long-Term Disability policy that provides 50% of your base salary and annual bonus (calculated at 80%) on the 91st day of your disability. Eligibility for the 401(k) plan begins during the enrollment period following six (6) months of service. You will be eligible to participate in the Employee Stock Purchase Plan during the enrollment period following three (3) months of service.

In addition TeleTech will pay you the sum of \$100,000 as a signing bonus within 30 days of your start date. If you voluntarily leave TeleTech within the first eighteen months of employment this sum will be repayable to TeleTech on a pro-rata basis.

TeleTech will reimburse all necessary and reasonable relocation expenses, up to \$150,000. This will include temporary living, residential closing and commission costs on the sale of your home, closing costs on your new home, as well as expenses incurred travelling back and forth from Burlingame, CA to Denver, CO. All taxable relocation reimbursements will be grossed-up. Relocation expenses need to be approved in advance. If you voluntarily leave TeleTech within the first eighteen months of employment this sum will be repayable to TeleTech on a pro-rata basis.

TeleTech requires all employees to acknowledge the terms and conditions of their employment by signing agreements regarding at-will employment, arbitration, confidentiality, non-competition, non-disclosure, trade secrets, and invention protection. These agreements will be provided by TeleTech and must be signed at or before the start of your employment.

You will receive a sign on bonus of 250,000 stock options with an exercise price equal to \$30.8125. These options will vest in equal annual installments over four (4) years.

You will be eligible to participate in a Management Stock Option Program, which is designed to grant options at the end of each year. This is a discretionary plan which awards options based upon personal achievements of business objectives.

If you cease to be employed by TeleTech or any of its subsidiaries or affiliates (collectively, the "SUBSIDIARIES") for any reason other than (i) for "Cause" (as defined in TeleTech's 1999 Stock Option and Incentive Plan), (ii) your death, or (iii) your mental, physical or emotional disability or condition, the Options shall be exercisable at any time prior to the date three months after the date of termination of your employment.

Your option agreements will also provide that upon a "Change of Control" any unvested portion of the options that are scheduled to vest within 24 months following the date the Change of Control becomes effective shall vest and become immediately exercisable as of the effective date of the Change of Control. If your employment is terminated other than "For Cause" (as defined in TeleTech's 1999 Stock Option and Incentive Plan) within 24 months following a Change of Control, 100% of your options will become immediately exercisable.

If your employment is terminated by TeleTech within the first two years of employment, other than for "Cause," or your position or salary materially changes (you shall receive (upon condition of executing and delivering a legal release in a form satisfactory to TeleTech), a payment of 18 months of your on-target earnings (base salary plus annual bonus) and the accelerated vesting of any unvested options that would otherwise have vested at the next vesting date under your option agreements.

This offer is in effect until 5 PM MST March 30, 2000 and is contingent upon your successful clearance of TeleTech's reference, background and drug screens.

I'd like to personally welcome you to TeleTech. We look forward to working with you.

Sincerely,

/s/ David Gilbert

- - - - -

David Gilbert
Vice President, Corporate Recruiting

DG/gj

Larry Kessler
March 27, 2000
Page 3 of 3

Please execute two copies of this Agreement, return the original to me and retain one for your files.

I agree to the terms and conditions of this offer of employment and will begin working as Executive Vice President, World Wide Sales and Marketing of TeleTech Holdings Inc. on April 3, 2000 in our Denver office.

Signed: /s/ Larry Kessler

Date: 03/27/00

This offer is extended dependent upon reference checking, passing a drug test, presentation of appropriate documentation to meet current Immigration and Naturalization requirements, and the receipt of a signed Non-Disclosure/Non-Compete Agreement. UPON YOUR ARRIVAL, A SOCIAL SECURITY CARD AND ONE OF THE FOLLOWING DOCUMENTS IS REQUIRED: A VALID DRIVER'S LICENSE, ID CARD, ORIGINAL OR CERTIFIED COPY OF BIRTH CERTIFICATE, CURRENT INS EMPLOYMENT AUTHORIZATION, VALID U.S. PASSPORT, OR CERTIFICATE OF NATURALIZATION.

TELETECH HOLDINGS, INC.
NON-QUALIFIED STOCK OPTION AGREEMENT

THIS NON-QUALIFIED STOCK OPTION AGREEMENT (the "AGREEMENT") is entered into between TELETECH HOLDINGS, INC., a Delaware corporation ("TELETECH"), and Larry Kessler ("OPTIONEE"), as of March 27, 2000 (the "GRANT DATE"). In consideration of the mutual promises and covenants made herein, the parties hereby agree as follows:

1. GRANT OF OPTION. Subject to the terms and conditions of the TeleTech Holdings, Inc. 1999 Stock Option and Incentive Plan (the "PLAN"), a copy of which is attached hereto and incorporated herein by this reference, TeleTech grants to Optionee an option (the "OPTION") to purchase 250,000 shares (the "SHARES") of TeleTech's common stock, \$.01 par value (the "COMMON STOCK"), at a price equal to US\$30.8125 per share (the "OPTION PRICE"). The Option Price has been determined by the Compensation Committee of the Board of Directors of TeleTech (the "COMMITTEE"), acting in good faith, to be the fair market value of the Common Stock on the Grant Date based upon the last sale price for Common Stock reported by The Nasdaq Stock Market, Inc. as of the close of business on the Grant Date.

The Option is not intended to qualify as an incentive stock option described in Section 422 of the Internal Revenue Code of 1986, as amended (the "CODE"). All provisions of this Agreement are to be construed in conformity with this intention.

2. TERM: OPTION RIGHTS. Except as provided below, the Option shall be valid for a term commencing on the Grant Date and ending 10 years after the Grant Date (the "EXPIRATION DATE").

(a) RIGHTS UPON TERMINATION OF EMPLOYMENT. If Optionee ceases to be employed by TeleTech or any of its subsidiaries or affiliates (collectively, the "SUBSIDIARIES") for any reason other than (i) for "Cause" (as defined herein), (ii) Optionee's death, or (iii) Optionee's mental, physical or emotional disability or condition (a "DISABILITY"), the Option shall be exercisable at any time prior to the earlier of the Expiration Date or the date three months after the date of termination of Optionee's employment.

(b) RIGHTS UPON TERMINATION FOR CAUSE. If Optionee's employment with TeleTech and/or its Subsidiaries is terminated for Cause, the Option shall be immediately cancelled, no portion of the Option may be exercised thereafter and Optionee shall forfeit all rights to the Option. The term "Cause" shall have the meaning given to such term or to the term "For Cause" or other similar phrase in Optionee's Employment Agreement with TeleTech or any Subsidiary; provided, however, that (i) if at any time Optionee's employment with TeleTech or any Subsidiary is not governed by an employment agreement, then the term "Cause" shall have the meaning given to such term in the Plan, and (ii) "Cause" shall exclude Optionee's death or Disability.

(c) RIGHTS UPON OPTIONEE'S DEATH OR DISABILITY. If Optionee's employment

with TeleTech and/or its Subsidiaries is terminated as a result of (i) Optionee's death, the Option may be exercised at any time prior to the earlier of the Expiration Date or the date six months after the date of Optionee's death, or (ii) Optionee's Disability, the Option may be exercised at any time prior to the earlier of the Expiration Date or the date six months after the date Optionee's employment is terminated as a result of Optionee's Disability.

3. VESTING. The Option may only be exercised to the extent vested. Any vested portion of the Option may be exercised at any time in whole or from time to time in part. Vesting shall commence on March 27, 2001 and Optionee shall vest in the Option according to the following schedule (each date set forth below, a "VESTING DATE"):

Vesting Date -----	Cumulative Percentage of Option Vested -----
March 27, 2001	25%
March 27, 2002	50%
March 27, 2003	75%
March 27, 2004	100%

Optionee must be employed by TeleTech or any Subsidiary on (a) March 27, 2001 in order to vest in any portion of the Option, and (b) on any Vesting Date, in order to vest in the portion of the Option set forth in the chart above that vests on such Vesting Date. No portion of the Option shall vest between Vesting Dates; if Optionee ceases to be employed by TeleTech or any Subsidiary, then any portion of the Option that is scheduled to vest on any Vesting Date after the date Optionee's employment is terminated automatically shall be forfeited as of the termination of employment. If Optionee's employment with TeleTech or any Subsidiary is terminated for any reason, any portion of the Option which is not then vested shall be immediately forfeited; provided, however, that a transfer or reassignment of Optionee from TeleTech to any Subsidiary, or VICE VERSA, shall not constitute a termination of employment for purposes of this Agreement.

3A. VESTING FOLLOWING A CHANGE IN CONTROL.

(a) Accelerated Vesting. Notwithstanding the vesting schedule contained in Section 3,

(i) upon a Change in Control (as hereinafter defined), any unvested portion of the Option that is scheduled to vest (pursuant to Section 3) within 24 months following the date the Change of Control becomes effective shall vest and become immediately exercisable as of the effective date of the Change of Control, with the remainder of the unvested portion of the Option vesting pursuant to Section 3, as accelerated by this Section 3A and clarified by the following example:

For example, assume that on June 1, 1999 an optionee was granted an option to acquire 10,000 shares of Common Stock, which option vests over five years, pro rata, on each anniversary of the grant date. On June 5, 2000, a Change of Control is consummated. As of June 5, 2000, the optionee will be fully vested in the option with respect to 6,000 shares (i.e., the 2,000 shares that vested on June 1, 2000, plus an additional 4,000 shares that vested on June 5, 2000 in accordance with the accelerated vesting provisions of this Section 3A), and the remaining unvested portion of the option would vest (assuming all other conditions to vesting are satisfied) with respect to the remaining 4,000 shares on each of June 1, 2001 (2,000 shares) and June 2, 2002 (2,000 shares).

(ii) if Optionee's employment with TeleTech or any Subsidiary is terminated within 24 months following a Change in Control, then the entire amount of the Option shall become 100% vested and immediately exercisable as of Optionee's Termination Date (as defined herein); PROVIDED, HOWEVER, that the accelerated vesting described in the foregoing clause (ii) shall not apply if Optionee's employment with TeleTech is terminated (A) by Optionee for any reason other than for "Good Reason" (as defined herein), or (B) by TeleTech for "Cause" (as defined herein).

(b) DEFINITION OF "CHANGE IN CONTROL". For purposes of this Agreement, "CHANGE IN CONTROL" means the occurrence of any one of the following events:

(i) any consolidation, merger or other similar transaction (A) involving TeleTech, if TeleTech is not the continuing or surviving corporation, or (B) which contemplates that all or substantially all of the business and/or assets of TeleTech will be controlled by another corporation;

(ii) any sale, lease, exchange or transfer (in one transaction or series of related transactions) of all or substantially all of the assets of TeleTech (a "DISPOSITION"); PROVIDED, HOWEVER, that the foregoing shall not apply to any Disposition to a corporation with respect to which, following such Disposition, more than 51% of the combined voting power of the then outstanding voting securities of such corporation is then beneficially owned, directly or indirectly, by all or substantially all of the individuals and entities who were the beneficial owners of at least 51% of the then outstanding Common Stock and/or other voting securities of TeleTech immediately prior to such Disposition,

in substantially the same proportion as their ownership immediately prior to such Disposition;

(iii) approval by the stockholders of TeleTech of any plan or proposal for the liquidation or dissolution of TeleTech, unless such plan or proposal is abandoned within 60 days following such approval;

(iv) the acquisition by any "person" (as such term is used in Sections 13(d) and 14(d)(2) of the Securities Exchange Act of 1934, as amended), or two or more persons acting in concert, of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Securities Exchange Act of 1934, as amended) of 51% or more of the outstanding shares of voting stock of TeleTech; PROVIDED, HOWEVER, that for purposes of the foregoing, "person" excludes Kenneth D. Tuchman and his affiliates; PROVIDED, FURTHER that the foregoing shall exclude any such acquisition (A) by any person made directly from TeleTech, (B) made by TeleTech or any Subsidiary, or (C) made by an employee benefit plan (or related trust) sponsored or maintained by TeleTech or any Subsidiary; or

(v) if, during any period of 15 consecutive calendar months commencing at any time on or after September 1, 1999, those individuals (the "CONTINUING DIRECTORS") who either (A) were directors of TeleTech on the first day of each such 15-month period, or (B) subsequently became directors of TeleTech and whose actual election or initial nomination for election subsequent to that date was approved by a majority of the Continuing Directors then on the board of directors of TeleTech, cease to constitute a majority of the board of directors of TeleTech.

(c) OTHER DEFINITIONS. For purposes of this Section 3A, the following terms have the meanings ascribed to them below:

(i) "CAUSE" has the meaning given to such term, or to the term "For Cause" or other similar phrase, in Optionee's Employment Agreement with TeleTech or any Subsidiary, if any; PROVIDED, HOWEVER, that if at any time Optionee's employment with TeleTech or any Subsidiary is not governed by an employment agreement, then the term "Cause" shall have the meaning given to such term in the Plan; PROVIDED, FURTHER, that, notwithstanding the provisions of Optionee's Employment Agreement or of the Plan, for purposes of this Agreement, TeleTech shall have the burden to prove that Optionee's employment was terminated for "Cause."

(ii) "TERMINATION DATE" means the latest day on which Optionee is expected to report to work and is responsible for the performance of services to or on behalf of TeleTech or any Subsidiary, notwithstanding that Optionee may be entitled to receive payments from TeleTech (e.g., for unused vacation or sick time, severance payments, deferred compensation or otherwise) after such date; and

(iii) "GOOD REASON" means (A) any reduction in Optionee's base salary; PROVIDED THAT a reduction in Optionee's base salary of 10% or less does not constitute "Good Reason" if such reduction is effected in connection with a reduction in compensation that is applicable generally to officers and senior management of TeleTech; (B) Optionee's responsibilities or areas of supervision within TeleTech or its Subsidiaries are substantially reduced; or (C) Optionee's principal office is relocated outside the metropolitan area in which Optionee's office was located immediately prior to the Change in Control; PROVIDED, HOWEVER, that temporary assignments made for the good of TeleTech's business shall not constitute such a move of office location.

(d) VESTING FOLLOWING TERMINATION BY TELETECH OTHER THAN FOR CAUSE. In the event that Optionee's employment with TeleTech is terminated for any reason other than for "Cause" (as defined above) within two years of the Grant Date, the unvested portion of the option that would otherwise vest at the next Vesting Date shall vest and become immediately exercisable as of the day after Optionee's Termination Date.

4. PROCEDURE FOR EXERCISE. Exercise of the Option or a portion thereof shall be effected by the giving of written notice to TeleTech in accordance with the Plan and payment of the aggregate Option Price for the number of Shares to be acquired pursuant to such exercise.

5. PAYMENT FOR SHARES. Payment of the Option Price (or portion thereof) shall be made in cash or by such other method as may be permitted by the Committee in accordance with the provisions of the Plan. No Shares shall be delivered upon exercise of the Option until full payment has been made and all applicable withholding requirements satisfied.

6. OPTIONS NOT TRANSFERABLE AND SUBJECT TO CERTAIN RESTRICTIONS. The Option may not be sold, pledged, assigned or transferred in any manner other than by will or the laws of descent and distribution, or pursuant to a qualified domestic relations order as defined in Section 414(p) of the Code. During Optionee's lifetime, the Option may be exercised only by the Optionee or by a legally authorized representative. In the event of Optionee's death, the Option may be exercised by the distributee to whom Optionee's rights under the Option shall pass by will or by the laws of descent and distribution.

7. ACCEPTANCE OF PLAN. Optionee hereby accepts and agrees to be bound by all the terms and conditions of the Plan.

8. NO RIGHT TO EMPLOYMENT. Nothing herein contained shall confer upon Optionee any right to continuation of employment by TeleTech or any Subsidiary, or interfere with the right of TeleTech or any Subsidiary to terminate at any time the employment of Optionee. Nothing contained herein shall confer any rights upon Optionee as a stockholder of TeleTech, unless and until Optionee actually receives Shares.

9. COMPLIANCE WITH SECURITIES LAWS. The Option shall not be exercisable and Shares shall not be issued pursuant to exercise of the Option unless the exercise of the Option and the

issuance and delivery of Shares pursuant thereto shall comply with all relevant provisions of law including, without limitation, the Securities Act of 1933, as amended (the "SECURITIES ACT"), the Securities Exchange Act of 1934, as amended, the rules and regulations promulgated thereunder, and the requirements of any stock exchange upon which Common Stock may then be listed, and shall be further subject to the approval of counsel for TeleTech with respect to such compliance. If, in the opinion of counsel for TeleTech, a representation is required to be made by Optionee in order to satisfy any of the foregoing relevant provisions of law, TeleTech may, as a condition to the exercise of the Option, require Optionee to represent and warrant at the time of exercise that the Shares to be delivered as a result of such exercise are being acquired solely for investment and without any present intention to sell or distribute such Shares.

10. ADJUSTMENTS. Subject to the sole discretion of the Board of Directors, TeleTech may, with respect to any unexercised portion of the Option, make any adjustments necessary to prevent accretion, or to protect against dilution, in the number and kind of shares covered by the Option and in the applicable exercise price thereof in the event of a change in the corporate structure or shares of TeleTech; provided, however, that no adjustment shall be made for the issuance of preferred stock of TeleTech or the conversion of convertible preferred stock of TeleTech. For purposes of this Section 10, a change in the corporate structure or shares of TeleTech includes, without limitation, any change resulting from a recapitalization, stock split, stock dividend, consolidation, rights offering, spin-off, reorganization or liquidation, and any transaction in which shares of Common Stock are changed into or exchanged for a different number or kind of shares of stock or other securities of TeleTech or another entity.

11. NO OTHER RIGHTS. Optionee hereby acknowledges and agrees that, except as set forth herein, no other representations or promises, either oral or written, have been made by TeleTech, any Subsidiary or anyone acting on their behalf with respect to Optionee's right to acquire any shares of Common Stock, stock options or awards under the Plan, and Optionee hereby releases, acquits and forever discharges TeleTech, the Subsidiaries and anyone acting on their behalf of and from all claims, demands or causes of action whatsoever relating to any such representations or promises and waives forever any claim, demand or action against TeleTech, any Subsidiary or anyone acting on their behalf with respect thereto.

12. CONFIDENTIALITY. OPTIONEE AGREES NOT TO DISCLOSE, DIRECTLY OR INDIRECTLY, TO ANY OTHER EMPLOYEE OF TELETECH AND TO KEEP CONFIDENTIAL ALL INFORMATION RELATING TO ANY OPTIONS OR OTHER AWARDS GRANTED TO OPTIONEE, PURSUANT TO THE PLAN OR OTHERWISE, INCLUDING THE AMOUNT OF ANY SUCH AWARD, THE EXERCISE PRICE AND THE RATE OF VESTING THEREOF; PROVIDED THAT OPTIONEE SHALL BE ENTITLED TO DISCLOSE SUCH INFORMATION TO SUCH OF OPTIONEE'S ADVISORS, REPRESENTATIVES OR AGENTS, OR TO SUCH OF TELETECH'S OFFICERS, ADVISORS, REPRESENTATIVES OR AGENTS (INCLUDING LEGAL AND ACCOUNTING ADVISORS), WHO HAVE A NEED TO KNOW SUCH INFORMATION FOR LEGITIMATE TAX, FINANCIAL PLANNING OR OTHER SUCH PURPOSES.

13. SEVERABILITY. Any provision of this Agreement (or portion thereof) that is deemed invalid, illegal or unenforceable in any jurisdiction shall, as to that jurisdiction and subject to this Section 13, be ineffective to the extent of such invalidity, illegality or unenforceability, without affecting in any way the remaining provisions thereof in such jurisdiction or rendering that or any other provisions of this Agreement invalid, illegal, or unenforceable in any other jurisdiction.

14. REFERENCES. Capitalized terms not otherwise defined herein shall have the same meaning ascribed to them in the Plan.

15. ENTIRE AGREEMENT. This Agreement (including the Plan, which is incorporated herein) constitutes the entire agreement between the parties concerning the subject matter hereof and supersedes all prior and contemporaneous agreements, oral or written, between TeleTech and Optionee relating to Optionee's entitlement to stock options, Common Stock or similar benefits, under the Plan or otherwise.

16. AMENDMENT. This Agreement may be amended and/or terminated at any time by mutual written agreement of TeleTech and Optionee.

17. NO THIRD PARTY BENEFICIARY. Nothing in this Agreement, expressed or implied, is intended to confer on any person other than Optionee and Optionee's respective successors and assigns expressly permitted herein, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

18. GOVERNING LAW. The construction and operation of this Agreement are governed by the laws of the State of Delaware (without regard to its conflict of laws provisions).

Executed as of the date first written above.

TELETECH HOLDINGS, INC.

By: /s/ Michael Foss

Michael Foss,
Chief Financial Officer

/s/ Larry Kessler

Signature of Larry Kessler ("Optionee")

PROMISSORY NOTE

\$100,000

April 3, 2000

FOR VALUE RECEIVED, the undersigned (the "Borrower") hereby promises to pay to the order of TeleTech Holdings, Inc. (the "Holder") the principal sum of \$100,000, together with interest on the unpaid balance accruing at a rate of 6% per annum.

Principal and interest shall be payable at TeleTech Holdings, Inc., 1700 Lincoln Street, 14th Floor, Denver, Colorado 80203, or such other place as the Holder may designate. Payments will be applied first to interest and taxes, and then to the principal balance.

Borrower's payment obligations hereunder shall continue until the entire indebtedness evidenced by this Note is fully paid; provided, however, if not sooner paid, the entire principal amount outstanding and accrued interest thereon, shall be due and payable on October 3, 2001 (the "Maturity Date"); provided, however, that Holder shall forgive the entire indebtedness, including accrued interest, if Borrower continues to be employed by the Holder as of the Maturity Date. Borrower understands that forgiveness of the debt evidenced by this Note may give rise to a tax withholding obligation on the part of Holder, and Borrower agrees to pay Holder the amount Borrower's share of any such tax withholdings.

If Borrower's employment with Holder or any affiliate of Holder is terminated for any reason, with or without cause, prior to the Maturity Date, all remaining unpaid principal, and all remaining accrued interest, shall immediately be due and payable.

The Borrower agrees to pay all costs and expenses of collection, including reasonable attorneys' fees.

This Note may be prepaid by the Borrower at any time without premium or penalty.

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 of such Holder, nor shall any such delay, omission or waiver on any one occasion be deemed a bar to or waiver of the same or any other right on any future occasion.

The Borrower and all endorsers and guarantors of this Note hereby waive presentment, demand, notice of nonpayment, protest and all other demands and notices in connection with the delivery, acceptance, performance or enforcement of this Note.

All rights and obligations hereunder shall be governed by the laws of the State of Colorado.

IN WITNESS WHEREOF, the Borrower has caused this Note to be issued as of the date first written above.

/s/ Larry Kessler
- -----
Larry Kessler

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Mayer, Brown & Platt
350 South Grand Avenue
25th Floor
Los Angeles, California 90071-1503
Attention: Douglas B. Frank, Esq.

- -----SPACE ABOVE THIS LINE FOR RECORDER'S USE -----

AMENDED AND RESTATED LEASE
AND DEED OF TRUST

THIS DOCUMENT SECURES FUTURE ADVANCES

Dated as of June 22, 2000

by and among

TELETECH SERVICES CORPORATION,
as Lessee and trustor,

STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT,
NATIONAL ASSOCIATION,
not in its individual capacity,
but solely as Certificate Trustee under the
Trust Agreement dated as of March 1, 2000,
as Lessor and beneficiary,

and,
for purposes of the Deed of Trust
(set forth in Article XVI hereof),

PUBLIC TRUSTEE OF ARAPAHOE COUNTY, COLORADO,
as Deed of Trust Trustee

TELETECH 2000 LEASE FINANCING

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Appendix 1	-	Definitions

LEASE

This Amended and Restated Lease and Deed of Trust (this "LEASE"), dated as of June 22, 2000, by and among STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT, NATIONAL ASSOCIATION, not in its individual capacity, but solely as Certificate Trustee under the Trust Agreement dated as of March 1, 2000, having its principal office at 225 Asylum Street, Hartford, CT 06103, as Lessor and beneficiary, TELETECH SERVICES CORPORATION, a Colorado corporation, having its principal office at 1700 Lincoln Street, Denver, Colorado, as Lessee and as trustor, and, The Public Trustee of Arapahoe County, as trustee, for purposes of the Deed of Trust (set forth in Article XVI hereof), with an address of 2329 West Main Street, Suite 100, Littleton, Colorado 80120.

W I T N E S S E T H:

A. Lessee, Lessor, Guarantor, the Initial Certificate Holder, the Initial Lender and Administrative Agent entered into the Original Operative Documents for the purpose of financing the acquisition of the parcel of land located in Arapahoe County, Colorado more particularly described in Exhibit A to the Original Lease, together with all Appurtenant Rights attached (the "LAND").

B. Subject to the terms and conditions of the Original Participation Agreement and the other Original Operative Documents, on the First Document Closing Date, among other things, Lessee and Lessor entered into the Original Lease pursuant to which Lessor agreed to lease to Lessee, and Lessee agreed to lease from Lessor, the Leased Property and Initial Certificate Holder and Initial Lender funded the Advance occurring on March 6, 2000, to pay Land Acquisition Costs (including Fees and other Transaction Expenses) accruing on or prior to such date (the "ORIGINAL ADVANCE");

C. The parties are entering into the Operative Documents in order to amend and restate the Original Operative Documents in their entirety and to provide financing for construction of the Financed Improvements on the Land. Subject to the terms and conditions set forth in the Operative Documents, (i) during the Interim Term, Construction Agent, using Advances funded by the Participants, will construct the Financed Improvements on the Land on behalf of Lessor; and (ii) pursuant to this Lease, Lessor will

lease the resulting Leased Property to Lessee, and Lessee will lease the Leased Property from Lessor.

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

ARTICLE I
DEFINITIONS; INTERPRETATION; EFFECTIVENESS

SECTION 1.1. DEFINITIONS; INTERPRETATION. For all purposes hereof, the capitalized terms used herein and not otherwise defined shall have the meanings assigned thereto in APPENDIX 1 attached hereto; and the rules of interpretation set forth in Appendix 1 attached hereto shall apply to this Lease. Except as specifically provided for in SECTION 16.7 hereof, all obligations imposed on "Lessee" in this Lease shall be the full recourse liability of Lessee. For purposes hereof, the term "Participation Agreement" shall mean that certain Participation Agreement dated as of even date herewith, among Teletech Services Corporation, as Lessee; Teletech Holdings, Inc., as Guarantor; State Street Bank and Trust Company of Connecticut, National Association, not in its individual capacity, except as expressly stated therein, but solely as Lessor; First Security Bank, National Association, not in its individual capacity, except as expressly stated therein, but solely as Administrative Agent; the financial institutions named on Schedule I thereto, as Certificate Holders; and the financial institutions named on Schedule II thereto, as Lenders.

SECTION 1.2. EFFECTIVENESS. This Lease shall be effective on the Second Document Closing Date, and upon such effective date, this Lease shall amend and completely restate and supersede the Original Lease.

ARTICLE II
LEASE OF LEASED PROPERTY; LEASE TERM

SECTION 2.1. ACCEPTANCE AND LEASE OF THE LEASED PROPERTY. Lessor, subject to the satisfaction or waiver of the conditions set forth in Article VI of the Participation Agreement, hereby agrees to provide for the construction of the Financed Improvements on the Land pursuant to the terms of the Participation Agreement and the

Construction Agency Agreement and to lease all of Lessor's interest in the Leased Property to Lessee hereunder. Lessee hereby agrees, expressly for the direct benefit of Lessor, to lease the Leased Property from Lessor for the Term.

SECTION 2.2. ACCEPTANCE PROCEDURE. Lessor hereby authorizes one or more employees of Lessee, to be designated by Lessee, as the authorized representative or representatives of Lessor to accept delivery of the Leased Property, including without limitation the Financed Improvements. Lessee hereby agrees that acceptance of delivery by such authorized representative or representatives and the execution and delivery by Lessee of this Lease shall, without further act, constitute the irrevocable acceptance by Lessee of the Leased Property for all purposes of this Lease and the other Operative Documents on and subject to the terms set forth herein and therein and Lessee's agreement to lease the Leased Property during the Term subject to the terms of this Lease and the other Operative Documents.

SECTION 2.3. TERM. Unless earlier terminated in accordance herewith and with the other Operative Documents, the term of this Lease shall consist of (i) an interim period (the "INTERIM TERM") commencing on and including the Second Document Closing Date and ending on but not including the Base Term Commencement Date and (ii) a base term (the "BASE TERM") commencing on and including the Base Term Commencement Date and ending on but not including the fourth anniversary of the First Document Closing Date, and, if exercised pursuant to ARTICLE XIX hereof, each Lease Renewal Term (the Base Term and the Lease Renewal Terms, if any, being collectively referred to as, the "TERM").

SECTION 2.4. TITLE. The Leased Property is leased to Lessee without any representation or warranty, express or implied, by Lessor, Administrative Agent, Arranger or any Participant and subject to the rights of parties in possession, the existing state of title with respect thereto (including, without limitation, all Liens other than Lessor Liens) and all applicable Requirements of Law and any violations thereof. Lessee shall in no event have any recourse against Lessor for any defect in or exception to title to the Leased Property other than any defect or exception resulting from Lessor Liens.

ARTICLE III
PAYMENT OF RENT

SECTION 3.1. RENT.

(a) During the Lease Term, Lessee shall pay Basic Rent on each Scheduled Payment Date, on the date required under SECTION 20.1(j) in connection with Lessee's exercise of the Sale Option and on any date on which this Lease shall terminate with respect to the Leased Property; PROVIDED, HOWEVER, that during the Interim Term and (except as provided for at Section 4.3(a) of the Participation Agreement with respect to Original Period Rent), Basic Rent shall be payable from the proceeds of Advances pursuant to and subject to the terms and conditions of Article III of the Participation Agreement and to the extent described in the Approved Budget.

(b) Basic Rent shall be due and payable in lawful money of the United States of America and shall be paid by wire transfer of immediately available funds on the due date therefor.

(c) Lessee's inability or failure to take possession of all or any portion of the Leased Property when delivered by Lessor, whether or not attributable to any act or omission of Lessee or any act or omission of Lessor, shall not delay or otherwise affect Lessee's obligation to pay Rent in accordance with and subject to the terms of this Lease, including the provisions for early termination hereof.

SECTION 3.2. PAYMENT OF BASIC RENT. Basic Rent shall be paid absolutely net to Lessor, so that this Lease shall yield to Lessor the full amount thereof, without setoff, deduction or reduction.

SECTION 3.3. SUPPLEMENTAL RENT. Lessee shall pay to Lessor or the Person entitled thereto any and all Supplemental Rent promptly as the same shall become due and payable, and if Lessee fails to pay any Supplemental Rent, Lessor shall have all rights, powers and remedies provided for herein or by law or equity or otherwise in the case of nonpayment of Basic Rent; PROVIDED, HOWEVER, that except as provided for at Section 4.3(a) of the Participation Agreement, Supplemental Rent allocated to Construction Costs payable prior to Base Term Commencement Date shall be payable with Advances pursuant to and subject to the terms and conditions of Article III of the Participation Agreement and to the extent described in the Approved Budget. Lessee hereby

reaffirms that its obligation to pay Supplemental Rent shall include the payment of any and all Contingent Rent. Lessee shall pay to Lessor, as Supplemental Rent, among other things, on demand, to the extent permitted by applicable Requirements of Law, interest at the applicable Overdue Rate on any installment of Basic Rent not paid when due for the period for which the same shall be overdue and on any payment of Supplemental Rent payable to Lessor or any Indemnitee not paid when due or demanded pursuant to and in accordance with the terms hereof and the other Operative Documents by Lessor or any Indemnitee for the period from the due date or the date of any such demand, as the case may be, until the same shall be paid. The expiration or other termination of Lessee's obligations to pay Basic Rent hereunder shall not limit or modify the obligations of Lessee with respect to Supplemental Rent. Unless expressly provided otherwise in this Lease, in the event of any failure on the part of Lessee to pay and discharge any Supplemental Rent as and when due, Lessee shall also promptly pay and discharge any fine, penalty, interest or cost which may be assessed or added under any agreement with a third party for nonpayment or late payment of such Supplemental Rent, all of which shall also constitute Supplemental Rent.

SECTION 3.4. METHOD OF PAYMENT. Each payment of Rent shall be made by Lessee to Administrative Agent prior to 10:00 A.M., Utah time, to the account at Administrative Agent designated on Schedule III to the Participation Agreement (or in the case of Excepted Payments directly to the Person entitled thereto) in funds consisting of lawful currency of the United States of America which shall be immediately available on the scheduled date when such payment shall be due, unless such scheduled date shall not be a Business Day, in which case such payment shall be made on the next succeeding Business Day unless the result of such extension would be to carry into another calendar month, in which case such payment shall be made on the immediately preceding Business Day. Payments received after 10:00 A.M., Utah time, on the date due shall for the purpose of SECTION 16.1 hereof be deemed received on such day; PROVIDED, HOWEVER, that for the purposes of the third sentence of SECTION 3.3 hereof, such payments shall be deemed received on the next succeeding Business Day and subject to interest at the Overdue Rate as provided in such SECTION 3.3.

ARTICLE IV
QUIET ENJOYMENT; RIGHT TO INSPECT

SECTION 4.1. NON-INTERFERENCE. Subject to Lessor's cure rights, as provided for in SECTION 17.1, Lessor covenants that it will not interfere with Lessee's use or possession of the Leased Property during the Term, so long as no Event of Default has occurred and is continuing, it being agreed that Lessee's remedies for breach of the foregoing covenant shall be limited to a claim for damages or the commencement of proceedings to enjoin such breach. Such right is independent of and shall not affect Lessee's obligations hereunder and under the other Operative Documents or Lessor's rights otherwise to initiate legal action to enforce the obligations of Lessee under this Lease. The foregoing covenant shall not require Lessor to take any action contrary to, or which would permit Lessee to use the Leased Property for a use not permitted under, the provisions of this Lease.

SECTION 4.2. INSPECTION AND REPORTS.

(a) Upon five (5) Business Days prior notice to Lessee, Lessor or its authorized representatives (the "INSPECTING PARTIES") may inspect (a) the Leased Property and (b) the books and records of Lessee relating to the Leased Property and (subject to appropriate confidentiality arrangements) make copies and abstracts therefrom. All such inspections shall be during Lessee's normal business hours (unless an Event of Default has occurred and is existing), shall be subject to Lessee's customary safety and security provisions and shall be at the expense and risk of the Inspecting Parties, except that if an Event of Default or a Default has occurred and is continuing, Lessee shall reimburse the Inspecting Parties for the reasonable costs of such inspections and, except for the Inspecting Party's gross negligence or willful misconduct, such inspection shall be at Lessee's risk, and none of the Inspecting Parties shall incur any liability or obligation by reason of making any such inspection or inquiry. No inspection shall unreasonably interfere with Lessee's operations. None of the Inspecting Parties shall have any duty to make any such inspection or inquiry.

(b) To the extent permissible under Applicable Laws, Lessee shall prepare and file in timely fashion, or, where Lessor shall be required to file, Lessee shall prepare and make available to Lessor within a reasonable time prior to the date for filing and Lessor shall file, at Lessee's sole cost and expense, any reports

with respect to the condition or operation of the Leased Property that shall be required to be filed with any Governmental Authority.

ARTICLE V
NET LEASE, ETC.

SECTION 5.1. NET LEASE. This Lease shall constitute a net lease and Lessee's obligations to pay all Rent shall be absolute and unconditional under any and all circumstances. Any present or future law to the contrary notwithstanding, this Lease shall not terminate, nor shall Lessee be entitled to any abatement, suspension, deferment, reduction, setoff, counterclaim, or defense with respect to the Rent, nor shall the obligations of Lessee hereunder be affected, to the extent permitted by Applicable Laws, by reason of: (i) any defect in the condition, merchantability, design, construction, quality or fitness for use of the Leased Property or any part thereof, or the failure of the Leased Property to comply with all Requirements of Law, including any inability to occupy or use the Leased Property by reason of such non-compliance; (ii) any damage to, removal, abandonment, salvage, loss, contamination of, or Release from, demolition, scrapping or destruction of or any requisition or taking of the Leased Property or any part thereof; (iii) any restriction, prevention or curtailment of or interference with any use of the Leased Property or any part thereof, including as a result of the exercise of remedies following and during the occurrence of an Event of Default; (iv) any defect in title to or rights to the Leased Property or any Lien on such title or rights or on the Leased Property; (v) any change, waiver, extension, indulgence or other action or omission or breach in respect of any obligation or liability of or by Lessor, Administrative Agent or any Participant; (vi) to the fullest extent permitted by law, any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation or other like proceedings relating to Lessee, Guarantor, Lessor, Administrative Agent, any Participant or any other Person, or any action taken with respect to this Lease by any trustee or receiver of Lessee, Lessor, Administrative Agent, any Participant or any other Person, or by any court, in any such proceeding; (vii) any claim that Lessee has or might have against any Person, including Lessor, Administrative Agent, any Participant, any contractor, vendor, architect, designer, manufacturer, or contractor of or for the Leased Property; (viii) any failure on the part of Lessor to perform or comply with any of the terms of this Lease, of any other Operative Document or

of any other agreement; (ix) any invalidity or unenforceability or illegality or disaffirmance of this Lease against or by Lessee or any provision hereof or any of the other Operative Documents or any provision of any thereof; (x) any impossibility or illegality of performance by Lessee, Lessor or both; (xi) any action by any court, administrative agency or other Governmental Authority; (xii) any restriction, prevention or curtailment of or interference with the Construction on or any use of the Leased Property or any part thereof; (xiii) any failure of Lessee to achieve any accounting or tax benefits or the characterization of the transaction intended by the parties as set forth at Section 24.1 hereof and Section 5.1 of the Participation Agreement; or (xiv) any other cause or circumstances whether similar or dissimilar to the foregoing and whether or not Lessee shall have notice or knowledge of any of the foregoing. Lessee's agreement in the preceding sentence shall not affect any claim, action or right Lessee may have against any Person. The parties to the Operative Documents intend that the obligations of Lessee hereunder shall be covenants and agreements that are separate and independent from any obligations of Lessor hereunder or under any other Operative Documents and the obligations of Lessee shall continue unaffected unless such obligations shall have been modified or terminated in accordance with an express provision of this Lease.

SECTION 5.2. NO TERMINATION OR ABATEMENT. Lessee shall remain obligated under this Lease in accordance with its terms and the terms of the other Operative Documents and shall not take any action to terminate (except as expressly permitted herein), rescind or avoid this Lease to the fullest extent permitted by Applicable Laws, notwithstanding any action for bankruptcy, insolvency, reorganization, liquidation, dissolution, or other proceeding affecting Lessor, Administrative Agent or any Participant, or any action with respect to this Lease which may be taken by any trustee, receiver or liquidator of Lessor, Administrative Agent or any Participant or by any court with respect to Lessor, Administrative Agent or any Participant. Lessee hereby waives, to the extent permitted by Applicable Laws, all right to terminate or surrender this Lease (except as provided herein) or to avail itself of any abatement, suspension, deferment, reduction, setoff, counterclaim or defense with respect to any Rent. Lessee shall remain obligated under this Lease in accordance with its terms and the terms of the other Operative Documents and Lessee hereby waives, to the extent permitted by Applicable Laws, any and all rights now or hereafter conferred by statute or otherwise to modify or to avoid strict compliance with its obligations under this

Lease. Notwithstanding any such statute or otherwise, Lessee shall be bound by all of the terms and conditions contained in this Lease.

ARTICLE VI
ASSIGNMENTS AND SUBLEASES

SECTION 6.1. NO ASSIGNMENTS. Except for subleases permitted by this ARTICLE VI, Lessee shall not have the right to assign, mortgage or pledge to any Person, including an Affiliate of Lessee or Guarantor, at any time, in whole or in part, any of its right, title or interest in, to or under this Lease, any portion of the Leased Property, in any case without the prior written consent of the Required Participants, and any such assignment, mortgage or pledge shall be void. Notwithstanding the foregoing, Lessee may, without the consent of Administrative Agent on behalf of the Participants and so long as no Event of Default exists, enter into an assignment or sublease of all or any portion of its rights and obligations under this Lease relating to the Leased Property with a wholly owned subsidiary of the Guarantor. With respect to any assignment or sublease permitted under this ARTICLE VI, Lessee shall not assign or sublease any portion of the Leased Property or assign any interest with respect to this Lease to, or permit any such assignment or sublease by, any Person who shall then be engaged in any proceedings for relief under any bankruptcy or insolvency law or laws relating to the relief of debtors.

No assignment or sublease permitted hereunder will (a) discharge or diminish any of Lessee's or Guarantor's obligations under any Operative Document, including Lessee's obligations under this Lease, or to any other Person under any other Operative Document, and Lessee shall remain directly and primarily liable under the Lease with respect to all of the Leased Property or (b) extend beyond the last day of the Term. Each assignment or sublease permitted hereby shall be made and shall expressly provide that it is subject and subordinate to this Lease and the rights of Lessor hereunder, and shall expressly provide for the surrender of the Leased Property subleased by the applicable sublessee at the election of Lessor after the occurrence and continuance of an Event of Default. The effectiveness of an assignment hereunder shall be conditioned upon the receipt by Administrative Agent of a writing executed by Lessee, the assignee and Guarantor reaffirming that Lessee and Guarantor shall remain primarily liable hereunder and with respect to Guarantor, under the

Guarantees, notwithstanding such assignment or sublease and confirming that, notwithstanding any assignment of this Lease by the Lessee, the Lessee will serve as the representative of each assignee with the authority, on behalf of each assignee, to bind each assignee with respect to the Operative Documents or any amendment, modification or waiver thereunder and shall have the power and authority to receive and give all notifications, consents, payments and deliveries under this Lease and the other Operative Documents.

Lessee shall give Lessor prompt written notice of any assignment or sublease permitted under this ARTICLE VI, and Lessee shall, within thirty (30) days after execution of any assignment or sublease, deliver to the Administrative Agent a fully executed copy of such assignment or sublease.

SECTION 6.2. PERMITTED SUBLEASES. In addition to the rights set forth in SECTION 6.1, following the Base Term Commencement Date, Lessee may enter into one or more subleases of not more than twenty-five percent (25%) in the aggregate of the net rentable square feet of the Financed Improvements (together with the nonexclusive use of any related or necessary portion of the Land as shall be necessary for access and parking). With respect to any sublease permitted under this ARTICLE VI, Lessee shall not sublease any portion of the Leased Property to, or permit the sublease of any portion of the Leased Property to, or permit the sublease of any portion of the Leased Property by, any Person who shall then be engaged in any proceedings for relief under any bankruptcy or insolvency law or laws relating to the relief of debtors.

No sublease hereunder will discharge or diminish any of Lessee's or Guarantor's obligations hereunder, the Guarantees or under any other Operative Document, and Lessee shall remain directly and primarily liable under the Lease with respect to the entire Leased Property. Each sublease permitted hereby shall be made and shall expressly provide that it is subject and subordinate to this Lease and the rights of Lessor hereunder and the Participants under the Operative Documents, and shall expressly provide for the surrender of the space subleased by the applicable sublessee at the election of Lessor after an Event of Default.

Lessee shall give Lessor prompt written notice of any sublease permitted under this ARTICLE VI, and Lessee shall, within fifteen

(15) days after execution of any sublease, deliver to Administrative Agent a fully executed copy of such sublease.

ARTICLE VII
LESSEE ACKNOWLEDGMENTS

SECTION 7.1. CONDITION OF THE LEASED PROPERTY. LESSEE ACKNOWLEDGES AND AGREES THAT ALTHOUGH LESSOR WILL OWN AND HOLD TITLE TO THE LEASED PROPERTY INCLUDING THE FINANCED IMPROVEMENTS, CONSTRUCTION AGENT IS SOLELY RESPONSIBLE UNDER THE TERMS OF THE CONSTRUCTION AGENCY AGREEMENT FOR THE DESIGN, DEVELOPMENT, BUDGETING AND CONSTRUCTION OF THE FINANCED IMPROVEMENTS AND FOLLOWING THE BASE TERM COMMENCEMENT DATE, LESSEE IS SOLELY RESPONSIBLE UNDER THE TERMS OF THE LEASE FOR ANY ALTERATIONS OR MODIFICATIONS AND ALL ACTIVITIES CONDUCTED IN CONNECTION THEREWITH. LESSEE FURTHER ACKNOWLEDGES AND AGREES THAT IT IS LEASING THE LEASED PROPERTY "AS IS" WITHOUT REPRESENTATION, WARRANTY OR COVENANT (EXPRESS OR IMPLIED) BY LESSOR, ADMINISTRATIVE AGENT OR ANY OF THE PARTICIPANTS AND IN EACH CASE SUBJECT TO (A) THE EXISTING STATE OF TITLE (EXCLUDING LESSOR LIENS), (B) THE RIGHTS OF ANY PARTIES IN POSSESSION THEREOF, (C) ANY STATE OF FACTS WHICH AN ACCURATE SURVEY OR PHYSICAL INSPECTION MIGHT SHOW, AND (D) VIOLATIONS OF REQUIREMENTS OF LAW WHICH MAY EXIST ON THE DATE HEREOF. NONE OF LESSOR, ADMINISTRATIVE AGENT OR ANY OF THE PARTICIPANTS HAS MADE OR SHALL BE DEEMED TO HAVE MADE ANY REPRESENTATION, WARRANTY OR COVENANT (EXPRESS OR IMPLIED) OR SHALL BE DEEMED TO HAVE ANY LIABILITY WHATSOEVER AS TO THE TITLE (OTHER THAN FOR LESSOR LIENS), VALUE, HABITABILITY, USE, CONDITION, DESIGN, OPERATION, OR FITNESS FOR USE OF THE LEASED PROPERTY (OR ANY PART THEREOF), OR ANY OTHER REPRESENTATION, WARRANTY OR COVENANT WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO THE LEASED PROPERTY (OR ANY PART THEREOF) AND NONE OF LESSOR, AGENT OR ANY OF THE PARTICIPANTS SHALL BE LIABLE FOR ANY LATENT, HIDDEN, OR PATENT DEFECT THEREIN (OTHER THAN FOR LESSOR LIENS) OR THE FAILURE OF THE LEASED PROPERTY, OR ANY PART THEREOF, TO COMPLY WITH ANY REQUIREMENT OF LAW. Lessee has been afforded full opportunity to inspect the Leased Property, is satisfied with the results of its inspections and is entering into this Lease solely on the basis of the results of its own inspections, and all risks incident to the matters discussed in the preceding sentence, as between Lessor, Administrative Agent and the Participants, on the one hand, and Lessee, on the other, are to be borne by Lessee. The provisions of this SECTION 7.1 have been negotiated, and, except to the extent otherwise expressly stated, the foregoing provisions are intended to be a complete exclusion

and negation of any representations or warranties by any of Lessor, the Administrative Agent or the Participants, express or implied, with respect to the Leased Property (or any interest therein), that may arise pursuant to any law now or hereafter in effect or otherwise.

SECTION 7.2. RISK OF LOSS. Subject to the limitations set forth in SECTION 14.1(e), the risk of loss of or decrease in the enjoyment and beneficial use of the Leased Property as a result of the damage or destruction thereof by fire, the elements, casualties, thefts, riots, wars or otherwise is assumed by Lessee, and Lessor shall in no event be answerable or accountable therefor.

SECTION 7.3. CERTAIN DUTIES AND RESPONSIBILITIES OF LESSOR. Lessor undertakes to perform such duties and only such duties as are specifically set forth herein and in the other Operative Documents, and no implied covenants or obligations shall be read into this Lease against Lessor, and Lessor agrees that it shall not, nor shall it have a duty to, manage, control, use, sell, maintain, insure, register, lease, operate, modify, dispose of or otherwise deal with the Leased Property or any other part of the Trust Estate in any manner whatsoever, except as required by the terms of the Operative Documents and as otherwise provided herein.

ARTICLE VIII
POSSESSION AND USE OF THE LEASED PROPERTY, ETC.

SECTION 8.1. UTILITY AND OTHER CHARGES. Lessee shall pay or cause to be paid all charges for electricity, power, gas, oil, water, telephone, sanitary sewer service and all other rents and utilities used in or on the Leased Property during the Term; PROVIDED, HOWEVER, prior to the Base Term Commencement Date such amounts shall be paid with Advances to the extent provided for in the Approved Budget. Lessee shall be entitled to receive any credit or refund with respect to any utility charge paid by Lessee and the amount of any credit or refund received by Lessor on account of any utility charges paid by Lessee, net of the costs and expenses reasonably incurred by Lessor in obtaining such credit or refund, shall be promptly paid over to Lessee. All charges for utilities imposed with respect to the Leased Property for a billing period during which this Lease expires or terminates (except when Lessee purchases the Leased Property in accordance with the terms of this Lease, in which case Lessee shall be solely responsible for all such charges) shall be adjusted and prorated on a daily basis

between Lessee and any purchaser of the Leased Property, and each party shall pay or reimburse the other for each party's pro rata share thereof; PROVIDED, that in no event shall Lessor have any liability therefor.

SECTION 8.2. POSSESSION AND USE OF THE LEASED PROPERTY. Lessee may take possession of and occupy the Leased Property beginning with the Base Term Commencement Date and for the remainder of the Term unless Lessee's right to possession is earlier terminated pursuant to the terms of this Lease or the Construction Agency Agreement. The Leased Property shall be used only as a first class commercial office building. Lessee shall not use the Leased Property or any part thereof for any purpose or in any manner that would materially adversely affect the Fair Market Value, utility, remaining useful life or residual value of the Leased Property. At all times during the Term, the Leased Property shall be continuously leased by Lessee or a permitted sublessee, to the extent permitted herein, in the ordinary course of its business and only for a Permitted Use. Lessee shall pay, or cause to be paid, all charges and costs required in connection with the use of the Leased Property as contemplated by this Lease and the other Operative Documents. Lessee shall not commit or permit any waste of the Leased Property or any part thereof. During the Term, Lessee assumes and agrees to perform on behalf of Lessor all of Lessor's obligations as owner of the Leased Property and to pay all fees, assessments, Impositions and other amounts payable by Lessor as such owner during the Term and which relate to or arise in connection with the purchase, disposition, ownership or use of the Leased Property.

SECTION 8.3. COMPLIANCE WITH REQUIREMENTS OF LAW AND INSURANCE REQUIREMENTS. Subject to the terms of ARTICLE XII relating to permitted contests, Lessee, at its sole cost and expense, shall comply in all material respects with all Requirements of Law (including all Environmental Laws) and Insurance Requirements relating to the Leased Property, including the use, construction, operation, maintenance, repair and restoration thereof, whether or not compliance therewith shall require structural or extraordinary changes or interfere with the use and enjoyment of the Leased Property, and procure, maintain and comply with all licenses, permits, orders, approvals, consents and other authorizations required for the construction, use, maintenance and operation of the Leased Property.

ARTICLE IX
MAINTENANCE AND REPAIR; REPORTS

SECTION 9.1. MAINTENANCE AND REPAIR; REPORTS. In addition to Lessee's obligations as Construction Agent under the Construction Agency Agreement, on and after the Base Term Commencement Date, Lessee, at its own expense, shall at all times (a) maintain the Leased Property in good operating condition, subject to ordinary wear and tear, and in any event at least as good as the condition of similar properties owned or leased by Lessee, Guarantor and their Affiliates and in good repair and condition; (b) maintain the Leased Property in accordance with all Applicable Laws in all material respects, whether or not such maintenance requires modifications or alterations; (c) comply with the Insurance Requirements which are in effect at any time with respect to the Leased Property or any part thereof; (d) use the Leased Property only in accordance with ARTICLE VIII and cause the Leased Property to have at all times the capacity and functional ability to be used, on a continuing basis and in commercial operation, in accordance with ARTICLE VIII except during any period for which any Casualty or Condemnation prevents such use; (e) make all necessary or appropriate repairs, replacements and renewals of the Leased Property or any part thereof which may be required to keep the Leased Property in the condition required by the preceding CLAUSES (a) through (d), whether interior or exterior, structural or nonstructural, ordinary or extraordinary, foreseen or unforeseen, and including, repairs, replacements and renewals that would constitute capital expenditures under GAAP if incurred by an owner of property; and (f) procure, maintain and comply in all material respects with all material licenses, permits, orders, approvals, consents and other authorizations required for the construction, use, development, maintenance and operation of the Leased Property. Lessee waives any right that it may now have or hereafter acquire to (x) require Lessor to maintain, repair, replace, alter, remove or rebuild all or any part of the Leased Property or (y) make repairs at the expense of Lessor pursuant to any Applicable Laws or other agreements.

SECTION 9.2. MAINTENANCE AND REPAIR REPORTS. During the Term, Lessee shall keep maintenance and repair reports in sufficient detail, on the same basis as records are kept for similar properties owned or leased by Lessee or any of its Affiliates, to indicate the nature and date of any material maintenance work, repair or any Modifications pursuant to SECTION 10.1 hereof. Such reports shall be kept on file by Lessee at its

offices during the Term, and shall be made available at Lessee's office to Lessor upon reasonable request. Lessee shall give written notice to Lessor of any Condemnation or Casualty promptly after Lessee has knowledge thereof.

ARTICLE X
MODIFICATIONS, ETC.

SECTION 10.1. IMPROVEMENTS AND MODIFICATIONS.

(a) On and after the Second Document Closing Date but subject to the final sentence of this paragraph (i) Lessee, at Lessee's own cost and expense, shall make alterations, renovations, improvements and additions to the Leased Property or any part thereof and substitutions and replacements therefor (collectively, "MODIFICATIONS") which are (A) necessary to repair or maintain the Leased Property in the condition required by SECTION 9.1; (B) necessary in order for the Leased Property to be in compliance with Applicable Laws; or (C) necessary or advisable to restore the Leased Property to its condition existing prior to a Casualty or Condemnation to the extent required pursuant to ARTICLE XIV; and (ii) so long as no Lease Event of Default or Lease Default has occurred and is continuing, Lessee, at Lessee's own cost and expense, may, following the Base Term Commencement Date, undertake Modifications to the Leased Property so long as such Modifications comply with Applicable Laws and with SECTION 9.1 and subsection (b) of this SECTION 10.1. Prior to the Base Term Commencement Date, all Modifications (other than the Financed Improvements being built pursuant to the Approved Plans and Specifications and in compliance with the Construction Agency Agreement, and any modification permitted pursuant to and in accordance with Section 3.2 of the Construction Agency Agreement) shall be subject to the terms, conditions and restrictions set forth in Section 3.2 of the Construction Agency Agreement.

(b) The making of any Modifications must be in compliance with the following requirements:

(i) No such Modifications with a cost exceeding \$500,000 shall be made or undertaken except upon not less than thirty (30) days' prior written notice to Lessor.

(ii) Lessee shall not make any Modifications in violation of the terms of any restriction, easement,

condition, covenant or other similar matter affecting title to or binding on the Leased Property.

(iii) No Modifications shall be undertaken until Lessee shall have procured and paid for, so far as the same may be required from time to time, all required permits and authorizations relating to such Modifications of all municipal and other Governmental Authorities having jurisdiction over the Leased Property. Lessor, at Lessee's expense, shall join in the application for any such permit or authorization and execute and deliver any document in connection therewith, whenever such joinder is necessary or advisable.

(iv) The Modifications shall be completed in a good and workmanlike manner and in compliance with all Applicable Laws then in effect and the standards imposed by any insurance policies required to be maintained hereunder.

(v) All Modifications shall, when completed, be of such a character as to not materially adversely affect the Fair Market Value, utility or residual value of the Leased Property from their Fair Market Value, utility or residual value immediately prior to the making thereof or, in the case of Modifications being made by virtue of a Casualty or Condemnation, immediately prior to the occurrence of such Casualty or Condemnation.

(vi) Lessee shall have made adequate arrangements for payment of the cost of all Modifications when due so that the Leased Property shall at all times be free of Liens for labor and materials supplied or claimed to have been supplied to the Leased Property, other than Permitted Liens.

(vii) All Modifications must be located solely on the Land.

SECTION 10.2. TITLE TO MODIFICATIONS. Title to the following described Modifications shall, without further act, vest in Lessor and shall be deemed to constitute a part of the Leased Property and be subject to this Lease:

(a) each of the Financed Improvements;

(b) Modifications that are in replacement of or in substitution for a portion of any Financed Improvements;

(c) Modifications that are required to be made pursuant to the terms of SECTION 10.1(a)(i) hereof; or

(d) Modifications that are Nonseverable.

Except for Construction of the Financed Improvements as provided for in the Construction Agency Agreement, Lessee shall not make or permit any Modifications prior to the Base Term Commencement Date.

Lessee, at Lessor's request, shall execute and deliver any deeds, bills of sale, assignments or other documents of conveyance reasonably necessary to evidence the vesting of title in and to such Modifications to Lessor, and Lessor shall acknowledge therein that the same are subject to this Lease.

If any Modifications are not within any of the categories set forth in CLAUSES (a) through (d) of this SECTION 10.2, then title to such Modifications shall vest in Lessee and such Modifications shall not be deemed to be Modifications which are part of the Leased Property.

All Modifications to which Lessee shall have title may, so long as removal thereof shall not result in the violation of any Applicable Laws and no Event of Default is continuing, be removed by Lessee. Lessee shall notify Lessor in writing at least thirty (30) days before it removes any such Modifications which, individually or in the aggregate, had an original cost exceeding \$500,000, and Lessee shall at its expense repair any damage to the Leased Property caused by the removal of such Modifications. Lessor (or the purchaser of the Leased Property) may purchase from Lessee any such Modifications (if not already owned by Lessor) that Lessee intends to remove from the Leased Property prior to the return of the Leased Property to Lessor or sale of the Leased Property, which purchase shall be at the Fair Market Value of such Modifications as determined by the Appraiser at the time of such purchase. Title to any such Modifications shall vest in Lessor (or the purchaser of the applicable Leased Property) if not removed from the Leased Property by Lessee prior to the return of the Leased Property to Lessor or sale of the Leased Property.

SECTION 10.3. OTHER PROPERTY. Following the Base Term Commencement Date, Lessee may from time to time own or hold under lease from Persons other than Lessor, furniture, trade fixtures,

equipment and other tangible personal property located on or about the Leased Property that is not subject to this Lease and does not constitute a portion of the Financed Improvements. Lessor shall from time to time during the Term, upon the reasonable request, and at the sole cost and expense of Lessee, which request shall be accompanied by such supporting information and documents as Lessor may reasonably require, acknowledge in writing to Lessee or other Persons that the particular items of furniture, trade fixtures and equipment in question are not part of the Leased Property and that, subject to the rights of Lessor hereunder and under any other Operative Documents, Lessor does not own or have any other right or interest in or to such furniture, trade fixtures and equipment.

ARTICLE XI
COVENANTS WITH RESPECT TO LIENS; EASEMENTS

SECTION 11.1. Covenants with Respect to Liens.

(a) Lessee shall not directly or indirectly create, incur, assume or suffer to exist any Lien (other than Permitted Liens) on or with respect to any portion of the Leased Property, Lessor's title thereto, or any interest therein and Lessee shall protest any such Lien and diligently pursue the defense thereof. Lessee, at its own expense, shall promptly pay, satisfy and otherwise take such actions as may be necessary to keep the Leased Property free and clear of, and duly to discharge, eliminate or bond in a manner reasonably satisfactory to Lessor and Administrative Agent, any such Lien (other than Permitted Liens) not accepted above if the same shall arise at any time.

(b) Nothing contained in this Lease shall be construed as constituting the consent or request of Lessor, express or implied, to or for the performance by any contractor, mechanic, laborer, materialman, supplier or vendor of any labor or services or for the furnishing of any materials for any construction, alteration, addition, repair or demolition of or to the Leased Property or any part thereof. NOTICE IS HEREBY GIVEN THAT NONE OF LESSOR, THE AGENTS OR ANY OF THE PARTICIPANTS IS OR SHALL BE LIABLE FOR ANY LABOR, SERVICES OR MATERIALS FURNISHED OR TO BE FURNISHED TO LESSEE, OR TO ANYONE HOLDING THE LEASED PROPERTY OR ANY PART THEREOF THROUGH OR UNDER LESSEE, AND THAT NO MECHANIC'S OR OTHER LIENS FOR ANY SUCH LABOR, SERVICES OR MATERIALS SHALL ATTACH TO OR AFFECT THE INTEREST OF LESSOR, ADMINISTRATIVE AGENT OR ANY PARTICIPANT IN AND TO THE LEASED PROPERTY.

ARTICLE XII
PERMITTED CONTESTS

SECTION 12.1. PERMITTED CONTESTS IN RESPECT OF APPLICABLE LAWS. Following the Base Term Commencement Date, to the extent and for so long as (a) a test, challenge, appeal or proceeding for review of any Applicable Laws relating to Leased Property or the obligation to comply therewith shall be prosecuted diligently and in good faith in appropriate proceedings by Lessee or (b) compliance with such Applicable Laws shall have been excused or exempted by a valid nonconforming use, variance permit, waiver, extension or forbearance, Lessee shall not be required to comply with such Applicable Laws but only if and so long as any such test, challenge, appeal, proceeding, waiver, extension, forbearance or noncompliance shall not, in the reasonable opinion of Lessor, acting at the direction of the Required Participants, involve (A) any risk of criminal liability being imposed on Lessor, Administrative Agent, any Participant or the Leased Property or (B) any material risk of (1) until after an adverse determination therein, the foreclosure, forfeiture or loss of the Leased Property, or any material part thereof, or (2) the nonpayment of Rent or (3) any sale of, or, until after an adverse determination therein, the creation of any Lien (other than a Permitted Lien) on, any part of the Leased Property, (4) civil liability being imposed on Lessor, Administrative Agent, any Participant or the Leased Property for which Lessee is not obligated to indemnify such parties under the Operative Documents, or (5) enjoinder of, or interference with, the use, possession or disposition of the Leased Property in any material respect in accordance with the other Operative Documents.

Lessor shall not be required to join in any proceedings pursuant to this SECTION 12.1 unless a provision of any Applicable Law requires that such proceedings be brought by or in the name of Lessor or it is customary in the applicable jurisdiction for the title holder to join in such proceedings; and in that event Lessor shall join in the proceedings or permit them or any part thereof to be brought in its name if and so long as (i) Lessee has not elected the Sale Option and (ii) Lessee agrees in writing to and pays all related expenses and agrees in writing to indemnify Lessor, the Administrative Agent and the Participants in form and substance reasonably satisfactory to each of the respective Indemnitees.

ARTICLE XIII
INSURANCE

SECTION 13.1. REQUIRED COVERAGES. During the Term, Lessee shall provide or cause to be provided insurance with respect to the Leased Property of a character usually insured by corporations engaged in the same or similar business similarly situated against loss or damage of the kinds and in the amounts customarily insured against by such corporations, and carry such other insurance as is usually carried by such corporations; PROVIDED, that in any event Lessee shall maintain or cause to be maintained at all times:

(a) COMPREHENSIVE GENERAL LIABILITY INSURANCE. Combined single limit insurance against claims for third-party bodily injury, including death and third-party property damage occurring on, in or about the Leased Property (including adjoining streets and sidewalks) in an amount at least equal to \$1,000,000 per occurrence and \$2,000,000 in the aggregate and a minimum of \$10,000,000 per occurrence and in the aggregate excess of such coverage. Such coverage may be subject to deductibles up to an amount that is customarily carried by a company of similar size and engaged in business similar to Lessee and shall be otherwise reasonably acceptable to the Required Participants. The coverage required by this paragraph (a) may be provided in a combination of umbrella and excess liability policies.

(b) PROPERTY INSURANCE. Insurance against loss or damage covering the Leased Property or any portion thereof by reason of any Peril (as defined below) in an amount (subject to such deductibles in such minimum amounts as is carried by corporations owning and/or operating similar properties) otherwise reasonably acceptable to the Required Participants; PROVIDED, that at no time shall the amount of such coverage be less than the replacement cost of any Improvements, including any costs that may be required to cause the Leased Property to be reconstructed to comply with all Applicable Laws including any costs that may be required to cause the Leased Property to be reconstructed to comply with all Applicable Laws and, during the Interim Term, in amounts sufficient to fund all Interest, Yield and Fees accruing on or with respect to the Notes and the Certificates or otherwise payable to any Participant during any period while the Leased Property is being reconstructed or repaired. The term "PERIL" shall mean, collectively, fire, lightning, flood, windstorm, hail, earthquake, explosion, riot and civil commotion, vandalism and malicious mischief, damage from aircraft, vehicles and smoke and all other

perils covered by the "all risk endorsement" then in use in the State of Colorado.

(c) CONDEMNATION AND EMINENT DOMAIN INSURANCE. Insurance against Condemnation with respect to all or any portion of the Leased Property with a maximum liability amount not less than \$21,000,000. Such insurance policy shall not be subject to any deductibles and shall otherwise be in form and substance reasonably satisfactory to the Required Participants.

(d) WORKERS' COMPENSATION. During the Interim Term, Lessee shall cause Construction Agent to, and following the Base Term Commencement Date Lessee shall, in the construction of any Modifications and the operation of the Leased Property, comply with the applicable Workers' Compensation laws and protect Lessor, the Agents and the Participants against any liability under such laws.

(e) BUILDERS' RISK INSURANCE. During the Interim Term, Lessee shall cause Construction Agent to, and following the Base Term Commencement Date Lessee shall, during the construction of any Modifications, maintain, for the benefit of Lessor, all-risk Builders' Risk Insurance in an amount equal to the greater of the replacement value of the Financed Improvements or such Modifications, as applicable, and the aggregate cost for the construction of same, including costs that may be required to cause the Leased Property to be reconstructed to comply with all Applicable Laws and in amounts sufficient to fund all Interest, Yield and Fees accruing on the Notes and the Certificates or otherwise payable to any Participant, during the Interim Term, or during any period while the Leased Property is being reconstructed or repaired.

(f) OTHER INSURANCE. Such other insurance, in each case as is generally carried by Guarantor or its Affiliates for similar properties owned or leased by any of them or by other owners of similar properties, in such amounts and against such risks as are then customary for properties similar in use and flood insurance to the extent required by Applicable Laws, including banking regulations applicable to such Participant.

SECTION 13.2. INSURANCE COVERAGE.

(a) GENERAL REQUIREMENTS. The insurance coverage required in SECTION 13.1 shall be written by reputable insurance companies that are financially sound and solvent and otherwise reasonably

appropriate considering the amount and type of insurance being provided by such companies. Any insurance company selected by Lessee shall be rated in A.M. Best's Insurance Guide or any successor thereto (or if there be none, an organization having a similar national reputation) and shall have a general policyholder rating of "A" (or comparable rating for a rating by an organization other than A.M. Best) and a financial rating of at least "X" (or comparable rating for a rating by an organization other than A.M. Best) or be otherwise acceptable to the Required Participants. In the case of liability insurance maintained by Lessee, such insurance shall name Lessor (both in its individual capacity and as trustee), Administrative Agent and each of the Participants, as additional insureds and, in the case of property insurance maintained by Lessee, such insurance shall name Administrative Agent as mortgagee and sole loss payee. Each policy referred to in SECTION 13.1 shall provide that: (i) it will not be canceled, materially modified or its limits reduced, or allowed to lapse without renewal, except after not less than fifteen (15) days' prior written notice to Lessor and Administrative Agent; (ii) the interests of Lessor, Administrative Agent and any Participant shall not be invalidated by any act or negligence of or breach of warranty or representation by Lessee or any other Person having an interest in the Leased Property; (iii) such insurance is primary with respect to any other insurance carried by or available to Lessor, Administrative Agent or any Participant; (iv) the insurer shall waive any right of subrogation, setoff, counterclaim, or other deduction, whether by attachment or otherwise, against Lessor; and (v) such policy shall contain a cross-liability clause providing for coverage of Lessor, Administrative Agent and each Participant, as if separate policies had been issued to each of them. Lessee shall notify Lessor and Administrative Agent promptly of any policy cancellation, reduction in policy limits, or material modification or amendment.

(b) INTERIM TERM REQUIREMENTS. During the Interim Term, the insurance coverage required in SECTION 13.1 shall be satisfied to the extent such coverage is maintained by the General Contractor or Construction Agent and otherwise complies with the requirements of SECTION 13.2(a). The premium for any insurance maintained by Construction Agent during the Interim Term required pursuant to SECTION 13.1(a) may be paid for with Advances, subject to the terms and conditions set forth in the Participation Agreement and to the extent amounts are set aside for such purpose in the Approved Construction Budget. During the Interim Term and notwithstanding the provisions of SECTION 13.1(a), no deductibles or self-insurance

amounts shall be maintained or permitted with respect to such required coverage, except deductibles in amounts reasonably acceptable to Administrative Agent and for which amounts are separately reserved in the Approved Construction Budget.

SECTION 13.3. DELIVERY OF INSURANCE CERTIFICATES. On or before the Initial Advance Date, Lessee shall deliver to Administrative Agent certificates of insurance satisfactory to Administrative Agent and the Participants evidencing the existence of all insurance required to be maintained hereunder and setting forth the respective coverages, limits of liability, carrier, policy number and period of coverage. Thereafter, at the time each of Lessee's insurance policies is renewed (but in no event less frequently than once each year) or upon written request by Lessor or Administrative Agent following a Lease Event of Default, Lessee shall deliver to Administrative Agent certificates of insurance evidencing that all insurance required by SECTIONS 13.1 and 13.2 to be maintained by Lessee is in effect.

SECTION 13.4. INSURANCE BY LESSOR, ADMINISTRATIVE AGENT OR ANY PARTICIPANT. Each of Lessor, Administrative Agent or any Participant may at its own expense carry insurance with respect to its interest in the Leased Property, and any insurance payments received from policies maintained by Lessor, Administrative Agent or any Participant shall be retained by Lessor, Administrative Agent or such Participant, as the case may be, without reducing or otherwise affecting Lessee's obligations hereunder.

ARTICLE XIV
CASUALTY AND CONDEMNATION; ENVIRONMENTAL MATTERS

SECTION 14.1. CASUALTY AND CONDEMNATION.

(a) If all or a portion of the Leased Property is damaged or destroyed in whole or in part by a Casualty (other than a Significant Casualty, which shall be governed by SECTION 15.1) any insurance proceeds payable with respect to such Casualty, shall be paid directly to Lessor, or if received by Administrative Agent or Lenders, shall be paid over to Lessor, and shall in each case be advanced to Lessee to be used solely for the reconstruction, refurbishment and repair of Leased Property, and if the use, access, occupancy, easement rights or title to the Leased Property or any part thereof is the subject of a Condemnation (other than a Significant Condemnation), then any award or compensation relating

thereto, shall be paid to Lessor and shall be used solely for the restoration of the Leased Property such insurance proceeds or condemnation awards and any amounts in the case of either a Casualty or Condemnation will be applied in the manner provided for in Section 5.3(i) of the Participation Agreement. Any insurance proceeds or condemnation award payable with respect to a Casualty or Condemnation occurring prior to the Base Term Commencement Date or aggregating more than \$5,000,000 shall be held in trust by Administrative Agent in a segregated account for reimbursement to Lessee from time to time during the course of Lessee's restoration of the Leased Property and compliance with the provisions of SECTION 9.1 and with respect to a Casualty or Condemnation occurring prior to the Base Term Commencement Date to fund the payment of interest and Yield accruing on the Notes and Certificates and the payment of Fees accruing during such period. Any such amounts held by Administrative Agent shall be invested by Administrative Agent at the direction of Lessor from time to time, with all interest and earnings on such investments being applied promptly upon receipt thereof by Administrative Agent from time to time to reduce the then outstanding amount of the Lease Balance in accordance with the provisions of Section 5.3(i) of the Participation Agreement. All amounts held by Administrative Agent, Lessor or any of the Participants on account of any award, compensation or insurance proceeds paid directly to or otherwise received by Lessor, Administrative Agent or any of the Participants shall promptly be remitted to Lessee (or if the immediately preceding sentence is applicable, Administrative Agent) to be applied in accordance with this SECTION 14.1. Notwithstanding the foregoing, if any Lease Event of Default shall have occurred and be continuing, such award, compensation or insurance proceeds shall be paid directly to Administrative Agent or, if received by Lessee, shall be held in trust for the Participants and shall be paid over by Lessee to Administrative Agent to be distributed by Administrative Agent in accordance with the Participation Agreement. All amounts held by Lessor or Administrative Agent on account of any award, compensation or insurance proceeds either paid directly to Lessor or Administrative Agent or turned over to Lessor or Administrative Agent, in each case after the occurrence and during the continuance of a Lease Event of Default shall at the option of Lessor (at the direction of the Required Participants) either be (A) paid to Lessee for the repair of damage caused by such Casualty or Condemnation in accordance with this CLAUSE (a), or (B) applied to Lease Balance and any other amounts owed by Lessee under the Operative Documents in accordance with ARTICLE XVI.

(b) In the event any part of the Leased Property becomes subject to condemnation or requisition proceedings, Lessee shall give notice thereof to Lessor promptly after Lessee has knowledge thereof and, to the extent permitted by Applicable Laws, Lessee shall control the negotiations with the relevant Governmental Authority unless an Event of Default exists or such condemnation or requisition occurs during the Interim Term, in which case Lessor shall be entitled to control such negotiations; PROVIDED, that in any event, Lessor may participate at Lessor's expense (or if an Event of Default exists or such condemnation or requisition occurs during the Interim Term, at Lessee's expense) in such negotiations, PROVIDED, in all cases, that no settlement shall be made without Lessor's prior written consent, which will not be unreasonably withheld or delayed. Lessee shall give to Lessor such information and copies of such documents which relate to such proceedings, or which relate to the settlement of amounts due under insurance policies required by ARTICLE XIII, and are in the possession of Lessee, as are reasonably requested by Lessor. If the proceedings relate to a Significant Condemnation, Lessee shall act diligently in connection therewith. Nothing contained in this SECTION 14.1(b) shall diminish Lessor's rights with respect to condemnation awards and property insurance proceeds under ARTICLES XIII or XIV.

(c) In no event shall a Casualty or Condemnation affect Lessee's obligations to pay Rent pursuant to SECTION 3.1 or to perform its obligations and pay any amounts due on the Expiration Date or pursuant to ARTICLES XVIII, XIX and XX.

(d) If, pursuant to this ARTICLE XIV, this Lease shall continue in full force and effect following a Casualty or Condemnation, and provided that all insurance proceeds or condemnation proceeds received by Lessor have been made available to Lessee, Lessee shall, at its sole cost and expense (and, without limitation, if any award, compensation or insurance payment is not sufficient to restore the Leased Property in accordance with this CLAUSE (d) Lessee shall pay the shortfall, unless such Casualty or Condemnation occurs during the Interim Term and did not arise as a result of, and is not related to, a Lessee Related Event, in which case Lessee's liability shall be as provided for in SECTION 14.1(e)), promptly and diligently repair any damage to the Leased Property caused by such Casualty or Condemnation in conformity with the requirements of SECTIONS 9.1 and 10.1 using the as-built Approved Plans and Specifications for the Leased Property (as modified to give effect to any subsequent Modifications, any Condemnation affecting the Leased Property and all applicable

Requirements of Law) so as to restore the Leased Property to at least the same condition and value as existed immediately prior to such Casualty or Condemnation. In such event, title to the Leased Property shall remain with Lessor subject to the terms of this Lease. Upon completion of such restoration, Lessee shall furnish to Lessor a Responsible Officer's Certificate to Lessor confirming that such restoration has been completed pursuant to this Lease.

(e) Notwithstanding any provision to the contrary contained herein (including in ARTICLE XV), should a Casualty or Condemnation occur during the Interim Term, Lessee shall have no recourse liability to fund any shortfall in available insurance proceeds as required pursuant to SECTION 14.1(d) or to pay amounts to purchase the Leased Property in accordance with ARTICLE XV unless such shortfall, Casualty or Condemnation arose as a result of or was otherwise related to a Lessee Related Event, in which case the limitation on Lessee's liability set forth in this sentence shall not apply. Notwithstanding the foregoing, the limitation in this SECTION 14.1(e) shall not relieve Lessee of its obligations to repair, rebuild or reconstruct under SECTION 14.1(d) with any insurance proceeds, condemnation awards, and, if the Participants elect, additional amounts funded by the Participants. "LESSEE RELATED EVENT" shall mean any act or omission of Lessee (including in its capacity as Construction Agent) or any Construction Agency Person, including without limitation, any breach under any Operative Document (including the insurance provisions in ARTICLE XIII and in the Construction Agency Agreement) or Construction Document and, in any case, any fraud, misapplication of funds, illegal acts or willful misconduct by Construction Agent.

SECTION 14.2. ENVIRONMENTAL MATTERS. At Lessee's sole cost and expense, Lessee shall promptly and diligently commence any response, clean up, remedial or other action necessary to remove, clean up or remediate any Release which constitutes a Material Environmental Condition or an Environmental Violation with respect to the Leased Property which in either case arising or resulting from the acts or omissions of Guarantor, Lessee or any of their Affiliates or which any such Person has an obligation to respond, clean up or remediate under Applicable Laws.

SECTION 14.3. NOTICE OF ENVIRONMENTAL MATTERS. Lessee shall promptly provide to Lessor written notice of any pending or threatened claim, action or proceeding involving any Environmental Violation or any Release on, at, under or from Leased Property,

which violation or Release could require in excess of \$100,000.00 in remediation costs, or which could result in the imposition of criminal penalties upon Lessor, Administrative Agent or any Participant (any such violation, claim, action, proceeding or Release, a "MATERIAL ENVIRONMENTAL CONDITION") All such notices shall describe in reasonable detail the nature of the claim, action or proceeding and Lessee's proposed response thereto. In addition, Lessee shall provide to Lessor, within ten (10) Business Days of receipt, copies of all written communications with any Governmental Authority relating to any such Material Environmental Condition. Lessee shall also promptly provide such detailed reports of any such Material Environmental Condition as may reasonably be requested by Lessor or Administrative Agent. Upon completion of remedial action of any such Material Environmental Condition by Lessee, Lessee shall cause to be prepared by an environmental consultant reasonably acceptable to Lessor and Administrative Agent a report describing the Material Environmental Condition and the actions taken by Lessee (or its agents) in response to such Material Environmental Condition, and a statement by the consultant that the Material Environmental Condition has been remedied in compliance in all material respects with applicable Environmental Law. Each Release constituting a Material Environmental Condition and any Environmental Violation shall be remedied prior to the Expiration Date unless the Leased Property has been purchased by Lessee in accordance with ARTICLE XV or SECTION 19.1. Nothing in this ARTICLE XIV shall reduce or limit Lessee's obligations elsewhere in this Lease or under the Participation Agreement.

ARTICLE XV
TERMINATION OF LEASE

SECTION 15.1. TERMINATION UPON CERTAIN EVENTS.

(a) If any of the following occurs with respect to the Leased Property:

- (i) a Significant Condemnation;
- (ii) a Significant Casualty; or

(iii) an Environmental Violation or Release, or the discovery of an Environmental Violation or Release, the cost of remediation of which in the reasonable judgment of Administrative Agent would exceed \$100,000.00;

then, in any such event, Lessor may elect to terminate the Lease and, if such event occurs during the Interim Term, the Construction Agency Agreement, by giving written notice (a "TERMINATION NOTICE") to Lessee that, as a consequence of such event, the Lease and, if such event occurs during the Interim Term, the Construction Agency Agreement is to be terminated following satisfaction of the conditions set forth herein.

(b) Following Lessee's receipt of the Termination Notice, unless SECTION 15.1(c) is applicable, Lessee shall be obligated to purchase Lessor's interest in the Leased Property on or prior to the next occurring Payment Date by paying Lessor an amount equal to the Purchase Amount.

(c) If a Significant Condemnation or Significant Casualty occurs during the Interim Term for which the limitation on Lessee's recourse liability set forth in SECTION 14.1(e) applies, then, following Lessee's receipt of a Termination Notice and in lieu of the procedures set forth in SECTION 15.1(b) above, Lessee shall be obligated, on or prior to the next occurring Payment Date, either to (y) purchase Lessor's interest in the Leased Property and pay to Lessor the Purchase Amount (in which case Lessor shall, as set forth in SECTION 15.2(a), transfer to Lessee its interest in the Leased Property) or (z) deliver the Leased Property to Lessor, in which case SECTION 15.2(b) shall apply; provided, however, that if Lessee fails for any reason to comply with all of the requirements set forth in SECTION 15.2(b) in all material respects, Lessee shall instead be deemed to have elected to, and shall, purchase the Leased Property pursuant to SECTION 15.1(c)(y) above. Lessee acknowledges that an Environmental Violation or Release in which CLAUSE (iii) of SECTION 15.1(a) applies or a Significant Condemnation or Significant Casualty to which SECTION 14.1(e) is not applicable shall be subject to SECTION 15.1(b) rather than this SECTION 15.1(c).

SECTION 15.2. TERMINATION PROCEDURES.

(a) On the date of the payment by Lessee of the Purchase Amount in accordance with SECTION 15.1(b) or SECTION 15.1(c)(y) (such date, the "TERMINATION DATE"), this Lease shall terminate and, promptly following Lessor's receipt of such payment:

(i) Lessor shall execute and deliver to Lessee at Lessee's cost and expense a warranty deed of any remaining interest of Lessor in the Leased Property and a discharge of

mortgage with respect to this Lease, in each case in recordable form and otherwise in conformity with local custom and without representation and warranty except as to the absence of any Lessor Liens attributable to Lessor;

(ii) the Leased Property shall be conveyed to Lessee "AS IS" and in its then present physical condition; and

(iii) in the case of a termination pursuant to CLAUSE (i) or (ii) of SECTION 15.1(a), Lessor shall convey to Lessee any Net Proceeds with respect to the Casualty or Condemnation giving rise to the termination of this Lease and, the Construction Agency Agreement theretofore received by Lessor or at the request of Lessee, to the extent actually received, such amounts shall be applied against sums due hereunder.

(b) If SECTION 15.1(c) is applicable and Lessee elects not to purchase the Leased Property and instead elects to return the Leased Property as provided in SECTION 15.1(c)(z), Lessee shall, at its own cost and expense, do each of the following, upon the completion of which this Lease and the Construction Agency Agreement shall terminate:

(i) Lessee shall execute and deliver to Lessor (or to Lessor's designee) (A) a special warranty deed with respect to its interest in the Leased Property containing representations and warranties of grantor to Lessor (or such other Person) regarding the absence of Liens (other than Permitted Liens of the type described in CLAUSES (iv), (v), and (vii) of the definition of "Permitted Liens"), (B) an assignment of Lessee's entire interest in the Leased Property (which shall include an assignment of all of Lessee's right, title and interest in and to all awards, compensation and insurance proceeds payable in connection with the applicable Significant Condemnation or Significant Casualty and, if requested by Lessor, an assignment of leases of the Leased Property), and (C) all other transfer requirements described in SECTION 21.1(iii), in each case in recordable form where appropriate for the type of document or instrument involved, and otherwise in conformity with local custom and free and clear of any Liens attributable to Lessee;

(ii) Lessee shall pay over to Lessor all awards, compensation and insurance proceeds previously received by

Lessee in connection with the applicable Significant Condemnation or Significant Casualty;

(iii) Lessee shall execute and deliver to Lessor and Lessor's title insurance company an affidavit as to the absence of any Liens (other than Permitted Liens of the type described in CLAUSES (iv), (v), and (vii) of the definition of "Permitted Liens"), and shall execute and deliver to Lessor a statement of termination of this Lease;

(iv) Lessee shall vacate the Leased Property and transfer possession of the Leased Property to Lessor or to any Person designated by Lessor, in each case by surrendering the same into the possession of Lessor or such Person, as the case may be, in the condition required by SECTION 21.1(iv) and in compliance with all Applicable Laws and Insurance Requirements; and

(v) Lessee shall deliver to Lessor or to any Person designated by Lessor copies of all books and records regarding the maintenance of, and Lessee's interest in, the Leased Property, a current copy of the Approved Plans and Specifications, and an assignment of all assignable licenses necessary for the operation and maintenance of the Leased Property and any rights under the Construction Documents. Lessee shall, for a period of up to one (1) year after the applicable date of transfer hereunder, cooperate reasonably with Lessor and/or any Person designated by Lessor to receive the Leased Property, which cooperation shall include seeking and obtaining all necessary Governmental Action. The obligations of Lessee under this paragraph shall survive the expiration or termination of this Lease; and

(vi) Lessee shall take any other acts and execute and deliver all such other documents reasonably deemed necessary by Lessor to cause any of the foregoing items in clause (i) through (v) to occur, it being understood that Lessee shall execute all such documents and take such acts as described in this SECTION 15.2 both in its capacity as "Lessee" and "Construction Agent."

ARTICLE XVI
EVENTS OF DEFAULT

SECTION 16.1. LEASE EVENTS OF DEFAULT. The occurrence of any one or more of the following events (whether such event shall be voluntary or involuntary or come about or be effected by operation of law or pursuant to or in compliance with any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body) shall constitute a "LEASE EVENT OF DEFAULT":

(a) the occurrence of a Payment Default; or

(b) the Lessee shall fail to make payment of any Supplemental Rent (other than Supplemental Rent giving rise to a Lease Event of Default under CLAUSE (a) of this SECTION 16.1) due and payable within five (5) Business Days after receipt of notice thereof; or

(c) the insurance required by ARTICLE XIII of this Lease is not maintained and in place for any reason; or

(d) Lessee or Guarantor shall fail to observe or perform any material term, covenant or condition of Lessee under this Lease or any other Operative Document (other than those described in any other clause of this SECTION 16.1) and such failure shall have continued for thirty (30) days after the earlier of (i) receipt by Lessee of notice thereof and (ii) notification by Lessee of such event pursuant to Section 7.1(d) of the Participation Agreement; PROVIDED, HOWEVER, that if such failure is capable of cure but cannot be cured by payment of money or cannot be cured by diligent efforts within such thirty (30)-day period, but such diligent efforts shall be properly commenced within such thirty (30)-day cure period and Lessee is diligently pursuing, and shall continue to pursue diligently, remedy of such failure, the cure period shall be extended for an additional 90 days, but not to extend beyond the Expiration Date; or

(e) the occurrence of a Teletech Event of Default; or

(f) a Construction Agency Event of Default shall have occurred and be continuing; or

(g) Lessee shall fail to sell the Leased Property in accordance with and satisfy each of the terms, covenants,

conditions and agreements set forth at ARTICLES XX and XXI in connection with and following its exercise of the Sale Option, including each of Lessee's obligations at SECTIONS 20.1 and 21.1; or

(h) Any Operative Document or the security interest and lien granted under this Lease (except in accordance with its terms), in whole or in part, terminates, ceases to be effective or ceases to be the legal, valid and binding enforceable obligation of Lessee, Guarantor or any of their Affiliates, or Lessee, Guarantor or any such Affiliate, directly or indirectly, contests in any manner in any court the effectiveness, validity, binding nature or enforceability thereof; or the security interest and lien securing Lessee's or Guarantor's obligations under the Operative Documents, in whole or in part, ceases to be a perfected first priority security interest and lien.

SECTION 16.2. REMEDIES. Upon the occurrence of any Lease Event of Default and at any time thereafter, Lessor may, so long as such Lease Event of Default is continuing, do one or more of the following as Lessor in its sole discretion shall determine, without limiting any other right or remedy Lessor may have on account of such Lease Event of Default, including the obligation of Lessee to purchase the Leased Property as set forth in SECTION 18.2 and any rights and remedies set forth in this Lease but subject to the rights of the Lessee to purchase the Leased Property pursuant to the terms and conditions and within the time periods as set forth in SECTION 18.1:

(a) Lessor may, by notice to Lessee, rescind or terminate this Lease as to any or all of the Leased Property as of the date specified in such notice; PROVIDED, HOWEVER, that no reletting, reentry or taking of possession of the Leased Property (or any portion thereof) by Lessor shall be construed as an election on Lessor's part to terminate this Lease unless a written notice of such intention is given to Lessee, and notwithstanding any reletting, reentry or taking of possession, Lessor may at any time thereafter elect to terminate this Lease for a continuing Lease Event of Default and no act or thing done by Lessor or any of its agents, representatives or employees and no agreement accepting a surrender of the Leased Property shall be valid unless the same be made in writing and executed by Lessor;

(b) Lessor may demand that Lessee, and Lessee shall upon any such demand of Lessor, return the Leased Property promptly to

Lessor in the manner and condition required by, and otherwise in accordance with all of the provisions of, ARTICLES VII and IX and SECTION 8.3 and SECTION 14.2 hereof as if the Leased Property were being returned at the end of the Term, and Lessor shall not be liable for the reimbursement of Lessee for any costs and expenses incurred by Lessee in connection therewith and without prejudice to any other remedy which Lessor may have for possession of the Leased Property, and to the extent and in the manner permitted by Applicable Laws, enter upon the Leased Property and take immediate possession of (to the exclusion of Lessee) the Leased Property or any part thereof and expel or remove Lessee, by summary proceedings or otherwise, all without liability to Lessee for or by reason of such entry or taking of possession, whether for the restoration of damage to property caused by such taking or otherwise and, in addition to Lessor's other damages, Lessee shall be responsible for all reasonable costs and expenses incurred by Lessor and the Participants in connection with any reletting, including, without limitation, reasonable brokers' fees and all costs of any necessary repairs made by Lessor;

(c) Lessor may (i) sell all or any part of the Leased Property at public or private sale, as Lessor may determine, free and clear of any rights of Lessee (except that any Excess Sales Proceeds shall be payable to Lessee) with respect thereto (except to the extent required by CLAUSE (ii) below if Lessor shall elect to exercise its rights thereunder) in which event Lessee's obligation to pay Basic Rent hereunder for periods commencing after the date of such sale shall be terminated; and (ii) if Lessor shall so elect, demand that Lessee pay to Lessor, and Lessee shall pay to Lessor, on the date of such sale, as damages for loss of bargain and not as a penalty (in lieu of Basic Rent due for periods commencing on or after the Payment Date coinciding with such date of sale (or, if the sale date is not a Payment Date, the Payment Date next preceding the date of such sale)), an amount equal to (A) the excess, if any, of (1) the Lease Balance calculated as of such Payment Date (including all Rent due and unpaid to and including such Payment Date), over (2) the net proceeds of such sale (that is, after deducting all reasonable costs and expenses incurred by Lessor or any Participant(s) incident to such conveyance, including, without limitation, repossession costs, brokerage commissions, prorations, transfer taxes, fees and expenses for counsel, title insurance fees, survey costs, recording fees and any repair costs); plus (B) interest at the Overdue Rate on the foregoing amount from such Payment Date until the date of payment;

(d) Lessor may, at its option, elect not to terminate this Lease with respect to the Leased Property and may continue to collect all Basic Rent, Supplemental Rent and all other amounts due Lessor (together with all costs of collection) and enforce Lessee's obligations under this Lease as and when the same become due, or are to be performed, and at the option of Lessor, upon any abandonment of the Leased Property by Lessee or re-entry of same by Lessor, Lessor may, in its sole and absolute discretion, elect not to terminate this Lease and may make the necessary repairs (and Lessee shall pay the reasonable costs of such repairs) in order to relet the Leased Property, and relet the Leased Property or any part thereof for such term or terms (which may be for a term extending beyond the Term of this Lease) and at such rental or rentals and upon such other terms and conditions as Lessor in its reasonable discretion may deem advisable; and upon each such reletting all rentals actually received by Lessor from such reletting shall be applied to Lessee's obligations hereunder and the other Operative Documents in such order, proportion and priority as Lessor may elect in Lessor's sole and absolute discretion. If such rentals received from such reletting during any period are less than the Rent with respect to the Leased Property to be paid during that period by Lessee hereunder, Lessee shall pay any deficiency, as calculated by Lessor, to Lessor on the next Payment Date;

(e) Unless the Leased Property has been sold in its entirety, Lessor may, whether or not Lessor shall have exercised or shall thereafter at any time (subject to Lessee's prior performance in full under this clause) exercise any of its rights under CLAUSE (b), (c) or (d) with respect to the Leased Property or any portion thereof, demand, by written notice to Lessee specifying a date (a "TERMINATION DATE") not earlier than ten (10) days after the date of such notice, that Lessee purchase, on such Termination Date, the Leased Property (or any remaining portions thereof) in the manner provided in SECTION 18.2 and in accordance with the provisions of ARTICLE XXI;

(f) Lessor may exercise any other right or remedy that may be available to it under Applicable Laws, or proceed by appropriate court action (legal or equitable) to enforce the terms hereof or to recover damages for the breach hereof. Separate suits may be brought to collect any such damages for any period(s), and such suits shall not in any manner prejudice Lessor's right to collect any such damages for any subsequent period(s), or Lessor may defer any such suit until after the expiration of the Term, in

which event such suit shall be deemed not to have accrued until the expiration of the Term;

(g) Lessor may retain and apply against the Lease Balance, or any other amounts payable under the Operative Documents, all sums which Lessor would, absent such Lease Event of Default, be required to pay to, or turn over to, Lessee pursuant to the terms of this Lease; or

(h) If an Event of Default shall have occurred and be continuing, Lessor, as a matter of right and with notice to Lessee, shall have the right to apply to any court having jurisdiction to appoint a receiver or receivers of the Leased Property, and Lessee hereby irrevocably consents to any such appointment. Any such receiver(s) shall have all of the usual powers and duties of receivers in like or similar cases and all of the powers and duties of Lessor in case of entry, and shall continue as such and exercise such powers until the date of confirmation of the sale of the Leased Property unless such receivership is sooner terminated.

To the maximum extent permitted by law, Lessee hereby waives the benefit of any appraisal, valuation, stay, extension, reinstatement and redemption laws now or hereafter in force and all rights of marshaling in the event of any sale of the Leased Property or any interest therein.

Lessor shall be entitled to enforce payment of the indebtedness and performance of the obligations secured hereby and to exercise all rights and powers under this instrument or under any of the other Operative Documents or other agreement or any laws now or hereafter in force, notwithstanding some or all of the obligations secured hereby may now or hereafter be otherwise secured, whether by mortgage, security agreement, pledge, lien, assignment or otherwise. Neither the acceptance of this instrument nor its enforcement, shall prejudice or in any manner affect Lessor's right to realize upon or enforce any other security now or hereafter held by Lessor, it being agreed that Lessor shall be entitled to enforce this instrument and any other security now or hereafter held by Lessor in such order and manner as Lessor may determine in its absolute discretion. No remedy herein conferred upon or reserved to Lessor is intended to be exclusive of any other remedy herein or by law provided or permitted, but each shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. Every power or remedy given by any of the Operative

Documents to Lessor or to which it may otherwise be entitled, may be exercised, concurrently or independently, from time to time and as often as may be deemed expedient by Lessor. In no event shall Lessor, in the exercise of the remedies provided in this instrument (including, without limitation, in connection with the assignment of rents to Lessor, or the appointment of a receiver and the entry of such receiver onto all or any part of the Leased Property), be deemed a "mortgagee in possession", and Lessor shall not in any way be made liable for any act, either of commission or omission, in connection with the exercise of such remedies.

SECTION 16.3. WAIVER OF CERTAIN RIGHTS. If this Lease shall be terminated pursuant to SECTION 16.2, Lessee waives, to the fullest extent permitted by law, (a) any notice of re-entry or the institution of legal proceedings to obtain re-entry or possession; (b) any right of redemption, re-entry or repossession; (c) the benefit of any laws now or hereafter in force exempting property from liability for rent or for debt or limiting Lessor with respect to the election of remedies; and (d) any other rights which might otherwise limit or modify any of Lessor's rights or remedies under this ARTICLE XVI.

SECTION 16.4. POWER OF SALE AND FORECLOSURE.

(a) As it is the intent of the parties pursuant to ARTICLE XXIV that the transaction reflected in this Lease shall constitute a deed of trust financing as described therein, Lessee hereby grants a Lien, and Lessee does hereby irrevocably warrant, grant, bargain, sell, transfer, convey and assign the Leased Property to the Public Trustee of Arapahoe County, Colorado ("DEED OF TRUST TRUSTEE") IN TRUST FOREVER WITH POWER OF SALE for the benefit and security of Lessor, to secure all Obligations, and that, upon the occurrence of any Event of Default, Lessor shall have the power and authority, to the extent provided by law, to direct Deed of Trust Trustee, after proper notice and lapse of such time as may be required by law, to sell the Leased Property at the time and place of sale fixed by Deed of Trust Trustee in such notice of sale, either as a whole, or in separate lots or parcels or items and in such order it may elect, at auction to the highest bidder for cash in lawful money of the United States of America payable at the time of sale; accordingly, it is acknowledged that A POWER OF SALE HAS BEEN GRANTED IN THIS INSTRUMENT; A POWER OF SALE MAY ALLOW DEED OF TRUST TRUSTEE TO TAKE THE LEASED PROPERTY AND SELL IT WITHOUT GOING TO COURT IN A FORECLOSURE ACTION UPON DEFAULT BY LESSEE UNDER THIS INSTRUMENT, and upon the occurrence of

a Lease Event of Default, Lessor, in lieu of or in addition to directing Deed of Trust Trustee to exercise any power of sale hereinabove given, may proceed by a suit or suits in equity or at law, whether for a foreclosure hereunder, or for the sale of the Leased Property, or against Lessee on a recourse basis for the Lease Balance and all accrued and unpaid interest on the Loans, all accrued and unpaid Yield on the Certificate Amounts, and all other amounts owing by Lessee under the Operative Documents with respect to the Leased Property or pursuant to the Operative Documents, or for the specific performance of any covenant or agreement herein contained or in aid of the execution of any power herein granted, or for the appointment of a receiver pending any foreclosure hereunder or the sale of the Leased Property, or for the enforcement of any other appropriate legal or equitable remedy.

(b) Should Lessor elect to foreclose by exercise of the power of sale herein contained, Lessor shall notify Deed of Trust Trustee in the manner then required by law and shall deposit with Deed of Trust Trustee this Lease and the Instruments and such receipts and evidence of expenditures made and secured hereby as Deed of Trust Trustee may require.

Upon receipt of such notice of Lessor and at the direction of Lessor, Deed of Trust Trustee shall cause to be recorded, published and delivered such notices of default and notices of sale as may then be required by law and by this Lease. Deed of Trust Trustee shall, only at the direction of Lessor and without demand on Lessee, after such time as may then be required by law and after recordation of such notice of default and after notice of sale having been given as required by law, sell the Leased Property at the time and place of sale fixed by it in such notice of sale, either as whole or in separate lots or parcels or items as Lessor shall deem expedient, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States payable at the time of sale, or as otherwise may then be required by law. Deed of Trust Trustee shall deliver to such purchaser or purchasers thereof its good and sufficient deed or deeds conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including, without limitation, Lessee, Deed of Trust Trustee or Lessor, may purchase at such sale. Deed of Trust Trustee may in the manner provided by law postpone sale of all or any portion of the Leased Property.

(c) After deducting all costs, fees and expenses of Deed of Trust Trustee and of the trust created hereby, including costs of evidence of title in connection with sale and the payment of the Deed of Trust Trustee's fees actually incurred not to exceed the amount which may be provided for in this Lease, Deed of Trust Trustee shall apply the proceeds of sale, subject to Section 5.3 of the Participation Agreement, in the following priority, to payment of: (i) first, all sums expended under the terms hereof, not then repaid, with accrued interest at the Overdue Rate; (ii) second, other sums then secured hereby; and (iii) the remainder, if any, to the person or persons legally entitled thereto.

(d) Subject to Applicable Laws, Deed of Trust Trustee may postpone sale of all or any portion of the Leased Property and the other Teletch Collateral by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement or subsequently noticed sale, and without further notice make such sale at the time fixed by the last postponement, or may, in its discretion, give a new notice of sale.

(e) Upon the occurrence of an Event of Default hereunder, Lessor may proceed, in any sequence: (i) to exercise its rights hereunder with respect to all or any portion of the Leased Property and the other Teletch Collateral; and (ii) to exercise its rights with respect to all or any portion of the Leased Property and the other Teletch Collateral which is personal property in accordance with the provisions of the UCC (defined below).

(f) Subject always to the then existing rights, if any, of the Lessee under the Lease, Lessor may proceed to exercise all rights, privileges and remedies of Lessor under the Lease and may exercise all such rights and remedies either in the name of Lessee or in the name of Lessor for the use and benefit of Lessor.

SECTION 16.5. ASSIGNMENT OF LEASES AND RENTS.

(a) Lessee hereby absolutely assigns and transfers to Lessor the following:

(i) All subleases, written or oral, now in existence or hereafter arising and all agreements in each case entered into by Lessee (or any person holding an interest in all or any portion of the Leased Property derived through Lessee's interest as lessee under the Lease) for

the use and occupancy of all or any portion of the Leased Property together with all the right, power and authority of Lessee to alter, modify or change the terms of such leases or agreements or to surrender, cancel or terminate such leases or agreements together with any and all extensions and renewals thereof and any and all further leases or agreements upon all or any part of the Leased Property(collectively, the "SUBLEASES");

(ii) Any and all guarantees of the lessee's (the "SUBLESSEE'S") obligations under any of such Subleases;

(iii) The immediate and continuing right to collect and receive all of the rents, income, receipts, revenues, issues and profits now due or which may become due or to which Lessee may now or shall hereafter (whether during any applicable period of redemption, or otherwise) become entitled or may demand or claim, arising or issuing from or out of the Subleases, or from or out of the Leased Property or any part thereof, including but not limited to: minimum rents, additional rents, percentage rents, parking maintenance charges or fees, tax and insurance contributions, proceeds of sale of electricity, gas, chilled and heated water and other utilities and services, deficiency rents and liquidated damages following a Sublease event of default or late payment of rent, premiums payable by any Sublessee upon the exercise of a cancellation privilege provided for in any Sublease and all proceeds payable under any policy of insurance covering loss of rents resulting from untenability caused by destruction or damage to the Leased Property, together with any and all rights and claims of any kind which Lessee may have against any Sublessee under any Sublease or any subtenants or occupants of the Leased Property(all such money, rights and claims being hereinafter collectively called the "SUBRENTS"), LESS AND EXCEPTING THEREFROM, HOWEVER, any sums which by the express provisions of any Sublease are payable directly to any governmental authority or to any other person, firm or corporation other than the lessor under any Sublease or any person, firm or corporation which controls or is controlled by or is under common control with the lessor under any Sublease.

(b) Lessee hereby constitutes and appoints Lessor the true and lawful attorney-in-fact, coupled with an interest, of Lessee, empowered and authorized in the name, place and stead of Lessee to demand, sue for, attach, levy, recover and receive all Subrents and any premium or penalty payable upon the exercise by any Sublessee under any Sublease of a privilege of cancellation originally provided in such Sublease and to give proper receipts, releases and acquittances therefor and after deducting expenses of collection, to apply the net proceeds as a credit upon any portion of the indebtedness secured hereby selected by Lessor notwithstanding the fact that such portion of said indebtedness may not then be due and payable or that such portion of said indebtedness is otherwise adequately secured, and Lessee does hereby authorize and direct any such Sublessee to deliver such payment to Lessor, in accordance with this Lease, and Lessee hereby ratifies and confirms all that its said attorney, Lessor, shall do or cause to be done by virtue of the powers granted hereby. The foregoing appointment is irrevocable and continuing and such rights, powers and privileges shall be exclusive in Lessor, its successors and assigns, so long as any part of the obligations secured hereby remain unpaid or undischarged. A Sublessee need not inquire into the authority of Lessor to collect any Subrents, and its obligations to Lessee pursuant to the relevant Sublease shall be absolutely discharged to the extent of any payment to Lessor. Lessee hereby constitutes and appoints Lessor the true and lawful attorney-in-fact, coupled with an interest, of Lessee empowered and authorized in the name and stead of Lessee to subject and subordinate at any time and from time to time any Sublease or any part thereof to the lien and security interest of this Lease or any other mortgage, deed of trust or security agreement on the Leased Property, or to request or require such subordination, where such reservation, option or authority was reserved to Lessee under any such Sublease, or in any case where Lessee otherwise would have the right, power or privilege so to do. The foregoing appointment is irrevocable and continuing and such rights, powers and privileges shall be exclusive in Lessor, its successors and assigns so long as any part of the obligations secured hereby remain unpaid or undischarged, and Lessee hereby warrants that Lessee has not, at any time prior to the date hereof, exercised any such rights or assigned the right to do so.

(c) So long as the obligations secured hereby remain unpaid and undischarged and unless Lessor otherwise consents in writing, the fee and the leasehold estates in and to the Leased Property shall not merge but shall always remain separate and distinct, notwithstanding the union of such estates either in Lessee, Lessor, any sublessee or any third party by purchase or otherwise.

(d) The acceptance by Lessor of the assignment provided in this SECTION 16.5(d), together with all of the rights, powers, privileges and authority created in this paragraph or elsewhere in this Lease, shall not, prior to entry upon and taking possession of the Leased Property by Lessor, be deemed or construed to constitute Lessor a "mortgagee in possession" nor thereafter or at any time or in any event obligate Lessor to appear in or defend any action or proceeding relating to the Subleases, the Rents or the Leased Property or to take any action hereunder or to expend any money or incur any expenses or perform or discharge any obligation, duty or liability under any Sublease or to assume any obligation or responsibility for any security deposits or other deposits delivered to Lessee by any Sublessee and not assigned and delivered to Lessor, nor shall Lessor be liable in any way for any injury or damage to person or property sustained by any person or persons, firm or corporation in or about the Leased Property.

SECTION 16.6. GRANT OF SECURITY INTEREST. In addition to the Lien granted pursuant to SECTION 16.4, Lessee hereby grants a security interest to Lessor in the Teletech Collateral which constitutes tangible personal property. This Lease shall constitute a security agreement within the meaning of the Uniform Commercial Code as enacted in the state in which the Leased Property is located ("UCC"), and if an Event of Default has occurred and is continuing, Lessor shall, in addition to all other rights available at law or equity, have all of the rights provided to a secured party under Article 9 of the UCC.

SECTION 16.7. LIMITATION OF RECOURSE DURING THE INTERIM TERM. Notwithstanding any provision to the contrary contained in this ARTICLE XVI or in any provision of any of the other Operative Documents, prior to the Base Term Commencement Date, the aggregate amount payable by Lessee on a recourse basis under this ARTICLE XVI and under SECTION 18.2 as the result of a Lease Event of Default which is not a Full Recourse Construction Period Event of Default

or otherwise payable directly by Lessee or Construction Agent on a recourse basis pursuant to Section 4.3(a) of the Participation Agreement shall be subject to the limitations on recourse liability set forth in Article XIV of the Participation Agreement.

ARTICLE XVII
LESSOR'S RIGHT TO CURE

SECTION 17.1. LESSOR'S RIGHT TO CURE LESSEE'S LEASE DEFAULTS. Lessor, without waiving or releasing any obligation or Lease Event of Default, may (but shall be under no obligation to), upon five (5) Business Days' prior written notice to Lessee (except in the case of a condition Lessor reasonably determines may be an emergency or a condition or event which if not promptly remedied may materially and adversely affect the Fair Market Value of the Leased Property, in which case only 24 hours' advance notice to Lessee shall be required), remedy any Event of Default for the account and at the sole cost and expense of Lessee, including the failure by Lessee to maintain the insurance required by ARTICLE XIII, and may, to the fullest extent permitted by law, and notwithstanding any right of quiet enjoyment in favor of Lessee, enter upon the Leased Property for such purpose and take all such action thereon as may be necessary or appropriate therefor. No such entry shall be deemed an eviction of Lessee. All reasonable out-of-pocket costs and expenses so incurred (including reasonable fees and expenses of counsel), together with interest thereon at the Overdue Rate from the date on which such sums or expenses are paid by Lessor, shall be paid by Lessee to Lessor on demand as Supplemental Rent.

ARTICLE XVIII
PURCHASE PROVISIONS

SECTION 18.1. EARLY AND END OF TERM PURCHASE OPTIONS.

(a) Subject to the conditions contained herein and without limitation of Lessee's purchase obligation pursuant to SECTION 18.2, on (1) any Scheduled Payment Date following the second anniversary of the date that the Base Term Commencement Date has commenced with respect to all of the Leased Property and provided Lessee has not elected the Sale Option or (2) any Business Day after the occurrence and during the continuance of a Lease Event of Default of the types described in CLAUSE (ii) of the next sentence, Lessee may, at its option, purchase all of the Leased

Property (the "EARLY TERMINATION OPTION") at a price equal to the Purchase Amount. Lessee's right to purchase the Leased Property pursuant to this SECTION 18.1 shall terminate automatically and without notice upon (i) the occurrence of a Lease Event of Default arising as a result of an Insolvency Event, or (ii) upon the occurrence of any other Lease Event of Default, unless in the case of a Lease Event of Default described in this CLAUSE (ii) Lessee delivers a written notice of its election to exercise this option to purchase not less than three (3) Business Days prior to the date of the purchase and consummates the purchase within fifteen (15) Business Days following the occurrence of such Event of Default. In order to exercise its option to purchase the Leased Property pursuant to this SECTION 18.1 and except as provided for in CLAUSE (ii) of the foregoing sentence, Lessee shall give to Lessor not less than ten (10) days' prior written notice of such election to exercise, which election shall be irrevocable when made. If Lessee exercises its option pursuant to this SECTION 18.1 then, upon Lessor's receipt of all amounts due in connection therewith, Lessor shall transfer to Lessee all of Lessor's right, title and interest in and to the Leased Property in accordance with the procedures set forth in SECTION 21.1, such transfer to be effective as of the date specified in the Purchase Notice.

(b) PARTIAL SITE PURCHASE. In addition to Lessee's option to purchase the Leased Property as provided above, Lessee also shall have the option to purchase that portion of the Land (not to exceed three (3) acres) substantially identical to the real property depicted on EXHIBIT B attached hereto (the "RELEASE PARCEL") upon satisfaction of the following conditions: (i) No Event of Default shall have occurred, (ii) Lessee shall deliver to Lessor, Administrative Agent and the Participants an Appraisal setting forth the Fair Market Value (as separate and independent pieces of property) of the Release Parcel as of the date of purchase and the remaining portion of the Leased Property, (iii) the purchase price for the Release Parcel being purchased shall be equal to the product of (A) a fraction the numerator of which is the Fair Market Value of the portion being purchased as determined in such Appraisal, and the denominator of which is the Fair Market Value of the Release Parcel and the remaining portion of the Leased Property as determined in such Appraisal and (B) the Lease Balance, which purchase price shall be applied to the Lease Balance, (iv) the Release Parcel and the remaining portion of the Leased Property shall each constitute a legal parcel under Applicable Laws regarding subdivision, (v) the remaining portion of the Leased Property shall not be dependent upon the Release Parcel for

services, utilities, parking or access unless perpetual easements have been granted for the benefit of the remaining portion of the Leased Property in form satisfactory to the Required Participants and otherwise in accordance with Applicable Laws regarding subdivision and zoning, (vi) any improvements situated on the remaining portion of the Leased Property shall be situated entirely on the remaining portion of the Leased Property and no portion of the improvements situated on the remaining portion of the Leased Property shall be situated on the portion of the Release Parcel, (vii) Lessee shall deliver to Lessor, Administrative Agent and the Participants a (x) Title Policy complying with the requirements of Section 6.1(n) of the Participation Agreement, or (y) endorsements to the existing Title Policies satisfactory to the Participants, in either case insuring, among other things, the continued lien priority of the Liens in favor of Administrative Agent and including endorsements with respect to the subdivision and zoning, (viii) Lessee shall execute and deliver such modifications, amendments or supplements to the Operative Documents to reflect the sale of the Release Parcel and the payment of the purchase price thereof as reasonably requested by Lessor or Administrative Agent.

SECTION 18.2. ACCELERATION OF LEASED PROPERTY PURCHASE.

(a) Lessee shall be obligated to purchase for an amount equal to the Purchase Amount Lessor's interest in all of the Leased Property (notwithstanding any prior election to exercise its Early Termination Option pursuant to SECTION 18.1) (i) automatically and without notice upon the occurrence of a Lease Event of Default resulting from an Insolvency Event, and (ii) as provided for in SECTION 16.2(e) upon written demand of Lessor upon the occurrence of any other Lease Event of Default.

(b) Any purchase under this SECTION 18.2 shall be in accordance with the procedures for transfer set forth in SECTION 21.1.

ARTICLE XIX
END OF TERM OPTIONS

SECTION 19.1. END OF TERM OPTIONS. At least two hundred seventy (270) days before the scheduled expiration date of the Term, Lessee shall, by delivery of written notice to Lessor and each Agent, exercise one of the following options:

(a) Renew this Lease with respect to the Leased Property for an additional one-year term (each, a "LEASE RENEWAL TERM") on the terms and conditions set forth herein and in the other Operative Documents (the "RENEWAL OPTION"); PROVIDED, HOWEVER, that the Renewal Option shall not be available during the second Lease Renewal Term; or

(b) Purchase for cash for the Purchase Amount all of the Leased Property on the last day of the Term (the "PURCHASE OPTION"); and if Lessee shall have elected to purchase the Leased Property, Lessor shall, upon the payment to Lessor of the Purchase Amount then due and payable by Lessee under the Operative Documents, transfer all of Lessor's right, title and interest in and to the Leased Property pursuant to SECTION 21.1; or

(c) Sell all of the Leased Property on behalf of Lessor for cash to a single purchaser not in any way affiliated with Lessee, any of its Affiliates on the last day of the Term (the "SALE OPTION"). Lessee's right to sell the Leased Property pursuant to the Sale Option shall be conditioned upon and subject to the fulfillment by Lessee of each of the terms and conditions set forth in ARTICLE XX.

SECTION 19.2. ELECTION OF OPTIONS. To the extent that the Renewal Option is available, unless Lessee shall have affirmatively elected in accordance herewith the Purchase Option or the Sale Option, Lessee shall be deemed to have elected the Renewal Option. If the Renewal Option is no longer available, unless Lessee shall have (a) affirmatively elected the Sale Option within the time period provided for in SECTION 19.1 and (b) satisfied each of the requirements in ARTICLES XX and XXI, Lessee shall be deemed to have elected the Purchase Option. In addition, the Sale Option shall automatically be revoked if there exists a Lease Default, Lease Event of Default, Significant Casualty or Significant Condemnation at any time after the Sale Option is properly elected or Lessee fails to comply with each of the terms and conditions set forth at ARTICLES XX and XXI (including Lessee's obligation to sell the Leased Property in accordance with the terms and conditions set forth at ARTICLES XX and XXI, on the last day of the Term) and Lessor shall be entitled to exercise all rights and remedies provided in ARTICLE XVI. Lessee may not elect the Sale Option if there exists on the date the election is made a Default, an Event of Default, Significant Casualty or Significant Condemnation. Any election by Lessee pursuant to SECTION 19.1 shall be irrevocable at the time made.

SECTION 19.3. RENEWAL OPTIONS. The exercise of any Renewal Option by Lessee shall be subject to satisfaction of the following conditions:

(i) on the Expiration Date then in effect no Lease Event of Default or Lease Default shall have occurred and be continuing, and on the date Lessee gives notice of its exercise of the Renewal Option, no Lease Event of Default or Lease Default shall have occurred and be continuing; and

(ii) Lessee shall not have exercised the Sale Option or the Purchase Option.

Lessee's exercise of a Renewal Option shall be deemed to be a representation by Lessee that on both the Expiration Date then in effect and the date Lessee gives notice of its exercise of the Renewal Option, no Event of Default or Lease Default shall have occurred and be continuing.

ARTICLE XX SALE OPTION

SECTION 20.1. SALE OPTION PROCEDURES. Lessee's effective exercise and consummation of the Sale Option with respect to the Leased Property shall be subject to the due and timely fulfillment of each of the following provisions as to the Leased Property as of the dates set forth below.

(a) Lessee shall have given to Lessor and Lenders written notice of Lessee's exercise of the Sale Option in accordance with SECTION 19.1.

(b) Prior to the Expiration Date, Lessee shall furnish to Lessor, Administrative Agent, the Participants and, the independent purchaser hereunder a reasonably current Environmental Audit dated no earlier than forty-five (45) days prior to the Expiration Date and addressed to each such party. Such Environmental Audit shall be prepared by an environmental consultant selected by Lessor in Lessor's discretion and shall contain conclusions satisfactory to the Participants and such purchaser as to the environmental status of the Leased Property. If any such Environmental Audit indicates any exceptions, Lessee shall take such remedial action as shall be necessary to enable delivery, and Lessee shall cause to be delivered prior to the

Expiration Date, a Phase Two environmental assessment by such environmental consultant and a written statement by such environmental consultant indicating that all such exceptions have been remedied in compliance with Applicable Laws.

(c) Lessor shall at Lessee's expense be entitled to perform such investigation, including obtaining reports of engineers and other experts as to the condition and state of repair and maintenance of the Leased Property required by this Lease and as to the compliance of the Leased Property with Applicable Laws and regulations including Environmental Laws, as it deems appropriate. Lessee, at its sole cost and expense, shall cause the repair or other remediation of any discrepancies between the actual condition of the Leased Property and the condition required under this Lease, such repair or remediation to be completed not later than the Expiration Date.

(d) No Event of Default or Default shall exist on or at any time following the date of the exercise of the Sale Option.

(e) On the date of Lessee's election of the Sale Option and upon surrender of the Leased Property, (i) the Leased Property shall be in the condition required by SECTION 9.1 and (ii) Lessee shall have completed or caused to be completed all Financed Improvements, in accordance with the Approved Plans and Specifications, and Modifications commenced prior to the Expiration Date, and Lessee shall have caused to be completed prior to the Expiration Date the repair and rebuilding of the affected portions of the Leased Property suffering a Casualty or Condemnation.

(f) Lessee shall, as nonexclusive agent for Lessor, diligently pursue efforts to obtain the highest cash purchase price for the Leased Property. Lessee shall be responsible for hiring brokers and making the Leased Property available for inspection by prospective purchasers, and all marketing of the Leased Property shall be at Lessee's expense. Lessee shall promptly upon request permit inspection of the Leased Property and any Leased Property Records by Lessor, any Participant and any potential purchasers, and shall otherwise do all things necessary to sell and deliver possession of the Leased Property to any purchaser.

(g) Lessee shall diligently pursue efforts to procure bids from one or more bona fide prospective purchasers to purchase the Leased Property.

(h) Lessee shall submit all bids to Lessor and the Participants, and Lessor shall have the right to review the same and to submit any one or more bids. All bids shall be on an all-cash basis unless Lessor and the Required Participants shall otherwise agree in their sole discretion. In the event Lessee receives any bid, Lessee shall within five (5) Business Days after receipt thereof, and at least twenty (20) Business Days prior to the Lease Expiration Date, certify to Lessor in writing the amount and terms of such bid, the name and address of the party (who shall not be Lessee, Guarantor or any Lessee Group Affiliate or any Person with whom Lessee, Guarantor or any Lessee Group Affiliate has an understanding or arrangement regarding the future use, possession or ownership of the Leased Property), but who may be a Participant, any Affiliate thereof, or any Person contacted by any Participant (other than any Person referred to in the foregoing parenthetical clause) submitting such bid. If the Gross Proceeds to which Lessee desires to accept is less than the Lease Balance, Lessee's rights hereunder shall be further conditioned upon demonstrating that such proposed bid is for an amount at least equal to the Fair Market Value of the Leased Property as established by the Appraisal described at SECTION 20.1(m) below. All bids shall be on an all-cash basis unless the Required Participants, each Agent and Lessee shall otherwise agree.

(i) In connection with any such sale of Leased Property, Lessee shall provide to the purchaser all customary seller's indemnities, representations and warranties regarding title, absence of Liens (except Lessor Liens) and the condition of such Leased Property. Lessee shall have obtained, at its cost and expense, all required governmental and regulatory consents and approvals and shall have made all filings as required by Applicable Laws in order to carry out and complete the transfer of the Leased Property. As to Lessor, any such sale shall be made on an "as is, with all faults" basis without representation or warranty by Lessor, other than the absence of Lessor Liens. Any agreement as to such sale shall be made subject to Lessor's rights hereunder and shall be in form and substance reasonably satisfactory to Lessor.

(j) Lessee shall pay or cause to be paid directly, and not from the sale proceeds, any prorations, credits, costs, Impositions and expenses of or arising from the sale of the Leased Property, whether incurred by Lessor or Lessee, including the cost of all title insurance, surveys, environmental reports, appraisals, transfer taxes, Lessor's reasonable attorneys' fees, Lessee's attorneys' fees, commissions, escrow fees, recording fees, and all

applicable documentary and other transfer and document taxes and Impositions.

(k) On the Lease Expiration Date, Lessee shall pay to Lessor (or in the case of Supplemental Rent, to the Person entitled thereto) an amount equal to (i) the Sale Option Recourse Amount PLUS (ii) all accrued and unpaid Rent (including Supplemental Rent, if any) and all other amounts hereunder which have accrued or will accrue prior to or as of the Expiration Date for the Leased Property, in the type of funds specified in SECTION 3.4 hereof.

(l) Lessee shall pay to Lessor on or prior to the Expiration Date the amounts, if any, required to be paid pursuant to Article XIII of the Participation Agreement.

(m) Upon consummation of a sale of the Leased Property, Lessee shall pay directly to Lessor the gross proceeds (the "GROSS PROCEEDS") of such sale (I.E., without deduction for any marketing, closing or other costs, prorations or commissions); PROVIDED, HOWEVER, that if the sum of (x) the Gross Proceeds from such sale PLUS (y) the Sale Option Recourse Amount received by Lessor pursuant to CLAUSE (j)(i) PLUS (z) amounts received by Lessor pursuant to Section 13.3 of the Participation Agreement exceeds the Lease Balance for the Leased Property as of such date, then the excess shall be paid to Lessee on such Expiration Date.

(n) If the bid that Lessee proposes to accept and which Lessee submits pursuant to SECTION 20.1(g) is for an amount less than the Lease Balance, then Lessor shall promptly following the receipt of such bid, engage an appraiser, reasonably satisfactory to the Participants and Lessee, at Lessee's expense, to determine (by appraisal methods reasonably satisfactory to the Required Participants) the Fair Market Value of the Leased Property as of (i) the Expiration Date and (ii) the first day of any Lease Renewal Term in which the Sale Option is elected. The Appraiser's conclusion relating to the first day of the Lease Renewal Term shall be used in calculating the "Recourse Deficiency Amount." A copy of such appraisal shall be delivered to each of the Participants not later than five (5) Business Days prior to the Expiration Date. The appraiser shall be instructed to assume that the Leased Property is in the condition required by and has been maintained in accordance with this Lease.

If one or more of the foregoing provisions shall not be fulfilled as of the date set forth above with respect to the Leased

Property, including Lessee's obligation at Section 20.1(g) to accept a bid for not less than the Fair Market Value of the Leased Property and sell the Leased Property on the Expiration Date, then Lessor shall declare by written notice to Lessee the Sale Option to be null and void (whether or not it has been theretofore exercised by Lessee), in which event all of Lessee's rights under this SECTION 20.1 shall immediately terminate and Lessee shall be obligated to purchase the Leased Property pursuant to SECTION 18.2 on the Expiration Date.

Except as expressly set forth herein, Lessee shall have no right, power or authority to bind Lessor in connection with any proposed sale of the Leased Property.

SECTION 20.2. CERTAIN OBLIGATIONS CONTINUE. During the period following Lessee's exercise of the Sale Option, the obligation of Lessee to pay Rent with respect to the Leased Property (including the installment of Rent due on the Expiration Date for the Leased Property) shall continue undiminished. Lessor shall have the right, but shall be under no duty, to solicit bids, to inquire into the efforts of Lessee to obtain bids or otherwise to take action in connection with any such sale, other than as expressly provided in this ARTICLE XX.

ARTICLE XXI
PROCEDURES RELATING TO PURCHASE OR SALE OPTION; SUPPLEMENTAL RENT

SECTION 21.1. PROVISIONS RELATING TO CONVEYANCE OF THE LEASED PROPERTY UPON PURCHASE BY LESSEE, SALES OR CERTAIN OTHER EVENTS.

(a) In connection with any termination of this Lease and purchase of the Leased Property by Lessee in accordance with this Lease, then, upon the date on which this Lease is to terminate with respect to the Leased Property and upon tender by Lessee of the amounts set forth in ARTICLE XV, SECTIONS 16.2(e), 18.1, 18.2 or 19.1(b), as applicable:

(i) Lessor shall execute and deliver to Lessee (or to Lessee's designee) at Lessee's cost and expense a warranty deed of Lessor's interest in the Leased Property in recordable form and otherwise in conformity with local custom and without representation and warranty except as to the absence of any Lessor Liens attributable to Lessor;

(ii) the Leased Property shall be conveyed to Lessee "AS IS" and in its then present physical condition; and

(iii) Lessor shall execute and deliver to Lessee and, if requested by Lessee, Lessee's title insurance company, an affidavit as to the absence of Lessor Liens attributable to Lessor and shall execute and deliver to Lessee a statement of termination of this Lease to the extent such Operative Document relates to the Leased Property, but not with respect to any term or condition which is meant to survive termination, and shall use its best efforts to cause Administrative Agent to execute and deliver a release of the Deed of Trust relating to the Leased Property, a release of the Assignment of Leases and Rents, releases of any Liens created by the Operative Documents attributable to Administrative Agent, and termination statements for any financing statements which are then of record naming Administrative Agent as the secured party.

(b) If Lessee properly exercises the Sale Option, then Lessee shall, on the Expiration Date, and at its own cost, transfer possession of the Leased Property to the independent purchaser(s) thereof in the case of a sale by surrendering the same into the possession of such purchaser, free and clear of all Liens (other than Permitted Liens of the types described in clauses (iii), (v), (vi), (vii) and (viii) of the definition of Permitted Liens, in the condition required by SECTION 20.1(d) and in compliance with Applicable Laws and the provisions of this Lease, and the Lessee shall execute and deliver to the purchaser, at the Lessee's cost and expense, a special warranty deed, a bill of sale with respect to any personal property, in each case in recordable form and otherwise in conformity with local custom and free and clear of all Liens other than Permitted Liens of the types described in clauses (iii), (v), (vi), (vii) and (viii) of the definition of Permitted Liens; Lessee shall execute and deliver to the purchaser and the purchaser's title insurance company an affidavit as to the absence of any Liens (other than Permitted Liens), and such other affidavits and certificates reasonably requested by any title insurance company insuring title to the Leased Property, as well as a FIRPTA affidavit, and an instrument in recordable form declaring Lessee's rights under this Lease to be terminated on the date of closing of the sale of the Leased Property; Lessee shall, on and within a reasonable time before and up to one year after such sale of the Leased Property, cooperate reasonably with the Lessor and any purchaser of the Leased Property in order to facilitate the

purchase and use by such purchaser of the Leased Property, which cooperation shall include the following, all of which Lessee shall do on or before such sale, or as soon thereafter as is reasonably practicable: providing all books and records regarding the maintenance and ownership of the Leased Property and all know-how, data and technical information relating thereto, granting or assigning all licenses necessary for the ownership, use and maintenance of the Leased Property and cooperating reasonably in seeking and obtaining all necessary Governmental Action. The obligations of the Lessee under this paragraph shall survive the expiration or termination of this Lease.

ARTICLE XXII
ACCEPTANCE OF SURRENDER

SECTION 22.1. ACCEPTANCE OF SURRENDER. No surrender to Lessor of this Lease or of the Leased Property or of any part of any thereof or of any interest therein shall be valid or effective unless agreed to and accepted in writing by Lessor and, prior to the payment or performance of all obligations under the Loan Agreement and the Trust Agreement and termination of the Commitments, the Participants, and no act by Lessor or the Participants or any representative or agent of Lessor or the Participants, other than a written acceptance, shall constitute an acceptance of any such surrender.

ARTICLE XXIII
NO MERGER OF TITLE

SECTION 23.1. NO MERGER OF TITLE. There shall be no merger of this Lease or of the leasehold estate created hereby solely by reason of the fact that the same Person may acquire, own or hold, directly or indirectly, in whole or in part, (a) this Lease or the leasehold estate created hereby or any interest in this Lease or such leasehold estate, (b) the fee interest in the Leased Property, except as may expressly be stated in a written instrument duly executed and delivered by the appropriate Person or (c) a beneficial interest in Lessor.

ARTICLE XXIV
INTENT OF THE PARTIES

SECTION 24.1. NATURE OF TRANSACTION. It is the intention of the parties that:

(a) the Overall Transaction (including, without limitation, the transactions and activities during the Interim Term referred to or contemplated by the Construction Agency Agreement), constitutes an operating lease from Lessor to Lessee for purposes of Lessee's and Guarantor's financial reporting, including, without limitation, under Financial Accounting Standards Board Statement No. 13;

(b) for federal and all state and local income and transfer taxes and for purposes of bankruptcy, insolvency, conservatorship and receivership law (including the substantive law upon which bankruptcy, conservatorship and insolvency and receivership proceedings are based) and real estate and Uniform Commercial Code purposes:

(i) the Overall Transaction (including, without limitation, the transactions and activities during the Interim Term referred to or contemplated by the Construction Agency Agreement), constitute a financing by the Participants to Lessee and preserves beneficial ownership in the Leased Property in Lessee, Lessee will be entitled to all tax benefits ordinarily available to owners of property similar to the Leased Property for tax purposes (including, without limitation, depreciation) and the obligations of Lessee to pay Basic Rent shall be treated as payments of interest to the Participants, and the payment by Lessee of any amounts in respect of the Lease Balance shall be treated as payments of principal to the Participants;

(ii) in order to secure the obligations of Lessee now existing or hereafter arising under any of the Operative Documents, this Lease creates, and Lessee hereby grants, conveys, assigns, mortgages and transfers a security interest or a lien, as the case may be, in the Leased Property and the other Teletech Collateral, and Lessee does hereby irrevocably GRANT, BARGAIN, SELL, ALIEN, REMISE, RELEASE, CONFIRM AND CONVEY to Deed of Trust Trustee, and for the benefit of Lessor and the Participants, a Lien, deed of trust and mortgage on

all right, title and interest of Lessee in and to the Leased Property and the Land; and

(iii) the Deed of Trust creates Liens and security interests in the Mortgaged Property in favor of Administrative Agent for the benefit of all of the Participants to secure Lessee's payment and performance of the Obligations.

Nevertheless, Lessee acknowledges and agrees that none of Lessor, Administrative Agent, Arranger or any Participant has made any representations or warranties concerning the tax, accounting or legal characteristics of the Operative Documents or any aspect of the Overall Transaction and that Lessee has obtained and relied upon such tax, accounting and legal advice concerning the Operative Documents and the Overall Transaction as it deems appropriate; provided, however, none of the Lessor, any Agent, Arranger or any Participant shall treat the Overall Transaction for federal or state tax purposes other than as a financing preserving beneficial ownership in the Leased Property in the Lessee in the manner described in this SECTION 24.1(b).

(c) Specifically, but without limiting the generality of SUBSECTION (b) of this SECTION 24.1, Lessor and Lessee further intend and agree that, with respect to that portion of the Leased Property constituting personal property, for the purpose of securing Lessee's obligations for the repayment of the above-described loans from Lessor and the Participants to Lessee, (i) this Lease shall also be deemed to be a security agreement and financing statement within the meaning of Article 9 of the Uniform Commercial Code; (ii) the conveyance provided for hereby shall be deemed to be a grant by Lessee to Lessor, for the benefit of the Participants, of a mortgage, lien and security interest in all of Lessee's present and future right, title and interest in and to such portion of the Leased Property, including but not limited to Lessee's leasehold estate therein and all proceeds of the conversion, voluntary or involuntary, of the foregoing into cash, investments, securities or other property, whether in the form of cash, investments, securities or other property to secure such loans, effective on the date hereof, to have and to hold such interests in the Leased Property unto Lessor, for the benefit of the Participants; (iii) the possession by Lessor of notes and such other items of property as constitute instruments, money, negotiable documents or chattel paper shall be deemed to be "possession by the secured party" for purposes of perfecting the security interest pursuant to Section 4-9-305 of the Uniform

Commercial Code; and (iv) notifications to Persons holding such property, and acknowledgments, receipts or confirmations from financial intermediaries, bankers or agents (as applicable) of Lessee shall be deemed to have been given for the purpose of perfecting such security interest under Applicable Laws. Lessor and Lessee shall, to the extent consistent with this Lease, take such actions and execute, deliver, file and record such other documents, financing statements, mortgages and deeds of trust as may be necessary to ensure that, if this Lease were deemed to create a security interest in the Leased Property in accordance with this Section, such security interest would be deemed to be a perfected security interest with priority over all Liens other than Permitted Liens, under Applicable Laws and will be maintained as such throughout the Term.

ARTICLE XXV
MISCELLANEOUS

SECTION 25.1. SURVIVAL; SEVERABILITY; ETC. Anything contained in this Lease to the contrary notwithstanding, all claims against and liabilities of Lessee or Lessor arising from events commencing prior to the expiration or earlier termination of this Lease shall survive such expiration or earlier termination. If any term or provision of this Lease or any application thereof shall be declared invalid or unenforceable, the remainder of this Lease and any other application of such term or provision shall not be affected thereby. If any right or option of Lessee provided in this Lease, including any right or option described in ARTICLES XIV, XV, XVIII, XIX or XX, would, in the absence of the limitation imposed by this sentence, be invalid or unenforceable as being in violation of the rule against perpetuities or any other rule of law relating to the vesting of an interest in or the suspension of the power of alienation of property, then such right or option shall be exercisable only during the period which shall end twenty-one (21) years after the date of death of the last survivor of the descendants of Franklin D. Roosevelt, the former President of the United States, Henry Ford, the deceased automobile manufacturer, and John D. Rockefeller, the founder of the Standard Oil Company, known to be alive on the date of the execution, acknowledgment and delivery of this Lease.

SECTION 25.2. AMENDMENTS AND MODIFICATIONS. Subject to the requirements, restrictions and conditions set forth in the Participation Agreement, neither this Lease nor any provision

hereof may be amended, waived, discharged or terminated except by an instrument in writing in recordable form signed by Lessor and Lessee.

SECTION 25.3. NO WAIVER. No failure by Lessor or Lessee to insist upon the strict performance of any term hereof or to exercise any right, power or remedy upon a default hereunder, and no acceptance of full or partial payment of Rent during the continuance of any such default, shall constitute a waiver of any such default or of any such term. To the fullest extent permitted by law, no waiver of any default shall affect or alter this Lease, and this Lease shall continue in full force and effect with respect to any other then existing or subsequent default.

SECTION 25.4. NOTICES. All notices, demands, requests, consents, approvals and other communications hereunder shall be in writing and directed to the address described in, and deemed received in accordance with the provisions of, Section 14.3 of the Participation Agreement.

SECTION 25.5. SUCCESSORS AND ASSIGNS. All the terms and provisions of this Lease shall inure to the benefit of the parties hereto and their respective successors and permitted assigns.

SECTION 25.6. HEADINGS AND TABLE OF CONTENTS. The headings and table of contents in this Lease are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

SECTION 25.7. COUNTERPARTS. This Lease may be executed in any number of counterparts, each of which shall be an original, but all of which shall together constitute one and the same instrument.

SECTION 25.8. GOVERNING LAW. THIS LEASE SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF COLORADO, WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES.

SECTION 25.9. HIGHEST LAWFUL RATE. All obligations of Lessee to make payments hereunder or in connection with any transaction contemplated hereby shall be subject to the provisions of Section 4.6 of the Participation Agreement.

SECTION 25.10. ORIGINAL LEASE. The single executed original of this Lease marked "THIS COUNTERPART IS THE ORIGINAL EXECUTED

COUNTERPART" on the signature page thereof and containing the receipt thereof of Administrative Agent, on or following the signature page thereof shall be the Original Executed Counterpart of this Lease (the "ORIGINAL EXECUTED COUNTERPART"). To the extent that this Lease constitutes chattel paper, as such term is defined in the Uniform Commercial Code, no security interest in this Lease may be created through the transfer or possession of any counterpart other than the Original Executed Counterpart.

SECTION 25.11. LIMITATIONS ON RECOURSE. The parties hereto agree that, except as specifically set forth in the Lease or in any other Operative Document, Bank shall have no personal liability whatsoever to Lessee or its respective successors and assigns for any claim based on or in respect of this Lease or any of the other Operative Documents or arising in any way from the Overall Transaction; PROVIDED, HOWEVER, that Bank shall be liable in its individual capacity (a) for its own willful misconduct or gross negligence (or negligence in the handling of funds), (b) for any Tax based on, with respect to or measured by any income, fees, commission, compensation or other amounts received by it as compensation for services (including for acting as Lessor) or otherwise under, or as contemplated by, the Operative Documents, (c) Lessor Liens on the Leased Property which are attributable to it, (d) for its representations and warranties made in its individual capacity in the Participation Agreement or in any certificate or documents delivered pursuant thereto, (e) for its failure to perform any of its covenants and agreements set forth in the Participation Agreement or any other Operative Document, and (f) as otherwise expressly provided in the Operative Documents.

SECTION 25.12. NOTICE OF POTENTIAL CLAIMANTS. Nothing contained in this Lease shall be construed as constituting the consent or request of Lessor, expressed or implied, to or for the performance by any contractor, mechanic, laborer, materialman, supplier or vendor of any labor or services or for the furnishing of any materials for any construction, alteration, addition, repair or demolition of or to either Premises or any part thereof. NOTICE IS HEREBY GIVEN THAT NEITHER LESSOR, NOR ANY PARTICIPANT, CERTIFICATE TRUSTEE, NOR ADMINISTRATIVE AGENT IS OR SHALL BE LIABLE FOR ANY LABOR, SERVICES OR MATERIALS FURNISHED OR TO BE FURNISHED TO LESSEE, OR TO ANYONE HOLDING THE PREMISES OR ANY PART OR PORTION THEREOF THROUGH OR UNDER LESSEE, AND THAT NO MECHANICS' OR OTHER LIENS FOR ANY SUCH LABOR, SERVICES OR MATERIALS SHALL ATTACH TO OR AFFECT THE INTEREST OF LESSOR, CERTIFICATE TRUSTEE, ADMINISTRATIVE

AGENT OR ANY PARTICIPANT IN AND TO ALL OR ANY PORTION OF THE LEASED PROPERTY.

SECTION 25.13. CONSTRUCTION LOAN. This Lease is a construction deed of trust under the Uniform Commercial Code, to secure an obligation incurred for the construction of an improvement on land. Any materials, equipment or supplies used or intended for use in the construction, development, or operation of the Leased Property, whether stored on or off the Leased Property, shall also be subject to the lien of this Lease and Lessee, or Lessee's contractor if loan proceeds are paid to such contractor, shall apply the loan proceeds to the payment of lawful claims for labor and material furnished for such construction.

SECTION 25.14. FUTURE ADVANCES. This instrument will be deemed given to secure not only existing financing but also future advances of up to \$26,665,000 made pursuant to or as provided in the Operative Documents, whether such advances are obligatory or to be made at the option of the Participants or Lessor, or otherwise to the same extent as if such future advances were made on the date of execution of this instrument, although there may be no financing outstanding at the time any advance is made. To the fullest extent permitted by law, the lien of this instrument shall be valid as to all such amounts, including all future advances, from the time this instrument is recorded. Nothing contained herein shall be deemed an obligation to make future advances to the Lessee.

[END OF PAGE]
[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties have caused this Lease to be duly executed and delivered as of the date first above written.

TELETECH SERVICES CORPORATION, as
Lessee

By: /s/ James Kaufman

Name: James Kaufman

Title: SVP

STATE STREET BANK AND TRUST COMPANY OF
CONNECTICUT, NATIONAL ASSOCIATION, not
in its individual capacity, but solely
as Trustee under the Trust Agreement
dated as of March 1, 2000, as Lessor and
Beneficiary

By: /s/ Thomas Belamarich

Name: Thomas Belamarich

Title: Assistant Secretary

Payment Office:

THIS COUNTERPART IS THE ORIGINAL EXECUTED COUNTERPART.

Receipt of this original counterpart of the foregoing Lease is hereby acknowledged as of the date hereof.

FIRST SECURITY BANK, NATIONAL ASSOCIATION,
as Administrative Agent

By: /s/ Nancy M. Dahl

Name: Nancy M. Dahl

Title: VP

STATE OF COLORADO)
) SS.:
COUNTY OF _____)

The foregoing Lease was acknowledged before me, the undersigned Notary Public, in the County of _____, State of Colorado, this ____ day of _____, 2000, by _____, as _____ of TELETECH SERVICES CORPORATION, a Colorado corporation.

[Notarial Seal]

Notary Public

My commission expires: -----

STATE OF CONNECTICUT)
) SS.:
COUNTY OF _____)

The foregoing Lease was acknowledged before me, the undersigned Notary Public, in the County of _____, State of Connecticut, this ____ day of _____, 2000, by _____, as _____ of STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT, NATIONAL ASSOCIATION, a national banking association.

[Notarial Seal]

Notary Public

My commission expires:

Appendix 1
(Definitions)
(To be attached)

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EXHIBIT A TO LEASE

LEGAL DESCRIPTION OF LAND

PARCEL A:

LOT 1, BLOCK 1, KELMORE PARK WEST FILING NO. 2, AS AMENDED BY AFFIDAVIT OF CORRECTION RECORDED DECEMBER 22, 1997 UNDER RECEPTION NO. A7162368, COUNTY OF ARAPAHOE, STATE OF COLORADO.

PARCEL B:

A NON-EXCLUSIVE EASEMENT FOR VEHICULAR AND PEDESTRIAN INGRESS AND EGRESS TO AND FROM DRY CREEK ROAD OVER AND ACROSS THE "ACCESS EASEMENT AREA" AS DEFINED AND AS SET FORTH IN EASEMENT AND RESTRICTION AGREEMENT RECORDED JULY 15, 1997 UNDER RECEPTION NO. A7085466.

AMENDED AND RESTATED PARTICIPATION AGREEMENT

dated as of June 22, 2000

among

TELETECH SERVICES CORPORATION,
as Lessee,

TELETECH HOLDINGS, INC., as
Guarantor,

STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT,
NATIONAL ASSOCIATION,
not in its individual capacity, except as expressly
stated herein, but solely as Certificate Trustee,

FIRST SECURITY BANK, NATIONAL ASSOCIATION,
not in its individual capacity, except as expressly
stated herein, but solely as Administrative Agent,

THE FINANCIAL INSTITUTIONS NAMED ON SCHEDULE I HERETO,
as Certificate Holders,

and

THE FINANCIAL INSTITUTIONS NAMED ON SCHEDULE II HERETO,
as Lenders,

SECURITY PACIFIC LEASING CORPORATION,
as Arranger

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AMENDED AND RESTATED PARTICIPATION AGREEMENT

THIS AMENDED AND RESTATED PARTICIPATION AGREEMENT (this "PARTICIPATION AGREEMENT"), dated as of June 22, 2000, is entered into by and among TELETECH SERVICES CORPORATION, a Colorado corporation, as Lessee (together with its permitted successors and assigns in its capacity as Lessee and Construction Agent (together with its permitted successors and assigns, in its capacity as either Lessee or Construction Agent, the "LESSEE"); TELETECH HOLDINGS, INC., a Delaware corporation, as Guarantor (together with its permitted successors and assigns in its capacity as Guarantor, "GUARANTOR"); STATE STREET BANK AND TRUST COMPANY OF CONNECTICUT, NATIONAL ASSOCIATION, not in its individual capacity, except as expressly stated herein, but solely as Certificate Trustee under the Trust Agreement and as Lessor under certain other Operative Documents (together with its successors and permitted assigns under the Trust Agreement, in its capacity as either Certificate Trustee or Lessor, the "LESSOR"); FIRST SECURITY BANK, NATIONAL ASSOCIATION, not in its individual capacity, except as expressly stated herein, but solely as Administrative Agent ("ADMINISTRATIVE AGENT"); the financial institutions named on SCHEDULE I hereto (together with their respective permitted successors, assigns and transferees, each a "CERTIFICATE HOLDER" and collectively the "CERTIFICATE HOLDERS"); the financial institutions listed on SCHEDULE II hereto as Lenders (together with their permitted successors, assigns and transferees, each as a Lender, a "LENDER" and collectively the "LENDERS").

W I T N E S S E T H:

A. Lessee, Lessor, Guarantor, the Initial Certificate Holder, the Initial Lender and Administrative Agent entered into the Original Participation Agreement and the other Original Operative Documents for the purpose of financing the acquisition of the Land.

B. Subject to the terms and conditions of the Original Participation Agreement and the other Original Operative Documents, on the First Document Closing Date, among other things, Lessee and Lessor entered into the Lease pursuant to which Lessor agreed to lease to Lessee, and Lessee agreed to lease from Lessor, the Leased Property pursuant to the Lease; and Initial Certificate Holder and Initial Lender funded the Advance occurring on March 6, 2000, to

pay Land Acquisition Costs (including Fees and other Transaction Expenses) accruing on or prior to such date (the "ORIGINAL ADVANCE");

C. The parties hereto desire to enter into this Participation Agreement and the other Operative Documents for the purposes of amending and restating the Original Participation Agreement and the other Original Operative Documents in their entirety, including to add the New Participant, increase the Aggregate Commitment Amount to Twenty-Six Million Six Hundred Sixty-Five Thousand Dollars (\$26,665,000); provide Advances to also fund the Construction of the Financed Improvements; extend the Commitment Period and the Expiration Date; provide for the purchase by the New Lender of a portion of Initial Lender's loans evidenced by the Initial Note and Loan Commitment held by the Initial Lender; and provide for the purchase by the New Certificate Holders of a portion of the Certificate Amounts and Certificate Commitment held by Initial Certificate Holder.

D. Following the Second Document Closing Date, Lessor, using amounts Funded by the Participants, will provide Advances during the Commitment Period to pay Construction Costs (other than Lessee Funded Tenant Improvement Costs).

E. Notwithstanding the effectiveness of certain covenants and terms of the Lease during the Interim Term, Lessee will not be required to make scheduled payments of Basic Rent under the Lease until the Base Term Commencement Date.

F. Subject to the terms and conditions of this Participation Agreement and the other Operative Documents, the Certificate Holders are willing to provide to Lessor a portion of the fundings of each Advance and the New Certificate Holder is willing to purchase on the Second Document Closing Date a portion of the Certificate Amounts and Certificate Commitments of Initial Certificate Holder as provided for at SECTION 2.1.

G. Subject to the terms and conditions of this Participation Agreement and the other Operative Documents, the Lenders are willing to provide loans to Lessor for the remaining portion of the Advances and the New Lender is willing to purchase on the Second Document Closing Date a portion of the Loans and the Loan Commitment of Initial Lender as provided for at SECTION 2.1.

H. To induce the Participants to provide the funds for such Advances and purchases and to enter into this Participation Agreement, the Trust Agreement, each of the other Operative

Documents and the transactions contemplated hereby and thereby, Guarantor desires to, and it is a condition to the effectiveness of the Overall Transaction that Guarantor, enter into and deliver to Administrative Agent, for the benefit of the Participants, the Guarantees.

I. To secure the repayment of the Participants' respective Certificate Amounts and Loans, the Administrative Agent, on behalf of the Participants, will have the benefit of a Lien on the Trust Estate, including the Leased Property, and the other TeleTech Collateral.

NOW, THEREFORE, in consideration of the mutual agreements contained in this Participation Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS; INTERPRETATION

SECTION 1.1. DEFINITIONS; INTERPRETATION. Unless the context shall otherwise require, capitalized terms used and not defined herein shall have the meanings assigned thereto in APPENDIX 1 hereto for all purposes hereof; and the rules of interpretation set forth in APPENDIX 1 hereto shall apply to this Participation Agreement.

ARTICLE II
DOCUMENT CLOSING DATE; ACQUISITION DATE

SECTION 2.1. EFFECTIVENESS OF AGREEMENT. This Participation Agreement shall be effective as of the earliest date (on or before June 30, 2000) (the "SECOND DOCUMENT CLOSING DATE") on which all of the conditions precedent set forth in APPENDIX 2 hereto have been satisfied or waived by the applicable parties as set forth therein, and upon such effective date, this Participation Agreement shall amend and completely restate and supersede the Original Participation Agreement.

(a) On the Second Document Closing Date, pursuant to the Certificate Transfer Instructions and conditioned on the receipt by Initial Certificate Holder in immediately available funds of the amount set forth in the Certificate Transfer Instructions, Initial Certificate Holder shall transfer to the New Certificate Holders, pro rata in accordance with their respective percentages set forth

in the Certificate Transfer Instructions, and each of the New Certificate Holders agrees to acquire pursuant to the Certificate Transfer Instructions its respective percentage of the Transferred Certificate Interests, which interests will represent Certificate Amounts funded by the New Certificate Holders as represented by their respective Certificates to be issued to each of them by Lessor on the Second Document Closing Date;

(b) On the Second Document Closing Date, pursuant to the Loan Transfer Instructions and conditioned on the receipt by Initial Lender of immediately available funds in the amount set forth in the Loan Transfer Instructions, Initial Lender shall transfer to the New Lenders the Transferred Loan Interests, which interests upon such transfer will represent Loans funded by the New Lenders as represented by their respective Notes to be issued to each of them by Lessor on the Second Document Closing Date.

(c) Subject to the conditions set forth in this Participation Agreement and pursuant to the terms hereof, on the Second Document Closing Date, (i) Lessee, in its capacity as Construction Agent, and Lessor shall enter into the Construction Agency Agreement, (ii) Lessor and Lessee will enter into the Lease pursuant to which Lessor shall lease to Lessee, and Lessee shall lease from Lessor, the Leased Property (including both the Land and the Financed Improvements) for the Term.

SECTION 2.2. CONSTRUCTION COSTS. Subject to the terms and conditions of this Participation Agreement, on each Advance Date Lessor shall make an Advance of the proceeds of which shall be used to pay directly, or to reimburse Construction Agent for the payment of, Construction Costs accrued prior to the Base Term Commencement Date (including Capitalized Interest and Capitalized Yield relating to any Interest and Yield that has accrued during the Payment Period immediately preceding such Advance and the payment of accrued Fees and Transaction Expenses).

ARTICLE III FUNDING OF ADVANCE

SECTION 3.1. FUNDING.

(a) AMOUNT OF FUNDING. Subject to the terms and conditions of this Participation Agreement and in reliance on the representations and warranties of each of the parties hereto contained herein or made pursuant hereto, upon receipt of an Advance Request, on each Advance Date each Certificate Holder shall

acquire its interest in the Trust Estate and each Lender shall assist in funding Lessor's Advance, in each case by making available to Lessor by wire transfer in accordance with the instructions set forth in the Advance Request an amount in immediately available funds on such Advance Date equal to such Participant's Commitment Percentage of the aggregate amount of the requested Advance (unless any portion of such Advance consists of amounts described in CLAUSE (iii) in the next sentence of this SECTION 3.1(a), in which case such Participant will so make available funds equal to such Participant's Commitment Percentage of the portion of such Advance not consisting of Noneligible Accrued Amounts and each Certificate Holder will so make available funds equal to such Certificate Holder's Noneligible Accrued Amounts Commitment Percentage of the portion of the Advance consisting of Noneligible Accrued Amounts). Notwithstanding the foregoing, (i) the Funding by each Participant on such Advance Date shall not exceed such Participant's Available Commitment, (ii) the Advance to be made by Lessor to Construction Agent on such Advance Date, together with all prior Advances (including the Original Advance), shall not exceed the Aggregate Commitment Amount, and (iii) with respect to any Noneligible Accrued Amounts otherwise payable on any Advance Date, the Certificate Holders shall (subject to clauses (i) and (ii) above) Fund on a pro rata basis the portion of such Advance equal to the aggregate amount of such Noneligible Accrued Amounts. No amounts paid or prepaid with respect to any Certificate Amount or the Loans may be readvanced.

(b) NOTES AND CERTIFICATES. Each Lender's Loan shall be evidenced by a separate Note issued to such Lender in the amount of its Loan Commitment and repayable in accordance with, and with Interest accruing pursuant to, the terms of the Loan Agreement. The amounts made available by each Certificate Holder shall be evidenced by a separate Certificate issued by Lessor to each Certificate Holder in the amount of its Certificate Commitment. Each Certificate shall accrue Yield at the Yield Rate on the Certificate Amount thereof, payable as more fully set forth in the Trust Agreement. Each Lender and Certificate Holder is authorized and entitled to make notations on its respective Notes and Certificates in accordance with the Loan Documents and the Trust Agreement, each of which notations, to the extent permitted by law, shall constitute PRIMA FACIE evidence of the accuracy of the information so noted, absent manifest error. Following the transfers described at SECTION 2.1, the Initial Lender and Initial Certificate Holder shall exchange their Original Note and Original Certificate for a new Note and Certificate in the amount of their revised Loan Commitment and Certificate Commitment, respectively.

(c) ADVANCES, REQUIREMENTS, PROCEDURES AND LIMITATIONS. Each Advance required to be made by Lessor pursuant to the Operative Documents shall be made by the Participants making a Funding directly to Administrative Agent. Such Funding by the Participants to Administrative Agent with respect to an Advance shall be deemed to constitute the required Funding from the Participants to Lessor, and the corresponding Advance by Administrative Agent in the manner provided for below or to any Person entitled to payments constituting Construction Costs, including Fees, Interest, Yield or Transaction Expenses, shall be deemed to constitute the required Advance by Lessor.

(d) ADVANCES; LIMITATIONS AND LIMITS. In addition to any other provision hereof, Lessor shall not be obligated to make an Advance to Construction Agent, and no Lender shall be obligated to Fund any Loan and no Certificate Holder shall be required to Fund any Certificate Amount, if, after giving effect to such Advance, the aggregate outstanding amount of the Loans and the Certificate Amounts would exceed the aggregate amount of the Available Commitments immediately prior to such Advance. No Advance shall be made in connection with any costs or expenses associated with the construction of the Tenant Improvements until Lessee has delivered to Administrative Agent evidence satisfactory to Administrative Agent that Lessee has funded the Lessee Funding Amount and such funds have been applied to payment of the construction costs and expenses of the Tenant Improvements that are set forth in the Approved Construction Budget. Pursuant to SECTION 3.2, (i) each Advance shall be used solely, except as provided in the immediately succeeding clause (ii) of this sentence, to reimburse Construction Agent for any Construction Costs (other than Lessee Funded Tenant Improvement Costs) paid by Construction Agent prior to the date of the Advance Request for such Advance for which Construction Agent has not previously been reimbursed hereunder or to pay Construction Costs (other than Lessee Funded Tenant Improvement Costs) which are due and payable on or prior to the proposed Advance Date, including the Funding of Capitalized Interest, Capitalized Yield, and to pay Fees provided for, and in the manner set forth, in SECTION 4.4, and (ii) in the case of the final Advance and provided that Substantial Completion has been achieved, Construction Agent may request that such Advance be made in such amount, not exceeding the aggregate of any then remaining unfunded Commitment Amounts to pay any retainages due the General Contractor or any subcontractor. The Advance Date for any Advance requested by Construction Agent pursuant to clause (ii) of the preceding sentence shall be no later than the Commitment Period Termination Date. Lessor shall be obligated to make such Advance for the final Construction Cost (other than Lessee Funded Tenant

Improvement Costs), provided that the same is made in conformity with the foregoing requirements, and the funds comprising such Advance shall be deposited by Lessor in an account established by it at such bank as shall be directed by Administrative Agent and shall be held in such account for the purpose of funding future advances requested by Construction Agent for the foregoing purposes. Administrative Agent shall have a first priority lien on the amounts in said account until such amounts are released to fund an Advance as contemplated herein. Each request by Construction Agent for withdrawal of funds from such account shall include a certification by Construction Agent that such funds will be used for the purposes permitted thereby and shall itemize the amounts of and purposes for which such payments are to be made. Each Advance also shall be subject to the limitations on amounts and types of Construction Costs for which an Advance may be requested as set forth in the Construction Budget.

(e) ADDITIONAL ADVANCE REQUIREMENTS AND PROCEDURES. Each Advance Date shall be a Business Day, and there shall be no more than one Advance during any calendar month (excluding any Advance made or deemed made solely to pay Capitalized Fees, Capitalized Interest or Capitalized Yield). Each Advance (excluding any Advance made or deemed made solely to pay Capitalized Fees, Capitalized Interest or Capitalized Yield) shall be in a minimum amount equal to \$500,000, or an integral multiple of \$100,000, in excess thereof, provided, that so long as an Advance is for the full amount of the aggregate Available Commitment and exceeds the minimum threshold of \$500,000, such Advance need not be in an integral multiple of \$100,000. All remittances made by Certificate Holders and Lenders for the Funding of any Advance shall be made in immediately available federal funds by wire transfer to Administrative Agent, on behalf of Lessor, at Administrative Agent's address referred to in SCHEDULE III hereto prior to 12:00 noon (Salt Lake City time) on the Advance Date specified in the relevant Advance Request; PROVIDED, that if the terms and conditions for such Advance set forth herein have not been satisfied by 11:00 AM (Salt Lake City time) on the Advance Date specified in such Advance Request, no Participant shall be obligated to maintain the availability of its funds for such Advance unless such Participant has received a satisfactory indemnity for the overnight investment of such funds. Promptly upon Administrative Agent's receipt of such funds from the Participants, subject to the conditions provided for herein (including SECTION 3.2), Administrative Agent shall wire such funds to Construction Agent (including for this purpose any escrow account designated by Construction Agent) for deposit on the applicable Advance Date to such account as Construction Agent shall

have indicated in the Advance Request or, if applicable, in the case of the final Advance, to Lessor for deposit in the account provided for in SECTION 3.1(d). The Funding by each Certificate Holder and each Lender to Administrative Agent of its respective portion of an Advance shall constitute authorization and direction by such party to Administrative Agent to make an Advance pursuant to this ARTICLE III.

(f) TERMINATION OF COMMITMENTS. Notwithstanding anything in this Participation Agreement to the contrary, the Commitments shall terminate and Lessor shall not be obligated to make any Advance, and no Participant shall be obligated to make any Fundings, and no Advance Date may occur upon the occurrence of the earlier of (i) 12:00 noon Salt Lake City time on the last day of the Commitment Period or (ii) a termination of the Lenders' Commitment pursuant to SECTION 2.1 of the Loan Agreement.

SECTION 3.2. APPOINTMENT OF CONSTRUCTION AGENT; PAYMENT OF CONSTRUCTION COSTS AND FEES; APPLICATION OF FUNDS. Effective on the Second Document Closing Date, Lessee is hereby appointed as Construction Agent to serve as Lessor's agent to construct the Financed Improvements on the terms and conditions set forth herein and in the Construction Agency Agreement. Construction Agent shall timely request Advances for the purposes herein provided and fund the Lessee Funding Amount when required pursuant to SECTION 8.1. On the initial Advance Date and on each subsequent Advance Date, upon the satisfaction or waiver of the terms and conditions of this Participation Agreement, Lessor shall make an Advance from funds made available by the Participants pursuant to SECTION 3.1(c) in the amount specified in the applicable Advance Request either, (i) to the extent Construction Costs have not been previously paid and are then due and payable, to the Person(s) entitled to the payment thereof, (ii) to Construction Agent to reimburse Construction Agent for Construction Costs (other than Lessee Funded Tenant Improvement Costs) incurred and paid by or, to the extent provided in SECTION 3.1(d) in the case of the final Advance, to be paid, by Construction Agent on behalf of Lessor and for which Construction Agent has not been previously reimbursed, PROVIDED, HOWEVER, that all Fundings for Capitalized Interest, Capitalized Yield, Capitalized Fees or other Supplemental Rent (if any) payable to any Participant will be Funded directly to the Participant to which such amount is due.

SECTION 3.3. ADVANCE DATES.

(a) NOTICE AND CLOSING. At least three (3) Business Days prior to each Advance Date, Lessee shall deliver to

Administrative Agent an irrevocable written notice substantially in the form of EXHIBIT A (an "ADVANCE REQUEST") (and Administrative Agent shall promptly forward a copy of such Advance Request to each Participant and Lessor) setting forth:

(i) the proposed Advance Date and with respect to the Initial Advance, the Estimated Completion Date;

(ii) a statement of the amount of the requested Advance (including a statement of the amount thereof, if any, that will be used to Fund Capitalized Interest, Capitalized Yield, and Capitalized Fees and to pay Transaction Expenses);

(iii) a description of all Construction Costs, by type and amount, to which such Advance applies, indicating which portion of such Construction Costs has been paid by Construction Agent or, in the case of the final Advance, is to be paid by Construction Agent for the purposes specified in clause (ii) of the second sentence of SECTION 3.1(d) and for which Construction Agent has not been reimbursed hereunder, and which portion of such Construction Costs is then due and unpaid, and Persons that have been so paid or that are so entitled to payment (including a description of all Soft Costs and Transaction Expenses);

(iv) a certification by Construction Agent that: (I) such Advance complies with the limitations and conditions set forth in SECTION 3.1 and all conditions to such Advance set forth in ARTICLE VI have been fully satisfied, (II) the aggregate amount to be Funded by the Participants on such Advance Date, together with the Advances made on all prior Advance Dates (including the Original Advance), does not exceed the lesser of: (1) the Aggregate Commitment Amount or (2) 114% of the aggregate Fair Market Value of the "as-built" Fair Market Value of the Financed Improvements and the Land, as of the Completion Date as set forth in the Appraisal, (III) the aggregate amount to be funded by the Participants on such Advance Date, together with all Advances made on all prior Advance Dates, and each specific Construction Cost requested on such Advance Date does not exceed the aggregate amounts set forth in the Approved Construction Budget or, with respect to any specific Construction Cost, does not exceed the applicable budget item for such costs (plus any reserve specifically for such item) set forth in the Approved Construction Budget taking into consideration the allocation of any Savings and the remaining Contingency Reserve available in respect of such costs (each such allocation so applied

reducing thereafter the then remaining Contingency Reserve); (IV) all conditions to Construction Agent's right to request an Advance for Construction Costs pursuant to the Construction Agency Agreement have been fully satisfied to the extent not waived in accordance with the Operative Documents, and (V) all conditions set forth in the Construction Agency Agreement to the disbursement of all prior Advances to Construction Agent in respect of Construction Costs have been fully satisfied to the extent not waived in accordance with the Operative Documents; and

(v) wire transfer instructions for the disbursement of the appropriate amount of funds to Construction Agent or to such other Persons as may be entitled to such Advance.

Any such Advance Request shall also be accompanied by the certifications required under the Construction Agency Agreement.

All documents and instruments required to be delivered on the Second Document Closing Date and the Initial Advance Date pursuant to this Participation Agreement shall be delivered at the offices of Mayer, Brown & Platt, 350 South Grand Avenue, 25th Floor, Los Angeles, California 90071, or at such other location as Administrative Agent and Lessee may agree. All documents and instruments required to be delivered on any subsequent Advance Date pursuant to this Participation Agreement shall be delivered to Administrative Agent, or at such other location as the Required Participants, Administrative Agent, Lessor and Lessee may agree. On the scheduled Advance Date, and subject to the satisfaction or waiver of the conditions set forth in ARTICLE VI, Participants shall Fund the Advance by wire transfer directly to Administrative Agent. Notwithstanding the foregoing, in the event that Lessor elects to terminate the Construction Agency Agreement and to cause the completion of the Financed Improvements to be constructed pursuant to SECTION 5.3(c) of the Construction Agency Agreement, then Lessor may submit Advance Requests, the aggregate amount available to be Funded by the Participants shall equal the aggregate amount of the Available Commitments (without regard to the limitations in SECTION 3.3(a)(iv), but in all cases subject to the limitations and limits set forth in SECTION 3.1(d)), and such amounts shall be disbursed directly to Lessor for the payment of Construction Costs.

(b) COMMITMENT. Subject to compliance by Construction Agent with the terms of this Participation Agreement and the satisfaction or waiver of the conditions set forth in this ARTICLE III and in ARTICLE VI, the Participants shall disburse the respective amounts of their Commitments in accordance with the requirements of this Participation Agreement.

SECTION 3.4. CAPITALIZATION OF CERTAIN AMOUNTS DURING INTERIM TERM.

(a) During the Interim Term, on each date which is three (3) Business Days prior to any Payment Date, Construction Agent shall be deemed to have requested an Advance in an amount equal to the applicable Capitalized Interest, Capitalized Yield and Capitalized Fees accrued on or with respect to the Loans and Certificate Amounts, with an Interest Period ending on such Payment Date. The Advance Date with respect to each such Advance for such Capitalized Interest, Capitalized Yield and Capitalized Fees shall be the relevant Payment Date (subject to the terms and conditions for an Advance set forth in this Participation Agreement) and the proceeds of such Advance shall be applied to pay such Capitalized Interest, Capitalized Yield and Capitalized Fees. On each such Advance Date as to which such an Advance is being made, the Construction Costs shall be increased by an amount equal to the Capitalized Interest, the Capitalized Yield and the Capitalized Fees so Funded; PROVIDED, HOWEVER, that if an Advance hereunder would exceed the limitations and limits set forth in the first paragraph of SECTION 3.1(d), no Participant shall have any obligation to make any such Advance.

(b) If any Participant shall request Lessor to capitalize the amount of any Claims relating to a Nonrelated Construction Event or any loss or liability resulting from a Casualty or Condemnation occurring during the Interim Term, any such amount shall be capitalized by automatically treating such amount as an Advance (funded by such Participant) and shall correspondingly increase the Participant Balance of such Participant. Administrative Agent shall notify Lessee and each Participant of each amount so capitalized and treated as an Advance (and the related increase in Participant Balances therein) under this SECTION 3.4 within fifteen (15) days after each such Advance.

SECTION 3.5. NON-FUNDING LENDER'S PORTION.

(a) In the event that any Lender (a "DEFAULTING LENDER") fails to make available to Administrative Agent on the applicable Advance Date an amount equal to such Lender's Commitment Percentage

of the amount of the Advance required by the terms hereof to be funded on such Advance Date (a "DEFAULTED AMOUNT"), or Administrative Agent determines that a Lender will become a Defaulting Lender on the applicable Advance Date, Administrative Agent shall promptly notify Lessee thereof and Lessee shall have the following options: (x) except in respect of any Advance pursuant to SECTION 3.4 and without in any way waiving the occurrence of any Payment Default, Lessee may elect to postpone the Funding of the entire Advance (PROVIDED, HOWEVER, that such postponement shall in no event relieve Lessee of its obligation to pay as Contingent Rent any Break Costs suffered or incurred by any Participant as required by and pursuant to ARTICLE XIII), (y) Lessee may elect to have the provisions of CLAUSE (b) of this SECTION 3.5 be applicable. In either case, Lessor or Administrative Agent may elect to have the Defaulting Lender replaced with a new Lender acceptable to Lessee and Administrative Agent and the Defaulting Lender shall cooperate (at no cost to Lessee) in replacing such Defaulting Lender. Any replacement of a Defaulting Lender shall not affect any claim, action or right Lessee may have against such Defaulting Lender.

(b) At the Lessee's option, the Administrative Agent shall (i) promptly notify each other Lender (each, a "NON-DEFAULTING LENDER") with a copy to the Defaulting Lender, (ii) specify the then Available Commitment (as used in this SECTION 3.5(b), the "DEFAULTED LENDER COMMITMENT AMOUNT") of the Defaulting Lender and (iii) give to all Non-Defaulting Lenders the opportunity to increase their respective Commitments by notice in writing to Administrative Agent within five (5) Business Days of Administrative Agent's notice in CLAUSE (i) above. If the Non-Defaulting Lenders offer to increase their Commitments in an amount in the aggregate greater than the Defaulted Lender Commitment Amount, Administrative Agent shall increase the Commitments of the participating Non-Defaulting Lenders on a pro-rata basis in accordance with the respective amounts by which such Non-Defaulting Lenders have offered to participate, it being understood that in no event shall the aggregate amount funded by any Lender exceed the amount of such Lender's Commitment, after giving effect to any increase in such Commitment pursuant to this sentence. The Administrator shall provide the Administrative Agent with such information as is necessary for the Administrative Agent to give such notification.

As soon as practical after receipt of notices from Non-Defaulting Lenders electing to participate in the Defaulted Lender Commitment Amount in an amount equal to or greater than the Defaulted Lender Commitment Amount, Administrative Agent shall

notify each participating Lender of its revised Loan Commitment, Lessee may resubmit such Advance Request and each Lender shall transfer to Administrative Agent, in immediately available funds, its pro rata share of the requested Advance, determined in proportion to the revised Loan Commitments of the Lenders. Following a revision of the Loan Commitments as described above, a Defaulting Lender shall not have the right to Fund its Defaulted Lender Commitment Amount. Notwithstanding anything set forth herein or in any other Operative Document to the contrary, the right of the Defaulting Lender to receive any payments made under the Notes or otherwise in accordance with the Operative Documents shall be subordinate in all respects to the right of the Non-Defaulting Lenders to receive payments of amounts due under the Notes or otherwise in accordance with the Operative Documents, and no such payments shall be made to the Defaulting Lender until each Non-Defaulting Lender and Non-Defaulting Certificate Holder shall have received all such sums then due to it.

Unless either (i) Non-Defaulting Lenders offer to increase their Loan Commitments in an amount equal to or greater than the Defaulted Lender Commitment Amount or (ii) the Defaulting Lender is replaced pursuant to SECTION 3.5(a) such that the aggregate Available Commitments of the Non-Defaulting Lenders are equal to the remaining unfunded Loan Commitment, no Non-Defaulting Lender shall be obligated to fund any Advances.

SECTION 3.6. NON-FUNDING CERTIFICATE HOLDER'S PORTION.

(a) In the event that any Certificate Holder (a "DEFAULTING CERTIFICATE HOLDER") fails to Fund to the Administrative Agent on the applicable Advance Date an amount equal to such Certificate Holder's Commitment Percentage of the amount of the Advance required by the terms hereof to be funded on such Advance Date, or the Administrative Agent determines that a Certificate Holder will become a Defaulting Certificate Holder on the applicable Advance Date, the Administrative Agent shall promptly notify the Lessee thereof and the Lessee shall have either or both of the following options: (x) the Lessee may elect to postpone the funding of the entire Advance (PROVIDED, HOWEVER, that such postponement shall in no event relieve Lessee of its obligation to pay as Contingent Rent any Break Costs suffered or incurred by any Participant), (y) the Lessee may elect to have the provisions of CLAUSE (b) of this SECTION 3.6 be applicable. The Lessee or the Administrative Agent may elect to have the Defaulting Certificate Holder replaced with a new Certificate Holder acceptable to the Lessee, and the Administrative Agent and the Defaulting Certificate Holder shall cooperate (at no cost to the

Lessee) in replacing such Defaulting Certificate Holder. Any replacement of a Defaulting Certificate Holder shall not affect any claim, action or right Lessee may have against such Defaulting Certificate Holder.

(b) At the Lessee's option, the Administrative Agent shall (i) promptly notify each other Certificate Holder (each, a "NON-DEFAULTING CERTIFICATE HOLDER") with a copy to the Defaulting Certificate Holder, (ii) specify the then Available Commitment (as used in this SECTION 3.6(b), the "DEFAULTED CERTIFICATE HOLDER COMMITMENT AMOUNT") of the Defaulting Certificate Holder and (iii) give to all Non-Defaulting Certificate Holders the opportunity to increase their respective Commitments by notice in writing to Administrative Agent within five (5) Business Days of Administrative Agent's notice in CLAUSE (i) above. If the Non-Defaulting Certificate Holders offer to increase their Commitments in the aggregate in an amount greater than the Defaulted Certificate Holder Commitment Amount, Administrative Agent shall increase the Commitments of the participating Non-Defaulting Certificate Holders on a pro-rata basis in accordance with the respective amounts by which such Non-Defaulting Certificate Holders have offered to participate, it being understood that in no event shall the aggregate amount funded by any Certificate Holder exceed the amount of such Certificate Holder's Commitment, after giving effect to any increase in such Commitment pursuant to this sentence.

As soon as practical after receipt of notices from Non-Defaulting Certificate Holders electing to participate in the Defaulted Certificate Holder Commitment Amount in an amount equal to or greater than the Defaulted Certificate Holder Commitment Amount, Administrative Agent shall notify each participating Certificate Holder of its revised Certificate Commitment, Lessee may resubmit such Advance Request, and each Certificate Holder shall transfer to Administrative Agent, in immediately available funds, its pro rata share of the requested Advance, determined in proportion to the revised Certificate Commitments of the Certificate Holders. Following a revision of the Certificate Commitments as described above, a Defaulting Certificate Holder shall not have the right to fund its Defaulted Certificate Holder Commitment Amount. Notwithstanding anything set forth herein or in any other Operative Document to the contrary, the right of the Defaulting Certificate Holder to receive any payments made under its Certificate(s) or otherwise in accordance with the Operative Documents shall be subordinate in all respects to the right of the Non-Defaulting Certificate Holders and Non-Defaulting Lenders to receive payments of amounts due under the Notes and the

Certificates or otherwise in accordance with the Operative Documents, and no such payments shall be made to the Defaulting Certificate Holder until each Non-Defaulting Certificate Holder and Non-Defaulting Lender shall have received all such sums then due to it.

Unless either (i) Non-Defaulting Certificate Holders offer to increase their Certificate Commitments in an amount equal to or greater than the Defaulted Certificate Holder Commitment Amount or (ii) the Defaulting Certificate Holder is replaced pursuant to SECTION 3.6(a) such that the aggregate Available Commitments of the Non-Defaulting Certificate Holders are equal to the remaining unfunded Certificate Commitment, no Non-Defaulting Certificate Holder shall be obligated to fund any Advances.

SECTION 3.7. ADDITIONAL RIGHTS OF LESSEE. In the case Lessee receives notice from Administrative Agent of any Defaulted Amounts under either SECTION 3.5 or SECTION 3.6, or both, the Lessee shall have the rights set forth under ARTICLE X.

ARTICLE IV YIELD; INTEREST; COMMITMENT REDUCTION; FEES

SECTION 4.1. YIELD. The amount of the Certificate Amounts outstanding from time to time shall accrue Yield at the Yield Rate, calculated using the actual number of days elapsed and, when the Yield Rate is based on the LIBO Rate, a 360-day year basis and, otherwise, a 365- (or, if applicable, 366-) day year basis. If all or any portion of the Certificate Amounts, any Yield payable thereon or any other amount payable hereunder shall not be paid when due (whether at stated maturity, acceleration thereof or otherwise), such overdue amount shall bear interest at a rate per annum which is equal to the Overdue Rate.

SECTION 4.2. INTEREST ON LOANS. Each Loan shall accrue Interest computed and payable in accordance with the terms of the Loan Agreement.

SECTION 4.3. PAYMENTS AND PREPAYMENTS OF LOANS AND CERTIFICATE AMOUNTS AND OTHER AMOUNTS.

(a) Lessor hereby directs Lessee to pay to Administrative Agent all Rent that is due from time to time (other than Excepted Payments and other Supplemental Rent payable to third parties, which Lessor hereby directs Lessee to make directly to the applicable Person entitled thereto). Except as provided in the

following sentence and excluding amounts payable by other Persons which Lessee or Construction Agent is required to pay over to Lessor, Administrative Agent or any Participant, none of the Fees provided to be paid herein, including those payable pursuant to SECTION 4.4, and no Supplemental Rent due prior to the Base Term Commencement Date pursuant to any provision of this Agreement or any other Operative Document shall be recourse obligations of Lessee, and the same shall be payable by Lessor solely from Advances made, at the request of Lessee in its capacity as Construction Agent, to pay such amounts pursuant to the terms and conditions of SECTION 3.1, to the extent of the Available Commitments. All Payments or other amounts (i) of accrued but unpaid Rent due under the Original Lease for the period commencing on and including the First Document Closing Date ("ORIGINAL PERIOD RENTS"), through but excluding the Second Closing Date which shall be due and payable by Lessee on the first Scheduled Payment Date following the Second Document Closing Date, (ii) required to be made by Lessee prior to the Base Term Commencement Date pursuant to ARTICLE XII or XIII, (iii) Construction Costs constituting Lessee Funding Amounts and (iv) subject to the limitation set forth in SECTIONS 14.1(e), 15.1(c) and 16.7 of the Lease and SECTION 5.4 of the Construction Agency Agreement (to the extent applicable), payable by Lessee pursuant to any of ARTICLES XIV, XV, XVI or XVIII of the Lease or by Construction Agent pursuant to ARTICLE V of the Construction Agency Agreement, shall be the direct recourse obligations of Lessee and shall not be payable with Advances.

(b) In the event that Lessee pays the Lease Balance in connection with Lessee's purchase of the Leased Property in accordance with SECTION 15.1, 16.2(e), 18.1, 18.2 or ARTICLE XIX of the Lease, Lessor will prepay the entire outstanding principal amount of the Loans and all of the Certificate Amounts. Each of the Participants hereby acknowledges that its Loans or Certificate Amounts, as the case may be, may be so prepaid without any prepayment premium (other than Break Costs, if any).

SECTION 4.4. FEES. Lessee agrees to pay when due the following described fees (collectively, the "FEES"); PROVIDED, that during the Interim Term, the Fees shall, as provided in SECTION 4.3(a), be paid with Advances pursuant to the terms and conditions set forth in SECTION 3.1.

(a) DRAWING FEE. Lessee shall pay on each Advance Date the Drawing Fee to the Administrative Agent for the benefit of the Participants.

(b) OTHER FEES. Lessee also agrees to pay (i) to the Bank, for its own account, the fees set forth in the Trustee Fee Letter, payable in the amounts and on the dates set forth therein, (ii) to Administrative Agent, for its own account, the fees set forth in the Agent Fee Letter, payable in the amounts and on the dates set forth therein including the Arrangement Fee which shall be payable on the initial Advance Date following the Second Closing Date and (iii) to the Arranger, the Arrangement Fee on the Advance Date.

SECTION 4.5. OBLIGATIONS SEVERAL. The obligations of the Participants hereunder or elsewhere in the Operative Documents shall be several and not joint; and no Participant shall be liable or responsible for the acts or defaults of any other party hereunder or under any other Operative Document.

SECTION 4.6. HIGHEST LAWFUL RATE. It is the intention of the parties hereto to conform strictly to Applicable Laws regarding usury and, anything herein to the contrary notwithstanding, the obligations of (x) Lessee to Lessor under this Participation Agreement and the Lease, (y) Lessor to the Certificate Holders under the Trust Agreement and the Certificates and to the Lenders under the Loan Agreement and the Notes, and (z) of either Lessee or Lessor or any other party under any other Operative Document, shall be subject to the limitation that payments of interest or of other amounts constituting interest under Applicable Laws shall not be required to the extent that receipt thereof would be in excess of the Highest Lawful Rate (as defined below), or otherwise contrary to provisions of law applicable to the recipient limiting rates of interest which may be charged or collected by the recipient. Accordingly, if the transactions or the amount paid or otherwise agreed to be paid for the use, forbearance or detention of money under this Participation Agreement, the Lease, the Trust Agreement, the Certificates, the Loan Agreement, the Notes or any other Operative Document would exceed the Highest Lawful Rate or otherwise be usurious under Applicable Laws (including the federal and state laws of the United States, or of any other jurisdiction whose laws may be mandatorily applicable) with respect to the recipient of any such amount, then, in that event, notwithstanding anything to the contrary in this Participation Agreement, the Lease, the Trust Agreement, the Certificates, the Loan Agreement, the Notes or any other Operative Document, it is agreed as follows as to the recipient of any such amount:

(a) the provisions of this SECTION 4.6 shall govern and control over any other provision in this Participation Agreement, the Lease, the Trust Agreement, the Certificates, the Loan

Agreement, the Notes and any other Operative Document and each provision set forth therein is hereby so limited;

(b) the aggregate of all consideration which constitutes interest under Applicable Laws that is contracted for, charged or received under this Participation Agreement, the Lease, the Trust Agreement, the Certificates, the Loan Agreement, the Notes or any other Operative Document shall under no circumstances exceed the maximum amount of interest allowed by Applicable Laws (such maximum lawful interest rate, if any, with respect to such recipient herein called the "HIGHEST LAWFUL RATE"), and all amounts owed under this Participation Agreement, the Lease, the Trust Agreement, the Certificates, the Loan Agreement, the Notes and any other Operative Document shall be held subject to reduction and (i) the amount of interest which would otherwise be payable to the recipient hereunder and under the Lease, the Trust Agreement, the Certificates, the Loan Agreement, the Notes and any other Operative Document, shall be automatically reduced to the amount allowed under Applicable Laws and (ii) any unearned interest paid in excess of the Highest Lawful Rate shall be credited to the payor by the recipient (or, if such consideration shall have been paid in full, refunded to the payor);

(c) all sums paid, or agreed to be paid for the use, forbearance and detention of the money under this Participation Agreement, the Lease, the Trust Agreement, the Certificates, the Loan Agreement, the Notes or any other Operative Document shall, to the extent permitted by Applicable Laws be amortized, prorated, allocated and spread throughout the full term of such indebtedness until payment in full so that the actual rate of interest is uniform throughout the full term thereof;

(d) if at any time the interest, together with any other fees, late charges and other sums payable pursuant to or in connection with this Participation Agreement, the Lease, the Trust Agreement, the Certificates, the Loan Agreement, the Notes and any other Operative Document executed in connection herewith or therewith, and deemed interest under Applicable Laws exceeds that amount which would have accrued at the Highest Lawful Rate, the amount of interest and any such fees, charges and sums to accrue to the recipient of such interest, fees, charges and sums pursuant to the Operative Documents shall be limited, notwithstanding anything to the contrary in the Operative Documents to that amount which would have accrued at the Highest Lawful Rate for the recipient, but any subsequent reductions, as applicable, shall not reduce the interest to accrue pursuant to the Operative Documents below the recipient's Highest Lawful Rate until the total amount of interest

payable to the recipient (including all consideration which constitutes interest) equals the amount of interest which would have been payable to the recipient (including all consideration which constitutes interest), PLUS the amount of fees which would have been received but for the effect of this SECTION 4.6.

ARTICLE V
CERTAIN INTENTIONS OF THE PARTIES

SECTION 5.1. NATURE OF TRANSACTION. It is the intention of the parties that:

(a) the Overall Transaction constitutes an operating lease from Lessor to Lessee for purposes of Lessee's and Guarantor's financial reporting, including, without limitation, under Financial Accounting Standards Board Statement No. 13;

(b) for federal and all state and local income and transfer taxes, bankruptcy, insolvency, conservatorship and receivership law (including the substantive law upon which bankruptcy, conservatorship and insolvency and receivership proceedings are based), and real estate and Uniform Commercial Code purposes:

(i) the Overall Transaction (including the transactions and activities during the Interim Term referred to or contemplated by the Construction Agency Agreement) constitutes a financing by the Participants to Lessee and preserves beneficial ownership in the Leased Property in Lessee, Lessee will be entitled to all tax benefits ordinarily available to owners of property similar to the Leased Property for tax purposes (including, without limitation, depreciation), and the obligations of Lessee to pay Basic Rent shall be treated as payments of interest to the Participants, and the payment by Lessee of any other amounts in respect of the Lease Balance shall be treated as payments of principal to the Participants;

(ii) the Lease grants a security interest or Lien, as the case may be, in the Leased Property and the other TeleTech Collateral in favor of Lessor, and for the benefit of the Participants, to secure Lessee's payment and performance of the Obligations; and

(iii) the Deed of Trust creates Liens and security interests in the Mortgaged Property in favor of Administrative

Agent for the benefit of all of the Participants to secure Lessee's payment and performance of the Obligations.

Nevertheless, Lessee and Guarantor acknowledge and agree that none of Lessor, Administrative Agent, Arranger or any Participant has made any representations or warranties concerning the tax, accounting or legal characteristics of the Operative Documents or any aspect of the Overall Transaction and that Lessee and Guarantor have obtained and relied upon such tax, accounting and legal advice concerning the Operative Documents and the Overall Transaction as each of them deems appropriate; provided, however, none of the Lessor, Administrative Agent, Arranger or any Participant shall treat the Overall Transaction for federal or state tax purposes other than as a financing preserving beneficial ownership in the Leased Property in the Lessee in the manner described in this SECTION 5.1(b).

(c) Specifically, without limiting the generality of CLAUSE (b), the parties hereto intend and agree that in the event of any insolvency, conservatorship or receivership proceedings or matters or a petition under the United States bankruptcy laws, as amended from time to time, or any other applicable insolvency, conservatorship or receivership laws or statute of the United States of America or any State or Commonwealth thereof affecting Lessee, Guarantor, Lessor, the Certificate Holders or the Lenders or any collection actions, the transactions evidenced by the Operative Documents (including the Lease) constitute loans made directly to Lessee by the Participants, in each case as unrelated third party lenders, and that Lessor holds title to the Leased Property for the benefit of the Participants to secure Lessee's obligations to repay such loans to the Participants and all other amounts due under any of the Operative Documents.

SECTION 5.2. AMOUNTS DUE UNDER LEASE. Anything else herein or elsewhere in the Operative Documents to the contrary notwithstanding, it is the intention of Lessee, Guarantor, Lessor, the Certificate Holders and the Lenders that: (i) the amount and timing of installments of Basic Rent due and payable from time to time from Lessee under the Lease shall be equal to the aggregate payments due and payable as Interest on the Loans and Yield on the Certificate Amounts on each Payment Date; (ii) if Lessee elects the Early Termination Option (other than any partial purchases pursuant to Section 18.1(b) of the Lease), the Purchase Option or becomes obligated or otherwise elects to purchase the Leased Property under the Lease, then the Loans, the Certificate Amounts, all Interest, Yield and Fees and all other obligations of Lessee owing to Lessor and the Participants shall be paid in full by Lessee; (iii) if

Lessee properly elects the Sale Option with respect to the Leased Property, and subject to ARTICLES XX and XXI of the Lease, Lessee shall only be required to pay to Administrative Agent the proceeds of the sale of the Leased Property, the Sale Option Recourse Amount with respect to the Leased Property and any amounts due pursuant to SECTION 20.2 of the Lease (which aggregate amounts may be less than the Lease Balance), together with all other amounts due and payable by Lessee; and (iv) upon an Event of Default resulting in an acceleration of Lessee's obligation to purchase the Leased Property under the Lease at any time, the amounts then due and payable by Lessee under the Lease shall include all amounts necessary to pay in full the Lease Balance, PLUS, to the extent not included in the Lease Balance, all other amounts then due from Lessee to the Participants under the Operative Documents.

SECTION 5.3. DISTRIBUTION.

(a) Each payment of Basic Rent (and any payment of interest on overdue installments of Basic Rent) received by Administrative Agent shall be distributed by Administrative Agent to the Participants, PRO RATA in accordance with, and for application to, the amount of Interest and Yield then due on the Loans and the Certificate Amounts, as well as any overdue interest due to each Lender or Certificate Holder (to the extent permitted by Applicable Laws); provided, however that Original Period Rent paid on the first Scheduled Payment Date following the Second Document Closing Date shall be paid in full to the Initial Lender and the Initial Certificate Holder in accordance with the respective Commitment Percentages under the Original Participation Agreement.

(b) Any payment received by Administrative Agent as a result of:

(i) the purchase of all of the Leased Property in connection with Lessee's exercise of its Early Termination Option or the Purchase Option under SECTION 18.1(a) or 19.1 of the Lease,

(ii) Lessee's compliance with its obligation to purchase (or cause its designee to purchase) the Leased Property in accordance with the Lease,

(iii) the payment of the Lease Balance in accordance with SECTION 15.1 of the Lease, or

(iv) Lessee failing to fulfill one or more of the conditions to the exercise of the Sale Option and Administrative Agent's receipt of the Lease Balance from Lessee pursuant to SECTION 20.1 of the Lease,

shall be distributed by Administrative Agent to pay in full the Participant Balance of each Participant, and any payment received by Administrative Agent as a result of the partial purchase under SECTION 18.1(b) shall be distributed pro rata among the Participants.

(c) The payment by Lessee of the Sale Option Recourse Amount to Administrative Agent in accordance with SECTION 20.1 of the Lease upon Lessee's exercise of the Sale Option shall be distributed by Administrative Agent in the following amounts and order of priority:

FIRST, on a pro rata basis based on their respective shares of the Loan Balance, to the Lenders for application to pay in full the Loan Balance owing to them; and

SECOND, on a pro rata basis based on their respective shares of the Certificate Balance, to the Certificate Holders to pay in full the Certificate Balance.

(d) Any payments received by Administrative Agent as Gross Proceeds from the sale of the Leased Property pursuant to Lessee's exercise of the Sale Option pursuant to ARTICLE XX of the Lease, together with any payment made by Lessee as a result of an appraisal pursuant to SECTION 12.3, shall be distributed by Administrative Agent upon receipt thereof in the following order of priority:

FIRST, on a pro rata basis based on their respective shares of the Loan Balance, to the Lenders for application to pay in full the Loan Balance;

SECOND, on a pro rata basis based on their respective shares of the Certificate Balance, to the Certificate Holders for application to pay in full the Certificate Balance; and

THIRD, the balance, if any, shall be promptly distributed to, or as directed by, Lessee.

(e) All payments of Supplemental Rent received by Administrative Agent (excluding any amounts payable pursuant to the preceding provisions of this SECTION 5.3) shall be distributed

promptly by Administrative Agent upon receipt thereof to the Persons entitled thereto pursuant to the Operative Documents.

(f) Notwithstanding any other provision of this SECTION 5.3, any Excepted Payment received at any time by Administrative Agent shall be distributed promptly to the Person entitled to receive such Excepted Payment pursuant to the Operative Documents.

(g)(i) All payments received and amounts realized by Administrative Agent as a result of an Event of Default (including any amounts received by Administrative Agent in connection with (x) any sale of all or any part of the Leased Property as a result of an Event of Default or a return of the Leased Property pursuant to SECTION 15.1(c)(z) or of the Lease or (y) any Casualty or Condemnation after the occurrence and during the continuance of an Event of Default (if not paid to Lessee for restoration) shall be distributed by Administrative Agent in the following order of priority:

FIRST, so much of such payments or amounts as shall be required to pay the then existing or prior Participants the amounts payable to them pursuant to any expense reimbursement or indemnification provisions of the Operative Documents shall be distributed to each such Participant without priority of one over the other in accordance with the amount of such payment or payments payable to each such Person;

SECOND, on a pro rata basis based on their respective shares of the Loan Balance, to the Lenders for application to pay the Loan Balance in full;

THIRD, on a pro rata basis based on their respective shares of the Certificate Balance, to the Certificate Holders for application to pay the Certificate Balance in full; and

FOURTH, the balance, if any, of such payment or amounts remaining thereafter shall be promptly distributed to, or as directed by, Lessee.

(ii) During the occurrence and continuance of an Event of Default, all amounts (other than Excepted Payments) received or realized by Administrative Agent and otherwise distributable pursuant to SECTIONS 5.3(a) and 5.3(b) shall be distributed as provided for in CLAUSE (g)(i) above.

(h)(i) Subject to SECTIONS 5.3(h)(ii) and 5.3(h)(iii), any payment received by Administrative Agent for which no provision as to the application thereof is made in the Operative Documents or elsewhere in this SECTION 5.3 shall be distributed PRO RATA among the Lenders and the Certificate Holders for application to pay the Loan Balance and the Certificate Balance as applicable, without priority of one over the other, in the proportion that the Participant Balance of each bears to the Lease Balance.

(ii) Except as otherwise provided in SECTIONS 5.3(a), 5.3(b) and 5.3(g)(i), all payments received and amounts realized by Administrative Agent under the Lease or otherwise with respect to the Leased Property, or any proceeds thereof, to the extent received or realized at any time after an indefeasible payment in full of the Participant Balances of all of the Participants and all other amounts due and owing to the Participants, shall be distributed forthwith by Administrative Agent to, or as directed by, Lessee.

(iii) Any payment received by Administrative Agent for which provision as to the application thereof is made in an Operative Document, but not elsewhere in this SECTION 5.3, shall be distributed forthwith by Administrative Agent to the Person and for the purpose for which such payment was made in accordance with the terms of such Operative Document.

(i) Any amounts payable to Administrative Agent as a result of a Casualty or Condemnation pursuant to SECTION 14.1 of the Lease shall be distributed as follows: (x) if a Termination Notice shall have been given, all amounts that are to be applied to the purchase price of the Leased Property in accordance with SECTION 15.1(b) or 15.1(c)(y) of the Lease shall be distributed by Administrative Agent in accordance with SECTION 5.3(b); or if a Termination Notice is not given, any proceeds are to be used in accordance with clause (y) below, and any excess proceeds shall be distributed by Administrative Agent in accordance with SECTION 5.3(b); and (y) all amounts payable to Lessee for the restoration or repair of damage caused by such Casualty or Condemnation in accordance with SECTION 14.1(a) of the Lease shall be distributed to, or as directed by, Lessee.

(j) To the extent any payment made to any Participant is insufficient to pay in full the Participant Balance of such Participant, then each such payment shall first be applied to accrued Interest or Yield, as applicable, and then to principal outstanding on the Loans or the Certificate Amounts, as applicable.

SECTION 5.4 ADJUSTMENTS. If any Participant (a "BENEFITTED PARTICIPANT") shall at any time receive any payment of all or part of its Loan or Certificate Amount, as applicable, or Interest or Yield thereon, as applicable, or receive any of the collateral in respect thereof (whether voluntarily or involuntarily, by setoff, or otherwise), in an amount greater than the amount to which such Participant was entitled pursuant to SECTION 5.3, such Participant shall return such amount or collateral to Administrative Agent for distribution to the Person(s) entitled thereto in accordance with SECTION 5.3; PROVIDED, HOWEVER, that if all or any portion of such excess payment or benefits is thereafter recovered from such Benefitted Participant, such excess payment or benefits, as applicable, shall be returned to the Benefitted Participant, to the extent of such recovery, but without interest.

ARTICLE VI

CONDITIONS PRECEDENT TO ADVANCES AND REQUIREMENT FOR COMPLETION

SECTION 6.1. CONDITIONS PRECEDENT TO INITIAL ADVANCE. The obligations of Lessor (through Administrative Agent) to make the Advance on the initial Advance Date, the obligations of the Certificate Holders to Fund the related Certificate Amounts on the initial Advance Date and the obligation of the Lenders to make the related Funding of their Loans on the initial Advance Date are subject to the satisfaction or waiver of each of the following conditions precedent:

(a) RESOLUTIONS AND INCUMBENCY CERTIFICATE, ETC. OF LESSEE AND GUARANTOR.

(i) Lessee shall have delivered to Administrative Agent (A) a good standing certificate with respect to Lessee from the Secretary of State of the State of Colorado issued by such office no earlier than thirty (30) days prior to the Advance Date and (B) an Officer's Certificate of Lessee substantially in the form of EXHIBIT B-1, attaching and certifying as to (1) the corporate authority for the execution, delivery and performance by Lessee of each Operative Document to which it is or will be a party, (2) its organizational documents, (3) its by-laws and (4) the incumbency and signature of persons authorized to execute and deliver on its behalf the Operative Documents to which it is a party.

(ii) Guarantor shall have delivered to Administrative Agent (A) a good standing certificate with respect to

Guarantor from the Office of the Secretary of State of the State of Delaware issued by such office no earlier than thirty (30) days prior to the Advance Date and (B) an Officer's Certificate of Guarantor substantially in the form of EXHIBIT B-2, attaching and certifying as to (1) the corporate authority for the execution, delivery and performance by Guarantor of each Operative Document to which it is or will be a party, (2) its organizational documents, (3) its by-laws and (4) the incumbency and signature of persons authorized to execute and deliver on its behalf the Operative Documents to which it is a party.

(b) RESPONSIBLE OFFICER'S CERTIFICATES OF LESSEE AND GUARANTOR.

Administrative Agent shall have received a Responsible Officer's Certificate of Lessee and Guarantor, in substantially the form of EXHIBITS C-1 and C-2 attached hereto, dated as of the Initial Advance Date, stating on behalf of Lessee and Guarantor, respectively, that: (i) each and every representation and warranty of Lessee and Guarantor contained in each Operative Document to which it is a party is true and correct on and as of the Initial Date, except to the extent such representation or warranty relates solely to an earlier date, in which case such certificate shall state that such representation or warranty shall have been true and correct on and as of such earlier date; (ii) no Default, Event of Default, Casualty or Condemnation has occurred and is continuing, and each of Lessee and Guarantor, each after due inquiry and investigation is not aware of any existing or threatened condemnations, actions, suits or proceedings with respect to all or any portion of the Leased Property; (iii) each Operative Document to which Lessee or Guarantor is a party is in full force and effect with respect to it; and (iv) each of Lessee and Guarantor has duly performed and complied in all material respects with all covenants contained herein or in any other Operative Document required to be performed by it on or prior to the Advance Date.

(c) CERTIFICATE OF LESSOR. Administrative Agent shall have received (i) a certificate of the Secretary or an Assistant Secretary of Bank substantially in the form of EXHIBIT B-3 attaching and certifying as to (A) the corporate authority for the execution, delivery and performance by Bank of each Operative Document to which it is or will be a party in its individual capacity or as Lessor, (B) its organizational documents, (C) its by-laws and (D) the incumbency and signature of persons authorized to execute and deliver on its behalf the Operative Documents to which it is a party in its individual capacity or as Lessor and (ii) a certificate as to the authority of the Bank to conduct

banking business and exercise fiduciary powers from the Comptroller of the Currency.

(d) OPINIONS OF COUNSEL. Administrative Agent and the Participants shall have received opinions of counsel dated the initial Advance Date substantially in the forms of EXHIBITS D-1, D-2 and D-3 with respect to the Operative Documents executed and delivered in connection with the Advance Date and the perfection and validity of the Administrative Agent's Liens in the Leased Property and the other TeleTech Collateral. Lessor, Administrative Agent and the Participants shall also have received opinions of counsel, in form and content satisfactory to such parties, as to the sufficiency in form of the Financing Statements to be filed and/or recorded in the State of Colorado and the State of Connecticut and the location of such filing and recording as is necessary to perfect the interests of such parties in the collateral described in such Financing Statements.

(e) AGREEMENTS OF ARCHITECT AND GENERAL CONTRACTOR. The Architect and the General Contractor shall have each executed written instruments reasonably satisfactory to Lessor, the Certificate Holders and the Lenders pursuant to which each of the Architect and the General Contractor shall have agreed to perform its obligations under the Construction Documents to which it is a party for the benefit of Lessor and the Participants, when and if Lessor or Administrative Agent, acting at the direction of the Participants, shall exercise their rights under the Construction Documents Assignment.

(f) CONSTRUCTION AGENT'S CERTIFICATE. On or prior to the initial Advance Date, Construction Agent shall have delivered to Administrative Agent an Initial Advance Date Construction Certificate in the form of EXHIBIT E hereto.

(g) TAXES. Any and all taxes, fees and other charges in connection with the execution, delivery, recording, filing and registration of the Operative Documents and the acquisition of the Leased Property shall have been paid or provisions for such payment shall have been made by Lessee to the satisfaction of Administrative Agent.

(h) APPRAISAL AND IMPROVEMENTS MATTERS. Not less than fifteen (15) days prior to the Advance Date, Lessee shall have delivered to Lessor and each Participant:

(i) descriptions of the Financed Improvements, which shall be in a form and substance reasonably satisfactory to the Participants;

(ii) an appraisal (the "APPRAISAL") in form and substance satisfactory to each of the Participants which shall establish (by the use of appraisal methods satisfactory to the Participants) (A) the Fair Market Value of the Land as of the Land Acquisition Date, (B) the "as-built" Fair Market Value of the Leased Property (assuming the Substantial Completion of the Financed Improvements in accordance with the Approved Plans and Specifications) as of the Estimated Completion Date and as of the last day of the Base Term and each Lease Renewal Term, and (C) that the Aggregate Commitment Amount will not exceed 114% of (x) the Fair Market Value of the Financed Improvements plus the Fair Market Value of the Land in accordance with clause (B) of this Section 6.1(h)(ii). The Appraisal shall be prepared in accordance with FIRREA and be performed by the Appraiser. The Appraisal shall assume that all of the Financed Improvements shall have been completed in a good and workmanlike manner, in compliance with Applicable Laws; and

(iii) the Approved Construction Budget, in a form and substance reasonably satisfactory to the Participants, which shall set forth the Land Acquisition Cost, including related Transaction Expenses, and all costs associated with the construction of the Financed Improvements, including all hard and soft construction costs, the Lessee Funding Amount and other Transaction Expenses and other costs relating to the maintenance of the Leased Property prior to the Base Term Commencement Date and shall include the Contingency Reserve equal to One Million Two Hundred Seventy One Thousand Seven Hundred Ninety Six Dollars (\$1,271,796) (the "CONTINGENCY RESERVE"). The Approved Construction Budget shall allocate the Aggregate Commitment Amount between the Construction Costs and, within each such allocation, set forth categories for each type of cost and expense and the portion of the Aggregate Commitment to be allocated to each such category and amounts necessary to Fund Transaction Expenses, Capitalized Interest and Capitalized Yield and Fees during the Interim Term, and which establish the Contingency Reserve, all as described in the budget attached hereto as SCHEDULE 6.1(h);

(iv) the Approved Construction Schedule, in a form and substance reasonably satisfactory to the Participants.

(i) FILINGS AND RECORDINGS. All filings or recordings enumerated and described in SCHEDULE 6.1(j), as well as all other filings and recordings necessary or advisable, including precautionary financing statements and mortgage filings, reasonably deemed necessary by Administrative Agent to perfect the rights, titles and interests of Lessor and Administrative Agent for the benefit of the Participants intended to be created by the Operative Documents shall have been made in the appropriate places or offices, including any recordings and filings (including, without limitation, any amended and restated recordings and filings) necessary to create, perfect, preserve and protect: (i) Lessor's interest in the Leased Property and any other property and interests included in the Trust Estate, (ii) first mortgage liens and mortgages of record on the Mortgaged Property, subject to Permitted Liens, and (iii) a first priority perfected security interest in all fixtures appurtenant to the Leased Property, subject to Permitted Liens. All recording and filing fees and taxes with respect to any recordings or filings made pursuant to this SECTION 6.1(i) shall have been paid in full by Lessee out of Supplemental Rent, pursuant to and subject to the limitations of SECTION 4.3(a), and satisfactory evidence thereof shall have been delivered to Lessor and Administrative Agent, or arrangements for such payment shall have been made by Lessee to the reasonable satisfaction of Administrative Agent.

(j) REQUIREMENTS OF LAW. In the reasonable opinion of Lessor, Administrative Agent and the Participants and their respective counsel, the Overall Transaction does not and will not violate in any respect any material Applicable Law and does not and will not subject any such Person to any material adverse regulatory prohibitions or constraints.

(k) ADVANCE DATE. The initial Advance hereunder shall occur on or prior to July 15, 2000.

(l) SEARCHES. Administrative Agent shall have received a report (which may be included in the commitment for title insurance prepared by the Title Insurance Company with respect to the following matters other than Uniform Commercial Code filings), as of a current date and reasonably acceptable in form and substance to Administrative Agent, of judgment liens, lis pendens, and tax lien filings with respect to Lessee and the Leased Property filed of record in Arapahoe County, Colorado and Uniform Commercial Code filings for Lessee filed in the Office of the Secretary of State of the State of Colorado and in Arapahoe County, Colorado, as applicable.

(m) SURVEY. Lessee shall have delivered, or shall have caused to be delivered, to Administrative Agent and to the Title Insurance Company an ALTA survey of the Land in a form reasonably satisfactory to the Title Insurance Company (and including any applicable flood zone designation (with property annotations based on Federal Flood Insurance Rate Maps or the local equivalent) by scaled map location and graphic plotting) in order to issue the Title Policies and showing no state of facts unsatisfactory to Administrative Agent.

(n) TITLE AND TITLE INSURANCE. Lessor shall have received from the Title Insurance Company a current ALTA 1970 owner's policy of title insurance with respect to the Leased Property, including the Land and the Financed Improvements (or an irrevocable commitment for the issuance thereof), reasonably acceptable in form and substance to Administrative Agent (the "OWNER'S POLICY"), insuring that Lessor has good and indefeasible title to the Leased Property, subject to other exceptions to title as are reasonably acceptable to each Participant, in an amount equal to the aggregate Commitments, together with complete, legible copies of all encumbrances, maps and surveys of record. Alternatively, Lessor shall have received from the Title Insurance Company (or an irrevocable commitment for the issuance thereof) such title endorsements (including, without limitation, a date-down endorsement and CLTA Endorsement Form 107.2 (or the Colorado equivalent) to Lessor's owner's policy of title insurance (Policy No. CTAN705337, dated as of March 7, 2000)), reasonably acceptable in form and substance to Administrative Agent, sufficient to insure Lessor in the same manner as the Owner's Policy referred to above. Administrative Agent, for the benefit of the Participants, shall have received from the Title Insurance Company (or an irrevocable commitment for the issuance thereof), an ALTA 1970 lenders' policy of title insurance (the "LENDERS' POLICY"; and, together with the Owner's Policy, the "TITLE POLICIES"), reasonably acceptable in form and substance to Administrative Agent, insuring the Lien of the Deed of Trust as a valid first priority Lien against the Mortgaged Property, subject to such exceptions to title as are reasonably acceptable to Administrative Agent, in an amount equal to the aggregate Commitments, together with complete, legible copies of all encumbrances and plats of record. Alternatively, Administrative Agent, for the benefit of the Participants, shall have received from the Title Insurance Company (or an irrevocable commitment for the issuance thereof) such title endorsements (including, without limitation, CLTA Endorsement Forms 110.5 and 107.2 (or the Colorado equivalent) to Administrative Agent's lender's policy of title insurance (Policy No. CTAT705337, dated as of March 7, 2000)), reasonably acceptable in form and substance

to Administrative Agent, sufficient to insure Administrative Agent's Lien under the Deed of Trust in the same manner as the Lenders' Policy referred to above. The Title Policies shall be dated as of the Advance Date and, to the extent permitted under Applicable Laws, shall: (x) contain affirmative endorsements as to mechanics' liens, doing business, usury, Form 3.0 zoning, Form B-1 comprehensive coverage, encroachments, the nonviolation of covenants and restrictions, variable rate, survey and creditor's rights exception revisions and revision of the standard tax exception, (y) contain endorsements or other assurances acceptable to Administrative Agent in its sole discretion, regarding the effect of recharacterization of the Lease and (z) contain such other endorsements as shall reasonably be requested by Administrative Agent (including, without limitation, the title endorsements previously issued by the Title Insurance Company in connection with Lessor's owner's title policy and Administrative Agent's lender's title policy previously issued in connection with the Leased Property and the Mortgaged Property, respectively).

(o) APPROVED PLANS AND SPECIFICATIONS; ARCHITECT'S AGREEMENT; ASSIGNMENT. Administrative Agent shall have received and the Participants shall have reasonably approved: (i) the plans and specifications proposed as the Approved Plans and Specifications, with the first page of a copy of the Approved Plans and Specifications having been signed, and all other pages thereof having been initialed, by Construction Agent and the General Contractor (if any), (ii) a copy of Construction Agent's or Lessee's agreement with the Architect, if any, (iii) a copy of the Construction Contract, and (iv) an assignment from Lessee and/or Construction Agent, as applicable, in favor of Lessor, of Lessee's and Construction Agent's interest in the Approved Plans and Specifications, the Architect's agreement and the Construction Contract, in the form required by the Construction Agency Agreement, and attached thereto the Architect's and, if applicable, General Contractor's written consent to such assignment.

(p) INSURANCE. Insurance complying with the provisions of Article XIII of the Lease shall be in full force and effect as evidenced by certificates of insurance, broker's reports or insurance binders delivered to Administrative Agent and Lessor, all in form and substance reasonably satisfactory to the Participants, provided, however, that prior to the Completion Date, such insurance shall contain no deductible amount, unless any such deductible shall be approved by Administrative Agent upon the direction of the Required Participants and fully reserved as a separate contingency item in the Approved Construction Budget.

(q) OFFEREE LETTER. Administrative Agent and Lessee shall have received certificate, substantially in the form of EXHIBIT F, from the Arranger, dated the Second Document Closing Date, with respect to offerees of the Notes and the Certificates (the "OFFEREE LETTER"). All documents and instruments required to be delivered on the initial Advance Date shall be delivered at the offices of Mayer, Brown & Platt, 350 South Grand Avenue, 25th Floor, Los Angeles, California 90071, or at such other location as may be determined by Administrative Agent and Lessee.

(r) BONDING OF THE GENERAL CONTRACTOR. The General Contractor shall have provided, to Administrative Agent for the benefit of each of the Participants, a payment and performance bond or letter of credit, in either case reasonably acceptable in form and substance to each of the Participants, securing the timely performance of the obligations of the General Contractor and the timely completion of the Construction of the Financed Improvements. The bonding company or issuer of the letter of credit, as applicable, shall be subject to the prior written approval of each of the Participants.

(s) ARCHITECT'S STATEMENT OF PROFESSIONAL OPINION. Administrative Agent shall have received a statement of professional opinion from the Architect, in substantially the form of EXHIBIT G hereto reasonably satisfactory to Administrative Agent, certifying that (i) the Leased Property, as improved in accordance with the Approved Plans and Specifications, and the contemplated use thereof by Lessee, will comply with Requirements of Law (including zoning and land use laws and Environmental Laws) and (ii) the Approved Plans and Specifications have been prepared in accordance with applicable Requirements of Law (including applicable Environmental Laws and building, planning, zoning and fire codes) and upon completion of the Financed Improvements in accordance with the Approved Plans and Specifications, such Financed Improvements will not encroach in any manner onto any adjoining land to the best of the Architect's knowledge based on information received (except as permitted by express written easements or as insured by appropriate title insurance).

(t) CONSULTANT'S CERTIFICATE. Administrative Agent and each Participant shall have received a certificate executed by the Construction Consultant in the form of EXHIBIT I.

(u) APPRAISAL OF THE DEDICATION. Administrative Agent and Lessor shall have received a certification from the Appraiser

that the Dedication will not reduce the Fair Market Value of the Leased Property after giving effect to the Dedication.

SECTION 6.2. CONDITIONS PRECEDENT TO EACH ADVANCE. The obligations of Lessor (through Administrative Agent) to make an Advance on each Advance Date, the obligation of Certificate Holders to Fund the related Certificate Amounts on such Advance Date, and the obligation of the Lenders to make the related Fundings of their Loans on such Advance Date are subject to satisfaction or waiver of the following conditions precedent.

(a) ADVANCE REQUEST. Administrative Agent shall have received a fully executed counterpart of the Advance Request, executed by Construction Agent in accordance with SECTION 3.3(a).

Each delivery of an Advance Request and the acceptance by Construction Agent of the proceeds of such Advance shall constitute a representation and warranty by Lessee and/or Construction Agent, as applicable, that on the applicable Advance Date (both immediately before and after giving effect to the making of such Advance and the application of the proceeds thereof), the representations and warranties made in SECTION 7.2 are true and correct as of such date and the conditions precedent to such Advance and the related Certificate Amount and Loans have been satisfied or waived in accordance with the Operative Documents.

(b) CONSTRUCTION CERTIFICATE. With respect to any Construction Costs to be paid or reimbursed using the proceeds of such Advance, Administrative Agent shall have received from Construction Agent, prior to or contemporaneously with the applicable Advance Request, a Construction Certificate in the form of EXHIBIT H hereto (a "CONSTRUCTION CERTIFICATE"), together with all attachments thereto.

(c) FEES. Each Agent and Participant shall have received all Fees due and payable pursuant to SECTION 4.4 or such payment shall be made out of the requested Advance.

(d) REPRESENTATIONS AND WARRANTIES. On the Advance Date, the representations and warranties of Lessee and Guarantor herein and in each of the other Operative Documents shall be true and correct in all material respects as though made on and as of such date, except to the extent such representations or warranties relate solely to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects on and as of such earlier date.

(e) LITIGATION. No action or proceeding shall have been instituted, nor shall any action or proceeding be threatened, before any Governmental Authority, nor shall any order, judgment or decree have been issued or proposed to be issued by any Governmental Authority (i) to set aside, restrain, enjoin or prevent the full performance of this Participation Agreement, any other Operative Document or any transaction contemplated as part of the Overall Transaction, (ii) that questions the validity of the Operative Documents or the rights or remedies of Lessor, Guarantor, the Administrative Agent or the Participants with respect to Lessee or the Leased Property under the Operative Documents, or (iii) which in the reasonable judgment of the Required Participants is reasonably likely to have a Material Adverse Effect.

(f) EVENT OF DEFAULT; SIGNIFICANT CASUALTY, SIGNIFICANT CONDEMNATION. There shall not have occurred and be continuing any Event of Default, and no Event of Default shall have occurred after giving effect to the making of the Advance requested by such Advance Request, Lessee shall not have received a Termination Notice pursuant to SECTION 15.1 of the Lease; no Construction Period Excluded Claim, or basis therefore, shall have occurred.

(g) COMMITMENT AMOUNT. After giving effect to the applicable Advance, the aggregate amount of all Advances shall not exceed the Aggregate Commitment Amount and the aggregate amount of all Advances made by each Participant shall not exceed the Available Commitment of such Participant.

(h) NO MATERIAL ADVERSE CHANGE. Immediately prior to, and after giving effect to, the Advance, there shall have occurred (i) no material adverse change with respect to the Leased Property or (ii) any change in the financial condition of Lessee or Guarantor which could reasonably be expected to have a Material Adverse Effect in the reasonable judgment of the Required Participants.

(i) TRANSACTION EXPENSES. Lessee shall have paid all applicable Transaction Expenses, out of prior Advances pursuant to and subject to the limitations of SECTION 4.3(a), or such payment shall be made out of the requested Advance.

(j) CERTIFICATE OF ARCHITECT. Administrative Agent shall have received a certificate from Architect, substantially in the form of EXHIBIT J hereto, certifying (i) that after giving effect to the applicable Advance, the estimated as yet unpaid cost to the Construction Agent of completing the Construction pursuant to the Construction Documents will not exceed the aggregate

Available Commitments, net of any portion of the aggregate Available Commitments that shall be allocated for Advances in respect of Capitalized Interest, Capitalized Yield, and Fees; (ii) that the Leased Property is being improved in a good and workmanlike manner and in accordance with the Approved Plans and Specifications, and the contemplated use thereof by Lessee will comply with Requirements of Law (including all zoning and land use laws and Environmental Laws); (iii) the stage and percentage of completion which has been achieved by each of the various trades engaged in the construction of the Financed Improvements, and that the Construction is proceeding in accordance with the Approved Construction Schedule; and (iv) that the amount of the Advance (other than amounts attributable to Capitalized Interest, Capitalized Yield or amounts used to fund Fees or Transaction Expenses) is not greater than the actual value of the materials incorporated into the Financed Improvements and the work and labor performed in connection therewith.

(k) BUILDING PERMITS. Any building permits required by any Governmental Authority in connection with the Construction for which the applicable Advance is being made shall have been obtained.

(l) TITLE POLICY ENDORSEMENT. Lessor and Administrative Agent shall have received on the date of such Advance (other than with respect to the initial Advance) an endorsement to the Title Policies (i) indicating that since the date of the preceding Advance there has been no change in the state of title (except changes approved by Administrative Agent), (ii) updating the Title Policies to the date of such Advance, and (iii) increasing the coverage of the Title Policies by an amount equal to such Advance if the Title Policies do not by their own terms provide for such an increase.

(m) CONTRACTOR RECEIPTS AND CERTIFICATION. Administrative Agent shall have received (i) a copy of any invoice which is the subject of such Advance and which is in excess of One Hundred Thousand Dollars (\$100,000) from the General Contractor and all subcontractors engaged in the Construction together with evidence that all sums previously advanced for Construction Costs have been expended for such Construction Costs and that no further amounts are owing with respect to such previously invoiced Construction Costs, (ii) copies of all documents required to be submitted by Lessee as of such date pursuant to the terms of the contracts with the General Contractor and (iii) a certificate from the General Contractor, substantially in the form of EXHIBIT K hereto, certifying that the progress of the Construction is such

that Substantial Completion of the Financed Improvements can occur on or prior to the Outside Completion Date.

(n) INTERIM TERM. No Advance shall be made after the termination of the Commitment Period.

SECTION 6.3. DELIVERIES UPON SUBSTANTIAL COMPLETION. Within fifteen (15) Business Days following the earlier of (i) the date of substantial completion of the Financed Improvements in accordance with the Approved Plans and Specifications or (ii) the date Administrative Agent gives Lessee notice of the determination described in the definition of the term "SUBSTANTIAL COMPLETION":

(a) ARCHITECT'S CERTIFICATE. Construction Agent shall furnish to Administrative Agent a certificate of the Architect (substantially in the form of EXHIBIT L) dated at or about the Completion Date and stating that: (i) the Construction has been completed in all material respects in accordance with the Approved Plans and Specifications, and (ii) the Financed Improvements, as so completed, and the Leased Property complies in all material respects with all Applicable Laws, and certifying that attached thereto are true and complete copies of an "as built" or "record" set of the Approved Plans and Specifications).

(b) CONSTRUCTION AGENT'S CERTIFICATION. Construction Agent shall furnish to Administrative Agent a certification of Construction Agent (substantially in the form of EXHIBIT M) as follows:

(i) the representations and warranties of Lessee with respect to the Leased Property set forth in SECTION 7.2 are true and correct in all material respects as of the Completion Date and that all amounts owing to third parties for the Construction have been paid in full (other than contingent obligations for which adequate reserves have been made);

(ii) no changes or modifications were made to the Approved Plans and Specifications delivered to the Appraiser for purposes of preparing the Appraisal that, individually or in the aggregate, have caused or reasonably could cause, the Fair Market Value of the Leased Property to be materially less than the Fair Market Value thereof at Substantial Completion as set forth in the Appraisal, other than modifications approved by the Administrative Agent;

(iii) there are no defects to the Financed Improvements, including the plumbing, heating, air conditioning and

electrical systems thereof, or the Leased Property, which, individually or in the aggregate, have caused or reasonably could cause, the Fair Market Value of the Leased Property to be materially less than the Fair Market Value thereof at Substantial Completion as set forth in the Appraisal; and

(iv) all water, sewer, electric, gas, telephone and drainage facilities and all other utilities required to adequately service the Leased Property, including the Financed Improvements, for its intended use are available pursuant to adequate permits (including any that are required under applicable Environmental Laws) except to the extent the unavailability thereof individually or in the aggregate would not have a Material Adverse Effect.

(c) AS BUILT SURVEY; TITLE INSURANCE ENDORSEMENTS. Construction Agent shall furnish to Administrative Agent and Lessor true, correct and complete copies, certified by the Construction Agent, of the following (to the extent not previously delivered to Lessor):

(i) an "as built" ALTA survey of the Leased Property, certified to Administrative Agent and Lessor, showing the location of the completed Financed Improvements, the location of all points of access to the Land and the location of all easements affecting the Land and certifying that there are no encroachments of the Financed Improvements onto any easements affecting the Land or onto any adjoining property (other than Permitted Liens) and that all applicable setback requirements and other restrictions have been complied with; and

(ii) a date-down endorsement, dated not earlier than the date of Substantial Completion of the Financed Improvements, to the Title Insurance Policies.

ARTICLE VII REPRESENTATIONS

SECTION 7.1. REPRESENTATIONS OF THE PARTICIPANTS. As of the date of its execution of this Participation Agreement, each Participant represents and warrants, severally and only as to itself, to the other Participants, Lessor, the Administrative Agent, Lessee and Guarantor that:

(a) ERISA. Such Participant is not and will not be making its Loans or funding Certificate Amounts hereunder, and is

not performing its obligations under the Operative Documents, with the assets of an "employee benefit plan" (as defined in Section 3(3) of ERISA) which is subject to Title I of ERISA or a "plan" (as defined in Section 4975(e)(1) of the Code).

(b) STATUS. Such Participant is a commercial bank, branch or agency of a foreign bank or other similar financial institution, or an Affiliate thereof.

(c) POWER AND AUTHORITY. Such Participant has the requisite power and authority to enter into and perform its obligations under the Operative Documents to which it is a party.

(d) LESSOR LIENS. There are no Lessor Liens attributable to such Participant upon the Lease or the Leased Property.

(e) ORGANIZATION, ETC. Such Participant is a corporation or banking association duly organized, validly existing and in good standing under the laws of the State or jurisdiction of its creation.

(f) INVESTMENT. The Certificate or Note being acquired by such Participant is being acquired by such Participant for investment and not with a view to or in connection with the resale or distribution of such interest or any part thereof, but without prejudice, however, to the right of such Participant at all times to sell or otherwise dispose of all or any part of such interest under a registration available under the Securities Act or under an exemption from such registration available under the Securities Act, it being understood that (subject to the Securities Act) the disposition by the undersigned of the Certificate or Note to be purchased by such Participant shall, at all times, remain entirely within its control.

(g) OFFER OF SECURITIES, ETC. Neither such Participant nor any Person authorized to act on its behalf has, directly or indirectly, offered to sell the Notes, the Certificates or any other similar securities (the sale or offer of which would be integrated with the sale or offer of the Notes or the Certificates), for sale to, or solicited any offer to acquire any of the same from, any Person.

(h) NO REGISTRATION. Such Participant understands and acknowledges that (1) neither the Notes and the Certificates nor the Guarantees have been or will be registered under the Securities Act, in reliance upon the exemption provided in Section 4(2) of the

Securities Act, (2) neither the Notes and the Certificates nor the Guarantees have been or will be registered or qualified under the securities or "blue sky" laws of any jurisdiction, (3) the Notes and the Certificates (including the Guarantees) may be resold (which resale is not currently contemplated, or otherwise transferred only if so registered or qualified or if an exemption from registration or qualification is available, (4) none of Lessee, Lessor or the Administrative Agent is required to register the Notes or the Certificates, and (5) any transfer must comply with the provisions of the Operative Documents relating thereto. Such Participant will comply with all applicable federal and state securities laws in connection with any subsequent resale of the Notes or the Certificates held by it.

(i) INSTITUTIONAL INVESTOR. Such Participant is a sophisticated institutional investor and is an "accredited investor" as defined in paragraph (1), (2), (3) or (7) of Rule 501(a) of the Securities Act, and has substantial knowledge and experience in financial and business matters and is capable of evaluating the merits and risks of its investment in the Notes or the Certificates (and the Guarantees) and is able to bear the economic risk of such investment for an indefinite period of time. Such Participant has been given all such information concerning the Notes and the Certificates (and the Guarantees), the other Operative Documents, the Leased Property, Lessor, Lessee and Guarantor as it has requested.

(j) LEGEND. Such Participant understands and acknowledges that the Note or Certificate which it is acquiring will bear a legend as set forth in the form of Note included in the Loan Agreement or the form of Certificate included in the Trust Agreement, as applicable.

The making of any Loan or the advancing of any Certificate Amount on any Advance Date shall constitute an affirmation by the subject assignee or acquiring Participant of each of the preceding representations and warranties.

SECTION 7.2. REPRESENTATIONS OF LESSEE AND GUARANTOR. Each of Lessee and Guarantor, jointly and severally, represents and warrants to each of the other parties hereto as of the Second Document Closing Date and each Advance Date that:

(a) CORPORATE EXISTENCE AND POWER. Each of Lessee and Guarantor:

(i) is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation;

(ii) has the corporate power and authority, the legal right and all governmental licenses, authorizations, consents and approvals to own its assets, to lease the property (including the Leased Property) it operates as lessee, to carry on its business and to execute, deliver and perform its obligations under the Operative Documents;

(iii) is duly qualified as a foreign corporation and is licensed and in good standing under the laws of each jurisdiction where its ownership, lease or operation of property or the conduct of its business requires such qualification or license; and

(iv) is in compliance with all Requirements of Law;

except in each case referred to in CLAUSE (iii) or (iv) of this SECTION 7.2, to the extent that the failure to do so could not reasonably be expected to have a Material Adverse Effect.

(b) CORPORATE AUTHORIZATION; NO CONTRAVENTION. The execution, delivery and performance by Lessee and Guarantor of this Participation Agreement and each other Operative Document to which such Person is or will be party have been duly authorized by all necessary corporate action and do not and will not:

(i) contravene the terms of any of Lessee's or Guarantor's Organic Documents;

(ii) conflict with or result in any breach or contravention of, or the creation of any Lien (other than Permitted Liens) under, any document evidencing any obligations to which Lessee or Guarantor is a party (including any indenture, loan agreement, mortgage, deed of trust, contract or other agreement) or any order, injunction, writ, decree or permit of any Governmental Authority to which Lessee or Guarantor or any of such Person's property is subject; or

(iii) violate any Applicable Law (including, without limitation, Regulation U or Regulation X).

(c) GOVERNMENTAL AUTHORIZATION. No approval, consent, exemption, authorization, or other action by or notice to, or filing with any Governmental Authority or any other Person is

necessary or required by or in respect of Lessee or Guarantor in connection with the execution, delivery or performance by, or enforcement against, Lessee or Guarantor, or the validity or enforceability of any Operative Document.

(d) **BINDING EFFECT.** This Participation Agreement and each other Operative Documents to which Lessee or Guarantor is a party have been or will be duly executed and delivered on behalf of Lessee or Guarantor, as applicable, and constitutes the legal, valid and binding obligation of Lessee or Guarantor to the extent it is a party thereto, enforceable against such Person in accordance with its respective terms, except as enforceability may be limited by applicable bankruptcy, insolvency, or similar laws affecting the enforcement of creditors' rights generally or by equitable principles relating to enforceability.

(e) **LITIGATION.** Except as set forth in SCHEDULE 7.2(e), there are no actions, suits, proceedings, claims or disputes pending or, to the best knowledge of Lessee and Guarantor, threatened or contemplated at law, in equity, in arbitration or before any Governmental Authority against Lessee or Guarantor, or any of their respective properties:

(i) which purport to affect or pertain to this Participation Agreement or any other Operative Documents or the Overall Transaction; or

(ii) as to which (either individually or in the aggregate) there exists a substantial likelihood of an adverse determination, which determination could reasonably be expected to have a Material Adverse Effect. No injunction, writ, temporary restraining order or any order of any nature has been issued by any court or other Governmental Authority purporting to enjoin or restrain the execution, delivery or performance of this Participation Agreement or any other Operative Document, or directing that the Overall Transaction not be consummated as herein or therein provided.

(f) **NO DEFAULT.** No Default or Event of Default exists or would occur as a result of, or after giving effect to, the Advance or the Overall Transaction. Neither Lessee nor Guarantor is in default under or with respect to any contractual obligation in any respect which, individually or together with all such defaults, could reasonably be expected to have a Material Adverse Effect, or that would, if such default had occurred after the Second Document Closing Date, create an Event of Default.

(g) ERISA COMPLIANCE. Except as specifically disclosed in SCHEDULE 7.2(g),

(i) Each Plan is in compliance in all material respects with the applicable provisions of ERISA, the Code and other federal or state law. Each Plan which is intended to qualify under Section 401(a) of the Code has received a favorable determination letter from the IRS and to the best knowledge of Guarantor, nothing has occurred which would cause the loss of such qualifications. Guarantor and each ERISA Affiliate has made all required contributions to any Plan subject to Section 412 of the Code, and no application for a funding waiver or an extension of any amortization period pursuant to Section 412 of the Code has been made with respect to any Plan.

(ii) There are no pending or, to the best knowledge of Guarantor, threatened claims, actions or lawsuits, or action by any Governmental Authority, with respect to any Plan which has resulted or could reasonably be expected to result in a Material Adverse Effect. There has been no prohibited transaction or violation of the fiduciary responsibility rules with respect to any Plan which has resulted or could reasonably be expected to result in a Material Adverse Effect.

(iii) (A) No ERISA Event has occurred or is reasonably expected to occur; (B) the Pension Plans do not have aggregate Unfunded Pension Liabilities in excess of \$1,000,000; (C) neither Guarantor nor any ERISA Affiliate has incurred, or reasonably expects to incur, any liability under Title IV of ERISA with respect to any Pension Plan (other than premiums due and not delinquent under Section 4007 of ERISA); (D) neither Guarantor nor any ERISA Affiliate has incurred, or reasonably expects to incur, any liability (and no event has occurred which, with the giving of notice under Section 4219 of ERISA, would result in such liability) under Section 4201 or 4243 of ERISA with respect to a Multiemployer Plan; and (E) neither Guarantor nor any ERISA Affiliate has engaged in a transaction that could be subject to Section 4069 or 4212(c) of ERISA.

(h) TITLE TO PROPERTIES. Each of Lessee and Guarantor has good title in fee simple to, or a valid leasehold interest in, all real property necessary or used in the ordinary conduct of its respective businesses, except for such defects in title as could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(i) TAXES. Lessee and Guarantor have filed all Federal and other material tax returns and reports required to be filed, and have paid all Federal and other material taxes, assessments, fees and other governmental charges levied or imposed upon them or on their properties, income or assets otherwise due and payable, except those which are being contested in good faith by appropriate proceedings and for which adequate reserves have been provided in accordance with GAAP. There is no proposed tax assessment against the Lessee or Guarantor that would, if made, have a Material Adverse Effect.

(j) FINANCIAL CONDITION. (i) Each of (A) the audited consolidated financial statements of Guarantor and its subsidiaries as of December 31, 1998 and the related consolidated statements of income or operations, shareholders' equity and cash flows for the fiscal year ended on that date and (B) the unaudited consolidated financial statements of Guarantor and its subsidiaries as of September 30, 1999 and the related consolidated statements of income, shareholders' equity and cash flows for the period ended on that date:

(x) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein;

(y) fairly present the financial position of Guarantor and its subsidiaries as of the date thereof and results of operations for the period covered thereby; and

(z) except as specifically disclosed in SCHEDULE 7.2(j), show in accordance with GAAP all material indebtedness and other liabilities, direct or contingent, of Guarantor and its consolidated subsidiaries as of the date thereof, including liabilities for taxes, material commitments and contingent obligations.

(ii) Since December 31, 1998 there has been no Material Adverse Effect.

(k) ENVIRONMENTAL MATTERS. (i) Except as specifically disclosed in SCHEDULE 7.2(k), the ongoing operations of Lessee and Guarantor comply in all respects with all Environmental Laws, except such noncompliance which would not (if enforced in accordance with Applicable Law) result in liability in excess of \$1,000,000 in the aggregate.

(ii) Except as specifically disclosed in SCHEDULE 7.2(k) Lessee and Guarantor have obtained all material licenses, permits, authorization and registrations required under any Environmental Law and necessary for their respective ordinary course operations ("ENVIRONMENTAL PERMITS"), all such Environmental Permits are in good standing and Lessee and Guarantor are in compliance with all material terms and conditions of such Environmental Permits.

(iii) Except as specifically disclosed in SCHEDULE 7.2(k), none of Lessee, Guarantor, or any of their respective present property or operations is subject to any outstanding written order from or agreement with any Governmental Authority, nor subject to (I) any judicial or docketed administrative proceeding, respecting any Environmental Law, Environmental Claim or Hazardous Substance or (II) any claim, proceeding or written notice from any Person regarding any Environmental Law, Environmental Claim or Hazardous Substance.

(iv) Except as specifically disclosed in SCHEDULE 7.2(k), there are no Hazardous Substance or other conditions or circumstances existing with respect to any property of Lessee or Guarantor, or arising from operations prior to the Advance Date of Lessee or Guarantor that would reasonably be expected to give rise to Environmental Claims with a potential liability in excess of \$5,000,000 in the aggregate for all such conditions, circumstances and properties. In addition, to Lessee's and Guarantor's knowledge, (I) neither Lessee nor Guarantor has any underground storage tanks (x) that are not properly registered or permitted under applicable Environmental Laws, or (y) that are leaking or disposing of Hazardous Substance off-site, which in any such case could reasonably be expected to have a Material Adverse Effect, and (II) Lessee and Guarantor have met all material notification requirements under Title III of CERCLA and all other Environmental Laws.

(1) REGULATED ENTITIES. None of Lessee, Guarantor or any Person controlling Lessee and Guarantor is an "Investment Company" within the meaning of the Investment Company Act of 1940. Neither Lessee nor Guarantor is subject to regulation under the Public Utility Holding Company Act of 1935, the Federal Power Act, the Interstate Commerce Act, any state public utilities code, or any other Federal or state statute or regulation limiting its ability to incur Indebtedness.

(m) NO BURDENSOME RESTRICTIONS. Neither Lessee nor Guarantor is a party to or bound by any Business Obligations, or subject to any restriction in any charter or other organizational document, or any Requirement of Law, which could reasonably be expected to have a Material Adverse Effect, other than any Material Adverse Effect arising as a result of any reduction in billable services provided by Lessee or Guarantor or any termination of any customer service agreement (in either case, by parties other than Lessee and Guarantor) pursuant to any provision included in the Business Obligations.

(n) COPYRIGHTS, PATENTS, TRADEMARKS AND LICENSES, ETC. Lessee and Guarantor own or are licensed or otherwise have the right to use all of the patents, trademarks, service marks, trade names, copyrights, contractual franchises, authorizations and other rights that are reasonably necessary for the operation of their respective business and the Leased Property, without infringing upon or violating the legal rights of any other Person. To the best knowledge of Lessee and Guarantor, no material slogan or other advertising device, product, process, method, substance, part or other material now employed, or now contemplated to be employed, by Lessee or Guarantor infringes upon any rights held by any other Person. No claim or litigation regarding any of the foregoing is pending or, to Lessee and Guarantor's knowledge, threatened, and no patent, invention, device, application, principle or any statute, law, rule, regulation, standard or code is pending or, to the knowledge of Lessee and Guarantor, proposed, which, in either case, could reasonably be expected to have a Material Adverse Effect.

(o) FULL DISCLOSURE. None of the representations or warranties made by Lessee or Guarantor in the Operative Documents as of the date such representations and warranties are made or deemed made, and none of the statements contained in any exhibit, report, statement or certificate furnished by or on behalf of Lessee or Guarantor in connection with the Operative Documents (including the offering and disclosure materials delivered by or on behalf of Lessee and Guarantor to the Participants prior to the Second Document Closing Date), contains any untrue statement of a material fact or omits any material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they are made, not misleading as of the time when made or delivered.

(p) CHIEF EXECUTIVE OFFICES OF LESSEE. The Lessee's "place of business" or "chief executive office" (if it has more than one place of business), as such terms are used in

Section 9-103(3) of the UCC, are located at 1700 Lincoln Street, Denver, Colorado.

(q) SOLVENCY. Each of Lessee and Guarantor is, and after the making of the Advance and the consummation of the Overall Transaction will be, Solvent.

(r) APPRAISAL DATA. Taken as a whole, the information provided by Guarantor, Lessee and their Affiliates to the Appraiser was true and correct in all material respects when provided, and when provided did not omit any information known to Lessee, Guarantor or any such Affiliate regarding the title, physical condition, or use of the Leased Property or any of their Affiliates which Lessee or Guarantor or any of their Affiliates knew or should reasonably have known was necessary to make the information provided not materially misleading.

(s) UTILITIES. All water, sewer, electric, gas, telephone and drainage facilities, all other utilities required to adequately service the Leased Property for its intended use and means of access between the Financed Improvements and public highways for pedestrians and motor vehicles will be available pursuant to adequate permits (including any that may be required under applicable Environmental Laws). No fire or other casualty has occurred. All utilities serving the Leased Property, or proposed to serve the Leased Property in accordance with the Approved Plans and Specifications, are or will be located in, and vehicular access to the Leased Property, including to the Financed Improvements, is provided by, either public rights-of-way abutting the Leased Property or Appurtenant Rights.

(t) LEASED PROPERTY. The contemplated use of the Leased Property by Lessee and its agents, assignees, employees, lessees, licenses and tenants will comply in all material respects with all Applicable Laws (including, without limitation, all zoning and land use laws and Environmental Laws) and Insurance Requirements. With respect to the Leased Property, all material licenses, approvals, authorizations, consents, permits (including, without limitation, building, demolition and environmental permits, licenses, approvals, authorizations and consents), easements and rights-of-way, including proof and dedication, required for (x) the use, treatment, storage, transport, disposal or disposition of any Hazardous Substance on, at, under or from the Leased Property during the construction of the applicable Improvements thereon, (y) construction of the Financed Improvements in accordance with the Approved Plans and Specifications and the Construction Agency Agreement and (z) the use, occupancy and operation of the Leased

Property have either been obtained from the appropriate Governmental Authorities having jurisdiction or from private parties, as the case may be, or will be obtained from the appropriate Governmental Authorities having jurisdiction or from private parties, as the case may be, prior to commencing any such construction or use and operation as applicable.

(u) FLOOD HAZARD AREAS. No portion of the Leased Property is located in an area identified as a special flood hazard area by the Federal Emergency Management Agency or other applicable Governmental Authority. If the Leased Property is located in an area identified as a special flood hazard area by the Federal Emergency Management Agency or other applicable Governmental Authority, then, to the extent required by Applicable Laws, flood insurance has been obtained by Lessee in accordance with the National Flood Insurance Act of 1968, as amended.

(v) OWNERSHIP, NATURE, CONDITION AND USE OF THE LEASED PROPERTY.

(i) Lessor has acquired and holds the fee interest in the Leased Property free and clear of all liens other than Permitted Liens. None of Guarantor, Lessee or any of their Affiliates, including TeleTech Customer Care Management, Inc., is a party to any contract or agreement to sell, transfer or encumber any interest in the Leased Property or any part thereof, other than pursuant to this Participation Agreement and the Lease.

(ii) The Leased Property is located in the State of Colorado, County of Arapahoe. The Leased Property and any present use and presently anticipated future use thereof by Lessee and its agents, assignees, employees, invitees, lessees, licensees and tenants comply in all material respects with all Applicable Laws (including zoning and land use laws and Environmental Laws), except for such instances of non-compliance that would not have, individually or in the aggregate, a Material Adverse Effect, and Insurance Requirements. No notices, complaints or orders of violation or non-compliance or liability have been issued or, to the best knowledge of Lessee and Guarantor, threatened by any Person with respect to the Leased Property or the present or intended future use thereof, except for such violations and instances of non-compliance as could not have, individually or in the aggregate, a Material Adverse Effect, and neither Lessee nor Guarantor is aware of any circumstances which could

give rise to the issuance of any such notices, complaints or orders.

(w) PERFECTION OF SECURITY INTEREST; FILINGS. The Lease constitutes an enforceable, first priority lien of record and perfected security interest of record in Lessee's interest in the Leased Property in favor of Lessor, subject to Permitted Liens, as against all Persons, including Lessee and its creditors. Except for the filings and recordings listed in SCHEDULE 6.1(j) (which filings or recordings, or arrangements therefor meeting the requirements specified herein, shall have been duly made on or before the Advance Date (including the payment of any fees or taxes relating to any of the foregoing)), no other filings or recordings are necessary to validly and effectively convey to Lessor good and marketable fee simple title in the Land, and Administrative Agent has a valid and enforceable first priority Lien for the benefit of the Participants in the Leased Property and the other TeleTech Collateral free and clear of all other Liens, other than Permitted Liens. Neither Lessee, Guarantor nor any of their Affiliates has created, consented to, incurred or suffered to exist any Lien upon the Leased Property, other than Permitted Liens.

(x) OFFER OF SECURITIES, ETC. Neither Lessee or Guarantor, nor any Person authorized to act on behalf of either of them, has directly or indirectly offered the Notes or the Certificates (including the related Guarantees) or any other similar securities (the sale or offer of which would be integrated with the sale or offer of the Notes, the Certificates or the Guarantees), for sale to, or solicited any offer to acquire any of the same from, any Person other than the Participants and other "accredited investors" (as defined in the Regulation D of the SEC), each of whom was offered a portion thereof at private sale for investment.

(y) ADVANCE. The amount of each Advance requested represents amounts owed by Construction Agent in respect of Construction Costs incurred prior to the date of such Advance and for which Construction Agent has not previously been reimbursed by an Advance or represent amounts with respect to Capitalized Interest, Capitalized Yield or Capitalized Fees.

SECTION 7.3. REPRESENTATIONS OF LESSOR. The Bank, in its individual capacity and not as Lessor (except to the extent specifically provided for below), represents and warrants to each of the other parties hereto as follows:

(a) CHIEF EXECUTIVE OFFICE. The Bank's chief executive office or place of business (if it has only one place of business) and the place where the documents, accounts and records relating to the Overall Transaction are kept are located at its address set forth in SCHEDULE III.

(b) DUE ORGANIZATION, ETC. The Bank is a national banking association duly organized and validly existing in good standing under the laws of the United States and has full corporate power and authority to execute, deliver and perform its obligations: (i) in its individual capacity under the Trust Agreement and, to the extent it is a party hereto in its individual capacity, this Participation Agreement, and (ii) acting as Lessor under the Trust Agreement, under this Participation Agreement and each other Operative Document to which it is or will be a party as Lessor.

(c) DUE AUTHORIZATION; ENFORCEABILITY, ETC. This Participation Agreement and each other Operative Document to which the Bank is or will be a party have been or will be (to the extent it is to be a party thereto in its individual capacity), duly authorized, executed and delivered by or on behalf of the Bank (in its individual capacity) and are, or upon execution and delivery will be, legal, valid and binding obligations of the Bank (in its individual capacity), enforceable against it in accordance with their respective terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, or similar laws affecting creditors' rights generally and by general equitable principles. The Operative Documents to which Lessor is a party constitute the legal, valid and binding obligation of Lessor (acting solely as Lessor under the Trust Agreement, and not in its individual capacity), except as such enforceability may be limited by applicable bankruptcy, insolvency or similar laws affecting creditors' rights generally and by general equitable principles.

(d) NO CONFLICT. The execution and delivery by (i) the Bank, in its individual capacity, of the Trust Agreement and, to the extent it is a party hereto in its individual capacity, this Participation Agreement and (ii) the Bank, in its capacity as Lessor, of each Operative Document to which Lessor is or will be a party, are not and will not be, and the performance by the Bank, in its individual capacity or as Lessor, as the case may be, of its obligations under each are not and will not be, inconsistent with the articles of association or by-laws of the Bank, do not and will not contravene any Applicable Laws of the United States of America or the State of Connecticut relating to the banking or trust powers of the Bank and do not and will not contravene any provision of, or

constitute a default under, any indenture, mortgage, chattel mortgage, deed of trust, lease, conditional sales contract, loan or credit arrangement or other agreement or instrument to which the Bank is a party or by which it or its properties may be bound or affected.

(e) NO APPROVALS, ETC. Neither the execution and delivery by the Bank in its individual capacity or (assuming the due authorization, execution and delivery of the Trust Agreement by each Certificate Holder) as Lessor, as the case may be, of any of the Operative Documents to which it is a party requires the consent or approval of, or the giving of notice to or registration with, or the taking of any other action in respect of, the United States of America or the Governmental Authority of Connecticut governing its banking practices.

(f) LESSOR LIENS. The Leased Property is free and clear of all Lessor Liens attributable to the Bank and no act or omission by it has occurred which would give rise to a Lessor Lien attributable to it.

(g) LITIGATION. There is no action, proceeding or investigation pending or, to the best knowledge of the Bank, threatened against the Bank or Lessor which questions the validity of any of the Operative Documents, and there is no action, proceeding or investigation pending or, to the best knowledge of the Bank, threatened which is likely to result, either in any case or in the aggregate, in any material adverse change in the ability of the Bank or Lessor to perform its obligations under the Operative Documents to which it is a party.

(h) SECURITIES ACT. Neither the Bank nor Lessor nor any Person authorized to act on its behalf has offered or sold any interest in the Notes or Certificates (including the Guarantees), or in any similar security relating to the Leased Property, or in any security, the offering of which for the purposes of the Securities Act would be deemed to be part of the same offering as the offering of the aforementioned securities, to, or solicited any offer to acquire any of the same from, any Person other than, in the case of the Notes, the Lenders, and in the case of the Certificates, the Certificate Holders, each of whom was offered a portion thereof at private sale for investment, and neither the Bank nor Lessor nor any Person authorized to act on its behalf will take any action which would require registration of the offer or sale of any interest in the Notes or Certificates (or the Guarantees) pursuant to the provisions of Section 5 of the Securities Act or any state securities laws.

SECTION 7.4. REPRESENTATIONS AND WARRANTIES OF ADMINISTRATIVE AGENT. First Security Bank, National Association, in its individual capacity and not as Administrative Agent (except as specifically provided for below), hereby represents and warrants to each of the other parties hereto that:

(a) ORGANIZATION AND AUTHORITY. It is duly organized as a national banking association under the laws of the United States and has the power and authority to enter into and perform its obligations under the Operative Documents.

(b) AUTHORIZATION; BINDING EFFECT. The Operative Documents to which Administrative Agent is or will be a party have been or will be, on the date required to be delivered hereby, duly authorized, executed and delivered by Administrative Agent, and this Participation Agreement is, and such other Operative Documents are, or, when so executed and delivered by Administrative Agent will be, valid, legal and binding agreements of Administrative Agent, enforceable against Administrative Agent in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity.

(c) NON-CONTRAVENTION. Neither the execution and delivery by Administrative Agent of the Operative Documents to which it is or will be a party, either in its individual capacity, or as Administrative Agent, or both, nor compliance with the terms and provisions thereof, conflicts with, results in a breach of, constitutes a default under (with or without the giving of notice or lapse of time or both), or violates any of the terms, conditions or provisions of: (i) its charter documents or bylaws; (ii) any bond, debenture, note, mortgage, indenture, agreement, lease or other instrument to which it is now a party or by which it or its property, either in its individual capacity, or as Administrative Agent, or both, is bound or affected, where such conflict, breach, default or violation would be reasonably likely to materially and adversely affect the ability of Administrative Agent, either in its individual capacity, or as Administrative Agent, or both, to perform its obligations under any Operative Document to which it is or will be a party, either in its individual capacity, or as Administrative Agent, or both; or (iii) any of the terms, conditions or provisions of any law, rule, regulation, order, injunction or decree of any federal banking or Utah Governmental Authority applicable to it in its individual capacity or as Administrative Agent, or both, where such conflict, breach, default or violation would be reasonably likely to materially and adversely

affect the ability of Administrative Agent, either in its individual capacity, or as Administrative Agent, or both, to perform its obligations under any Operative Document to which it is or will be a party.

(d) ABSENCE OF LITIGATION, ETC. There is no litigation (including derivative actions), arbitration or governmental proceedings pending or, to the best knowledge of Administrative Agent, threatened against it which would be reasonably likely to adversely affect Administrative Agent's ability to perform its obligations under the Operative Documents to which it is or will be a party.

(e) GOVERNMENTAL APPROVALS. No action, consent or approval of, registration or filing with or any other action by any Governmental Authority is or will be required by Administrative Agent in connection with the Overall Transaction, except those which have been made or obtained or will be obtained on a timely basis in the ordinary course of Administrative Agent's business, and which are in full force and effect.

ARTICLE VIII
COVENANTS OF LESSEE, CONSTRUCTION AGENT AND GUARANTOR

SECTION 8.1. CONSTRUCTION MATTERS. Each of TeleTech Services Corporation, as Lessee and as Construction Agent, and Guarantor, jointly and severally, covenants and agrees with Lessor, Administrative Agent and each of the Participants that from the Second Document Closing Date through the Completion Date, Lessee, in its individual capacity and as Construction Agent, and Guarantor, shall comply, and Guarantor shall cause TeleTech Services Corporation in such capacities to comply, with the following provisions of this SECTION 8.1.

(a) COMPLETION; FINAL COMPLETION. Construction Agent shall cause Substantial Completion to occur prior to the Outside Completion Date in accordance with the standards set forth at SECTION 6.3. No proceeds of any of the Advances shall be used to pay for personal property, including, without limitation, furniture, trade fixtures or equipment. Construction Agent shall cause Final Completion to occur not later than one hundred eighty (180) days after the Outside Completion Date.

(b) CONSTRUCTION ASSURANCES. Each Person engaged by Construction Agent on behalf of Lessor that is a signatory to each Major Construction Document shall covenant and agree in a writing

(which writing may be incorporated in an acknowledgment or consent to an assignment of such Major Construction Document to Administrative Agent) that: (i) none of Lessor, any Agent or any Participant is personally liable for any claims or obligations incurred under such contract, (ii) such Person will provide written notice to Lessor and Agents of any material breach under such contract and, during the existence of an Event of Default, Lessor and Administrative Agent shall have at least sixty (60) days following the receipt of such notice to cure such breach, and (iii) upon written request of Lessor or Administrative Agent, such Person shall provide to Lessor and Administrative Agent an estoppel certificate in respect of such contract in a form reasonably requested by Lessor or Administrative Agent.

(c) CONSTRUCTION PROGRESS INFORMATION. Construction Agent shall furnish or cause to be furnished to Lessor or, if requested in lieu thereof, Administrative Agent, upon request (but, so long as no Event of Default has occurred and is continuing, not more than once per calendar month or such shorter period to coincide with Advance Requests), on forms approved by Administrative Agent, such details concerning the Construction as Lessor or Administrative Agent, as applicable, shall reasonably require, including: (i) the costs incurred and the progress of the Financed Improvements, (ii) copies of any modifications or changes to the Approved Plans and Specifications, and (iii) a list of the names and addresses of Construction Agent's and General Contractor's materials dealers and subcontractors with whom written agreements have been made by Construction or the General Contractor.

(d) LESSEE'S FUNDING OF TENANT IMPROVEMENTS. Lessee shall pay directly, from its own funds, for a portion of the costs and expenses associated with construction of the Tenant Improvements in an amount equal to the Lessee Funding Amount, which payments shall be made in accordance with the schedule set forth in the Lessee Funding Schedule; provided that Lessee shall not be obligated to make any such payments until three (3) months after the initial Advance Date. Notwithstanding any statement contained in any of the Operative Documents to the contrary, the parties hereto acknowledge and agree that in no event shall any of the Participants be required to fund any amounts under their respective Commitment for the costs associated with the construction of the Tenant Improvements until Lessee has fully contributed the Lessee Funding Amount toward the payment of such costs; provided, however, the Participants agree that so long as all of the other conditions precedent to Funding set forth in the Operative Documents have otherwise been satisfied, the Participants agree to fund the first

\$300,000 of Tenant Improvement construction costs during the first three (3) months after the initial Advance Date, if, and only if, Construction Agent determines it is necessary that the Funding for such costs be made during such time period.

SECTION 8.2. ADDITIONAL COVENANTS OF LESSEE AND GUARANTOR. Each of Lessee and Guarantor, jointly and severally, covenants and agrees with Lessor, Administrative Agent and each of the Participants that Lessee and Guarantor shall comply with the following provisions of this SECTION 8.2, applicable to it, it being understood that the following covenants are in addition to, and not by way of limitation of, any covenant set forth in the Construction Agency Agreement or the Lease.

(a) FURTHER ASSURANCES. Each of Lessee and Guarantor, at its cost and expense, will (i) cause to be promptly and duly taken, executed, acknowledged and delivered all such further acts, documents and assurances as Lessor, Administrative Agent or any Participant reasonably may request from time to time in order to carry out more effectively the intent and purposes of this Participation Agreement and the other Operative Documents and the Overall Transaction; and (ii) cause all financing statements (including precautionary financing statements), fixture filings, mortgages and other documents, to be recorded or filed at such places and times in such manner, and will take all such other actions or cause such actions to be taken, as may be necessary or as may be reasonably requested by the Administrative Agent, any Participant or Lessor in order to establish, preserve, protect and perfect the title and Lien of Lessor and/or Administrative Agent in the Leased Property and Lessor's, Administrative Agent's and/or any Participant's rights under this Participation Agreement and the other Operative Documents.

(b) LIENS. Lessee shall not, by any act or omission to act, incur or suffer to exist any Lien on the Leased Property other than Permitted Liens.

(c) CHANGE OF NAME OR ADDRESS. Lessee and Guarantor shall each provide Lessor and Administrative Agent thirty (30) days' prior written notice of any change in name, or the address of its chief executive office (or place of business if it has only one place of business) or the office where it keeps its records concerning its accounts and the Leased Property.

(d) FINANCIAL AND OTHER INFORMATION. Lessee and Guarantor shall furnish, or cause to be furnished, to the Administrative Agent, in form and detail reasonably satisfactory to

the Administrative Agent, with sufficient copies for Lessor and each Participant:

(i) As soon as available, but not later than the earlier of (i) five (5) days after the filing thereof with the SEC and (ii) 120 days after the end of each fiscal year (commencing with the fiscal year ended December 31, 1999), a copy of the audited consolidated balance sheet of Guarantor and its subsidiaries as of the end of such year and the related consolidated statements of income or operations, shareholders' equity and cash flows for such year, setting forth in each case in comparative form the figures for the previous fiscal year, and accompanied by the opinion of Arthur Andersen LLP or another nationally-recognized independent public accounting firm ("INDEPENDENT AUDITOR") which report shall state that such consolidated financial statements present fairly the financial position for the periods indicated in conformity with GAAP applied on a basis consistent with prior years. Such opinion shall not be qualified or limited because of a restricted or limited examination by the Independent Auditor of any material portion of Guarantor's or any Subsidiary's records.

(ii) As soon as available, but not later than the earlier of (i) five (5) days after the filing thereof with the SEC and (ii) 45 days after the end of each of the first three fiscal quarters of each fiscal year, a copy of the unaudited consolidated balance sheet of Guarantor and its subsidiaries as of the end of such quarter and the related consolidated statements of income, shareholders' equity and cash flows for the period commencing on the first day and ending on the last day of such quarter, setting forth in each case in comparative form the figures for the previous fiscal year and certified by a Responsible Officer as fairly presenting, in accordance with GAAP (subject to ordinary, good faith year-end audit adjustments), the financial position and the results of operations of Guarantor and its subsidiaries.

(iii) Concurrently with the delivery of the financial statements referred to in SECTION 8.2(d)(i), a certificate of the Independent Auditor stating that in making the examination necessary therefor no knowledge was obtained of any Default or Event of Default, except as specified in such certificate.

(iv) Concurrently with the delivery of the financial statements referred to in SECTION 8.2(d)(i) and (d)(ii) a certificate of the chief financial officer of Guarantor, in

the form of EXHIBIT O hereto, (A) demonstrating, in reasonable detail and with the supporting calculations, compliance with the financial covenants set forth in SECTION 8.2 or in the Credit Agreement to the extent incorporated by reference herein at SECTION 8.4 and (B) stating that no Event of Default or Default has occurred and is continuing, setting forth details of such Event of Default or Default and the action that Lessee or Guarantor, as applicable, have taken and proposes to take with respect thereto;

(v) Concurrently with the delivery of the financial statements referred to in SECTION 8.2(d)(i), (i) a consolidating income statement for such year (which need not be audited), and (ii) a budget for the next succeeding fiscal year.

(vi) Concurrently with the delivery of the financial statements referred to in SECTION 8.2(d)(ii), a consolidating income statement for such quarter.

(vii) Promptly, copies of all financial statements and reports that Guarantor sends to its shareholders and within five (5) days of filing with the SEC, copies of all financial statements and regular, periodic or special reports (including Forms 10K, 10Q and 8K) that Guarantor or any subsidiary may make to, or file with, the SEC.

(viii) Promptly, such additional information regarding the business, financial or corporate affairs of Guarantor or any subsidiary as the Administrative Agent, at the request of any Participant, may from time to time reasonably request.

(ix) Within five Business Days after the occurrence of any event which constitutes an Event of Default or Default, if such occurrence is then continuing notice of such occurrence together with a statement by a Responsible Officer of Guarantor stating the facts with respect thereto and the actions that the Lessee or Guarantor, as applicable, have taken or proposed to take with respect thereto;

(x) As soon as possible and in any event within five days after the commencement of litigation against the Lessee, Guarantor, or any of Guarantor's Subsidiaries, or the receipt of a notice of default by the Lessee or Guarantor or any of Guarantor's Subsidiaries, that could reasonably be expected to have a Material Adverse Effect, notice of such litigation or notice of default describing in reasonable detail the facts

and circumstances concerning such litigation or default and Lessee's, Guarantor's or Guarantor's Subsidiary's, as applicable, proposed actions in connection therewith; and

(xi) Such other information respecting the condition or operations, financial or otherwise, of Lessee, Guarantor or any Subsidiary of Guarantor as any Participant through the Administrative Agent may from time to time reasonably request.

(e) RATES. With respect to each determination of Interest and Yield pursuant to this Participation Agreement, the Loan Agreement, the Trust Agreement and Basic Rent under the Lease, Lessee acknowledges and agrees to Sections 2.5, 2.6 and 2.7 of the Loan Agreement, Sections 2.4 and 2.5 of the Trust Agreement, and SECTIONS 4.1, 4.2 and 4.3 (a) hereof and the applicable definitions in APPENDIX 1.

(f) OWNERSHIP INTEREST IN LESSEE. Guarantor shall cause Lessee to remain a directly or indirectly wholly-owned Subsidiary of Guarantor.

(g) REAPPRAISAL; ADDITIONAL COLLATERAL. Unless otherwise waived in writing by the Required Participants Lessee on the second (2nd) anniversary of the Second Closing Date, Administrative Agent shall have received an appraisal in form and substance satisfactory to each of the Participants which shall establish (by the use of appraisal methods satisfactory to the Participants) the Fair Market Value of the Leased Property as of such second (2nd) anniversary of the Second Closing Date. In the event the Fair Market Value of the Leased Property evidenced by such appraisal (the "SECOND ANNIVERSARY FMV") is less than the then outstanding Lease Balance ("SECOND ANNIVERSARY LEASE BALANCE"), within ten (10) days of the request therefor, Lessee shall deliver to Administrative Agent, on behalf of and for the benefit of the Participants, cash collateral or other acceptable non-cash securities collateral, in the amount of the difference between the Second Anniversary FMV and the Second Anniversary Lease Balance (but in no event in an amount greater than the difference between the Aggregate Commitment Amount and the "as-built" Fair Market Value as of the Estimated Completion Date of the Leased Property set forth in the Appraisal obtained under Section 6.1(h)(ii)). Lessee shall, promptly upon request, execute and deliver, or cause to be executed and delivered, any and all documents and instruments and to take such other actions as are required by the Participants in order to effectuate the provisions of this paragraph and to create perfected security interests in and to the additional

collateral (including all investments, return or proceeds thereof) referred to herein in favor of the Participants. Such additional collateral shall be deemed part of the Teletech Collateral.

SECTION 8.3. FINANCIAL COVENANTS.

(a) DEBT TO EBITDAR RATIO. Guarantor shall not, as of the last day of any fiscal quarter, permit its Debt to EBITDAR Ratio to be greater than 3.0 to 1.0.

(b) FIXED CHARGE COVERAGE RATIO. Guarantor shall not, as of the last day of any fiscal quarter, permit its ratio of (a) EBITDAR for the period of four concurrent fiscal quarters than ending to (b) Fixed Charges for such four fiscal quarter period to be less than 2.5 to 1.0.

(c) QUARTERLY PROFITABILITY. Guarantor shall have Net Income for each fiscal quarter of at least \$1.00.

(d) Guarantor shall not, at any time, permit its aggregate Liquid Assets to be less than \$25,000,000.

SECTION 8.4. CREDIT AGREEMENT COVENANTS. Lessee will perform, comply with and be bound by, for the benefit of Lessor and each Participant, each of its agreements, covenants and obligations contained in Articles VI and VII (other than Sections 6.01, 6.02, 6.03(a), 6.12, 6.13, 7.16, 7.17 and 7.18) of the Credit Agreement (together with the related definitions and ancillary provisions) as in effect on the date hereof. The above-specified provisions of the Credit Agreement are incorporated herein by reference and will be deemed to continue in effect for the benefit of the Lessor, Administrative Agent and the Participants until the Expiration Date, without limiting the foregoing, whether or not the Credit Agreement or any Commitment thereunder remains in effect or the "Obligations" (as that term is therein defined in the Credit Agreement) are paid and discharged. For purposes of the foregoing, references to the provisions of the Credit Agreement incorporated herein by reference (i) to "Company" shall refer to Guarantor, (ii) "Lender" or "Lenders" shall refer to Participant or Participants respectively, (iii) "Administrative Agent" shall refer to Administrative Agent, and (iv) "Agreement" shall refer to this Participation Agreement.

ARTICLE IX
OTHER COVENANTS AND AGREEMENTS

SECTION 9.1. COVENANTS OF THE PARTICIPANTS, THE ADMINISTRATIVE AGENT AND THE BANK.

(a) LESSOR LIENS. Each of the Participants (severally and not jointly with any other Participants), the Administrative Agent and the Bank hereby agrees that so long as this Participation Agreement is in effect it:

(i) will not create, incur, assume or suffer to exist any Lessor Lien attributable to it upon the Lease or the Leased Property (other than as contemplated by any of the Operative Documents); and

(ii) will remove any Lessor Lien created or incurred by it and use its best efforts to remove any Lessor Lien attributable to it assumed or suffered to exist by it upon the Lease or the Leased Property (other than the Deed of Trust and such other Liens as are contemplated by any of the Operative Documents); PROVIDED, HOWEVER, that any action taken pursuant to this CLAUSE (ii) shall not limit Lessee's rights or remedies under any of the Operative Documents. In the event of any Lessor Lien attributable to Bank, in addition to complying with its obligations under this CLAUSE (ii), Bank will cause restitution to be made to the Trust Estate in the amount of any diminution of the value thereof as a result of such Lessor Lien.

(b) TRUST AGREEMENT. Without prejudice to any right under the Trust Agreement of Bank to resign as Lessor, or the Certificate Holders' rights under the Trust Agreement to remove Lessor, each of the Certificate Holders hereby agrees with Lessee (so long as no Event of Default shall have occurred and be continuing), the Lenders and the Administrative Agent (i) not to terminate or revoke the trust created by the Trust Agreement, except as permitted by the Trust Agreement, prior to the later of the Expiration Date or the payment in full of the obligations under the Notes and Certificates, (ii) not to amend, supplement, terminate or revoke or otherwise modify any provision of the Trust Agreement prior to the Expiration Date in such a manner as to materially and adversely affect the rights of any such party, (iii) except as otherwise expressly authorized under the Operative Documents, not to withdraw from the Trust Estate any funds other than amounts payable to it by Administrative Agent as distributions of Basic Rent and Supplemental Rent (including Excepted Payments)

without the prior written consent of each such party and (iv) to comply with all of the terms of the Trust Agreement applicable to it, the nonperformance of which would adversely affect such party.

(c) SUCCESSOR CERTIFICATE TRUSTEE. Lessor or any successor may resign or be removed by the Participants as Certificate Trustee, a successor Certificate Trustee may be appointed, and a corporation may become Lessor under the Trust Agreement, only in accordance with the provisions of the Trust Agreement. Notwithstanding anything to the contrary contained in this Participation Agreement or the Trust Agreement, so long as no Event of Default shall be continuing, the appointment of a successor Certificate Trustee shall be subject to the consent of Lessee (such consent not to be unreasonably withheld or delayed).

(d) INDEBTEDNESS; OTHER BUSINESS. Bank agrees that it, in its capacity as Lessor, shall not, on behalf of the Trust, contract for, create, incur or assume any Indebtedness, or enter into any business or other activity, other than pursuant to or under the Operative Documents and, for the benefit of Lessee, Administrative Agent and the Lenders, Bank agrees in such capacity to be bound by Section 1.2(b) and Article III of the Trust Agreement.

(e) CHANGE OF PRINCIPAL PLACE OF BUSINESS. Bank agrees that it, in its capacity as Lessor, shall give prompt notice to the Certificate Holders, Lessee and Administrative Agent, if Lessor's principal place of business or chief executive office (if it has more than one place of business), or the office where the records concerning the accounts or contract rights relating to the Overall Transaction are kept, shall cease to be located at the address in the State of Connecticut set forth on SCHEDULE III, or if it shall change its name or identity.

(f) ACCEPTANCE OF PROVISIONS OF LEASE. The Participants, the Administrative Agent and Lessor hereby acknowledge and accept the provisions of Sections 13.4 and 21.1 of the Lease.

(g) DEPRECIATION. Prior to the Expiration Date and during the continuance of the Sale Option Period, neither Lessor nor any Participant shall claim any federal or state tax attributes or benefits (including depreciation) relating to the Leased Property unless required to do so by an appropriate taxing authority or after a clearly applicable change in Applicable Laws or as a protective response to a proposed adjustment by a Governmental Authority; PROVIDED, HOWEVER, that if an appropriate

taxing authority shall require Lessor or any Participant to claim any such federal or state tax attributes or benefits, such Person shall promptly notify Lessee thereof and shall permit Lessee to contest such requirement in a manner similar to the contest rights provided in, and subject to any applicable limitation to a contest contained in, SECTION 12.5(b).

(h) **INSOLVENCY PROCEEDINGS.** Each of the Participants, Lessor, in its individual capacity, and the Administrative Agent, in its respective individual capacity, and Lessee covenants as to itself, not jointly with any other Person, that it shall not (i) commence any action, proceeding or other case with respect to Lessor under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization, arrangement, winding up, liquidation, dissolution, composition or other relief with respect to indebtedness, (ii) seek appointment of a receiver, trustee, custodian or other similar official with respect to Lessor and for all or any substantial benefit of the creditors of Lessor, or (iii) take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in this CLAUSE (i), except in each case, as expressly permitted pursuant to the Loan Agreement upon the occurrence of a Loan Event of Default.

(i) **RELEASE OF DOCUMENTS.** Administrative Agent hereby agrees that, upon a sale of the Leased Property pursuant to Section 20.1 of the Lease and payment of all amounts due and owing from Lessee and Construction Agent under the Operative Documents or repayment in full of all Loans and Certificate Amounts and all other amounts due and owing from Lessee and Construction Agent under the Operative Documents to Administrative Agent and the Participants, Administrative Agent shall promptly execute and deliver to Lessee a release of the Mortgage, releases of the Construction Agency Agreement Assignment, and releases of all other Liens created by the Operative Documents, and termination statements for any financing statements relating to the Leased Property which are then of record naming Administrative Agent as secured party or assignee thereof.

ARTICLE X
REPLACEMENT OF PARTICIPANTS

SECTION 10.1. REPLACEMENT OF PARTICIPANTS. Lessee or Arranger, acting at the direction of the Required Participants and with the approval of Lessee, may replace (a) any Certificate Holder or any Lender that breaches its obligation under SECTION 3.1 or

3.2, as the case may be, to fund a Certificate Amount or make a Loan, or (b) any Certificate Holder or Lender with respect to which, (i) the right to pay Interest or Yield by reference to the LIBO Rate shall be suspended under SECTION 13.1 or 13.2, or (ii) there are or would be any claim for reimbursement or compensation under SECTION 13.3(a) or 13.5.

SECTION 10.2. COOPERATION. Administrative Agent and Lessor hereby agree to cooperate with Lessee, at Lessee's sole cost and expense if Lessee is acting pursuant to SECTION 10.1, in Lessee's efforts to arrange one or more Replacement Participants as contemplated by this SECTION 10.2.

ARTICLE XI
TRANSFERS OF PARTICIPANTS' INTERESTS

SECTION 11.1. ASSIGNMENTS.

(a) All or any part of the interest of any Lender in, to or under this Participation Agreement, the other Operative Documents, the Leased Property or the Notes may be assigned or transferred by such Lender at any time to any Person; PROVIDED, HOWEVER, that (i) each assignment or transfer shall comply with all applicable securities laws; (ii) each assignment or transfer shall consist of a transfer of equivalent portions of such Lender's Notes and equivalent portions of such Lender's rights and obligations under the Loan Agreement; (iii) unless both parties to the assignment are Participants immediately prior to giving effect to the assignment, each assignment or transfer of Loans shall be in a minimum aggregate amount of \$10,000,000 (or if less, the entire amount of such Participant's Commitment) and \$1,000,000 integral multiples in excess thereof (or such Participant's entire Commitment); (iv) each such assignment shall be to an Eligible Assignee; (v) unless the assignee or transferee is a then existing Participant, or a then existing lender under the Credit Agreement, or an Event of Default has occurred and is continuing, the transferee or assignee shall be a Person consented to in writing by Lessee, such consent not to be unreasonably withheld or delayed; (vi) Administrative Agent shall have received from the assignee/transferee or the assignor/transferor a transfer fee in the amount of \$2,500; and (vii) each assignee or transferee shall (A) comply, as of the date of the transfer, with the delivery requirements of SECTION 11.3(a); (B) acknowledge in writing, addressed and delivered to each of the Persons then party to this Participation Agreement, that the obligations to be performed from and after the date of such transfer or assignment under this

Participation Agreement and all other Operative Documents are its obligations, including the obligations imposed by this SECTION 11.1(a) (and the transferor and transferee Participant shall deliver to Lessee, Administrative Agent and Lessor an Assignment Agreement, in substantially the form of EXHIBIT N and an Investor's Letter in substantially the form of SCHEDULE II to EXHIBIT N, each executed by the assignee or transferee) and (C) represent and warrant to Lessor, Administrative Agent, each Participant and Lessee in writing each of the representations and warranties as set forth in SECTION 7.1 and that:

(w) it has the requisite power and authority to accept such assignment or transfer;

(x) it will not transfer any Note unless the proposed transferee makes the foregoing representations and covenants;

(y) it will not take any action with respect to such Note that would violate any applicable securities laws; and

(z) it will not assign or transfer any interest in its Note except in compliance with this SECTION 11.1.

Any transfer or assignment made in violation of the above requirements shall not be effective against the other parties to this Participation Agreement until such requirements are satisfied.

(b) Any Certificate Holder may assign or transfer all or any part of its interest in, to and under this Participation Agreement, the other Operative Documents and the Leased Property at any time to any Person; PROVIDED, HOWEVER, that (i) unless the assignee or transferee is a then existing Participant or a then existing lender under the Credit Agreement or an Event of Default has occurred and is continuing, the assignee or transferee shall be a Person consented to in writing by Lessee, such consent not to be unreasonably withheld or delayed; (ii) each such assignment shall be of a constant, and not a varying, percentage of all such rights and obligations, (iii) unless both parties to the assignment are Participants immediately prior to giving effect to the assignment, the amount of the commitment of the assigning Certificate Holder being assigned pursuant to each such assignment shall not be less than \$5,000,000 (or if less, the entire amount of such Participant's Commitment) and shall be an integral multiple of \$1,000,000 (or such Participant's entire commitment), (iv) each such assignment shall be to an Eligible Assignee, (v) the Administrative Agent shall have received from assignee/transferee or the assignor/transferor a transfer fee in the amount of \$2,500;

PROVIDED, HOWEVER, that only one fee need be paid if transfers under both SECTION 11.1(a) and 11.1(b) are made concurrently, (vi) each assignment or transfer shall comply with all applicable securities laws; and (vii) each assignee or transferee shall (A) comply, as of the date of the transfer, with the delivery requirements of SECTION 11.3(a); (B) acknowledge in writing, addressed and delivered to each of the Persons then party to this Participation Agreement, that the obligations to be performed from and after the date of such transfer or assignment under this Participation Agreement and all other Operative Documents are its obligations, including the obligations imposed by this SECTION 11.1(b) (and the transferor and transferee Certificate Holder shall deliver to Lessee, Lessor and Administrative Agent an Assignment Agreement, in substantially the form of EXHIBIT N and an Investor's Letter in substantially the form of SCHEDULE II to EXHIBIT N, executed by the assignee or transferee) and (C) represent and warrant to Lessor, Administrative Agent, each Participant and Lessee as set forth in SECTION 7.1 and that:

(v) it has the requisite power and authority to accept such assignment or transfer and to engage in the Overall Transaction;

(w) it will not take any action with respect to its Certificate that would violate any applicable securities laws;

(x) it will not assign or transfer any Certificate except in compliance with this SECTION 11.1(b); and

(y) it will not transfer any Certificate unless the proposed transferee makes the foregoing representations and covenants.

Any transfer or assignment made in violation of the above requirements shall not be effective against the other parties to this Participation Agreement until such requirements are satisfied.

SECTION 11.2. PARTICIPATIONS. Any Participant may at any time sell to one or more commercial banks or other Persons (each of such commercial banks and other Persons being herein called a "SUB-PARTICIPANT") participating interests in all or a portion of its rights and obligations under this Participation Agreement, the other Operative Documents, or its Notes or Certificates (including, without limitation, all or portion of the Rent owing to it); PROVIDED, HOWEVER, that:

(a) no participation contemplated in this SECTION 11.2 shall relieve such Participant from its obligations hereunder or under any other Operative Document;

(b) such Participant shall remain solely responsible for the performance of its Commitment and such other obligations;

(c) Lessee shall continue to deal solely and directly with such Participant in connection with such Participant's rights and obligations under this Participation Agreement and each of the other Operative Documents;

(d) each such Sub-Participant will make representations and warranties to the Participant that are consistent with SECTION 7.1, MUTATIS MUTANDIS;

(e) no Sub-Participant, unless such Sub-Participant is an Affiliate of such Participant, or is itself a Participant, shall be entitled to have any right to vote or grant or withhold consents or otherwise to require such Participant or Lessee to take or refrain from taking any action hereunder or under any other Operative Document;

(f) no Sub-Participant shall be entitled to the benefits of ARTICLE XIII in excess of the right of the Participant selling the relevant participating interest; and

(g) unless such Sub-Participant is an existing Participant, such participation shall be subject to the consent of Lessee, not to be unreasonably withheld or delayed; provided, however, that no consent shall be required during the existence and continuation of an Event of Default.

SECTION 11.3. WITHHOLDING TAXES; DISCLOSURE OF INFORMATION; PLEDGE UNDER REGULATION A.

(a) If any Participant or any assignee of, or Sub-Participant in, any Note or Certificate (each such assignee or Sub-Participant, a "TRANSFeree") is organized under the laws of any jurisdiction other than the United States or any State thereof, then such Participant or Transferee, as applicable, shall (as a condition precedent to acquiring or participating in any Loan or Certificate and as a continuing obligation to Lessor and Lessee) (i) furnish to Lessor, Administrative Agent and Lessee in duplicate, for each taxable year of such Participant or Transferee during the Term, a properly completed and executed copy of either Internal Revenue Service Form W-8 ECI or Internal Revenue Service

Form 1001 and Internal Revenue Service Form W-8 BEN and Internal Revenue Service Form W-8 BEN or Internal Revenue Service Form W-8 or Internal Revenue Form W-9 and any additional form (and such other form) as is necessary to claim complete exemption from United States withholding taxes on all payments hereunder, and (ii) provide to Lessor, Administrative Agent and Lessee a new Internal Revenue Service Form W-8 ECI or Internal Revenue Service Form 1001 and Internal Revenue Service Form W-8 BEN or Internal Revenue Service Form W-8 BEN or Internal Revenue Service Form W-8 or Internal Revenue Service Form W-9 and any such additional form (or any successor form or forms) upon the expiration or obsolescence of any previously delivered form and comparable statements in accordance with applicable United States laws and regulations and amendments duly executed and completed by such Participant or Transferee, and to comply from time to time with all applicable United States laws and regulations with regard to such withholding tax exemption. By its acceptance of a participation or assignment of a Participant's Note or Certificate, each Transferee shall be deemed bound by the provisions set forth in this ARTICLE XI. No Participant or Transferee that fails to comply with the requirements of this SECTION 11.3(a) shall be entitled to the benefit of any tax indemnity for gross-up of payments in respect of withholding taxes pursuant to SECTION 12.4 or 12.5.

(b) Subject to SECTION 15.13 hereof, any Participant, Administrative Agent or Lessor may, in connection with any assignment or participation or proposed assignment or participation pursuant to this ARTICLE XI, disclose to the assignee or participant or proposed assignee or participant any information relating to Lessee, Guarantor, their Affiliates and the Leased Property.

(c) Anything in this ARTICLE XI to the contrary notwithstanding, any Participant may, without the consent of Lessee, assign and pledge all or any portion of the Notes or Certificates held by it to any Federal Reserve Bank, the United States Treasury or to any other financial institution as collateral security pursuant to Regulation A of the F.R.S. Board and any operating circular issued by the Federal Reserve System and/or the Federal Reserve Bank or otherwise, but no such assignment shall relieve any Participant of its obligations hereunder.

ARTICLE XII
INDEMNIFICATION

SECTION 12.1. INDEMNIFICATION.

(a) GENERAL INDEMNIFICATION. (i) Prior to the Base Term Commencement Date and without limitation on the rights of any Indemnatee under any other indemnification set forth in this ARTICLE XII:

A. Lessee shall pay and assume liability for, and does hereby agree, whether or not any of the transactions contemplated hereby shall be consummated, to indemnify, protect, defend, save and keep harmless Lessor from and against any and all Claims that may be imposed on, incurred by or asserted against Lessor (whether because of action or omission by Lessor or any other Indemnatee), whether or not such Claim is covered by any other indemnification under this ARTICLE XII or Lessor shall also be indemnified as to any such Claim by any other Person whenever such Claim arises or accrues, including whether or not such Claim arises or accrues at any time prior to or after the Expiration Date, and which in all cases include any Claim for which Lessor has an obligation to indemnify any Person, or for which Lessor otherwise has liability, under SECTION 12.1(a)(i)(B), and

B. Lessor shall pay and assume liability for, and does hereby agree to indemnify, protect, defend, save and keep harmless each Construction Period Participant Indemnatee from and against any and all Claims that may be imposed on, incurred by or asserted against any such Construction Period Participant Indemnatee (whether because of action or omission by such Construction Period Participant Indemnatee), whether or not such Claim is covered by any other indemnification under this ARTICLE XII or such Construction Period Participant Indemnatee shall also be indemnified as to any such Claim by any other Person, and

(ii) Commencing upon the Base Term Commencement Date, and without limitation on the rights of any Indemnatee under any other indemnification set forth in this ARTICLE XII, whether or not any of the transactions contemplated hereby shall be consummated, Lessee shall pay and assume liability for, and does hereby agree to indemnify, protect, defend, save and keep harmless each Indemnatee from and against any and all Claims that may be imposed on, incurred by or asserted against such Indemnatee (whether because of action or omission by such Indemnatee), whether or not such Claim

is covered by any other indemnification under this ARTICLE XII or such Indemnitee shall also be indemnified as to any such Claim by any other Person, and whether or not such Claim arises or accrues after the Expiration Date,

in each case under this SECTION 12.1(a)(i) or (ii), in any way arising out of or relating to:

A. any of the Operative Documents or any of the transactions contemplated thereby or any investigation, litigation or proceeding in connection therewith, and any amendment, modification or waiver in respect thereof;

B. the Leased Property, including the Land, the Improvements or any part thereof or interest therein;

C. the purchase, mortgaging, design, construction, preparation, installation, inspection, delivery, non-delivery, acceptance, rejection, purchase, ownership, possession, rental, lease, sublease, repossession, maintenance, repair, alteration, modification, addition or substitution, storage, transfer of title, redelivery, use, financing, refinancing, operation, condition, sale (including, without limitation, any sale or other transfer pursuant to the Lease), return or other disposition of all or any part of any interest in the Leased Property, or the imposition of any Lien (or incurring of any liability to refund or pay over any amount as a result of any Lien) thereon, including: (i) Claims or penalties arising from any violation of law or in tort (strict liability or otherwise), including Claims made by invitees of Lessee or any assignee, or any sublessor of either thereof, or by any other person entering on the Leased Property, (ii) any Claim resulting from or related to latent or other defects, whether or not discoverable, (iii) any Claim resulting from or related to the acquisition of the Leased Property or any construction thereon (including the Construction) or use thereof, (iv) any Claim based upon a violation or alleged violation of the terms of any restriction, easement, condition or covenant or other matter affecting title to the Leased Property, (v) the making of any Modifications in violation of any standards imposed by any insurance policies required to be maintained by Lessee pursuant to the Lease which are in effect at any time with respect to the Leased Property or any part thereof, (vi) any Claim for patent, trademark or copyright infringement, or (vii) Claims arising from any public improvements with respect to the Leased Property resulting in any change or special assessments being levied against the Leased Property or any

plans to widen, modify or realign any street or highway adjacent to the Leased Property, or any Claim for utility "tap-in" fees;

D. the offer, issuance, sale, transfer or delivery of the Certificates and Notes;

E. the breach or alleged breach by Lessee, Construction Agent or Guarantor of any covenant, representation or warranty made by it or deemed made by it in any Operative Document, any Construction Document or any certificate delivered by it;

F. the transactions contemplated hereby or by any other Operative Document, in respect of the application of Parts 4 and 5 of Subtitle B of Title I of ERISA and any prohibited transaction described in Section 4975(c) of the Code;

G. the retaining or employment of any broker, finder or financial advisor by Lessee, in its individual capacity or as Construction Agent or Guarantor to act on its behalf in connection with this Participation Agreement; or

H. any other agreement entered into or assumed by Lessee including, in its capacity as Construction Agent or Guarantor in connection with the Leased Property, including the Improvements and the Land or by Lessor in the purchase of the Land (including, in connection with each of the matters described in this SECTION 12.1 to which this indemnity shall apply, matters based on or arising from the negligence of any Indemnatee).

It is expressly understood and agreed that the indemnity provided for herein shall (i) survive the expiration or termination of and shall be separate and independent from any remedy under the Lease or any other Operative Document and (ii) not adversely affect and are in addition to any right to Indemnity under SECTION 12.1 of the Original Participation Agreement with respect to any Claim relating to any act, omission or existence of facts existing or arising prior to the Second Document Closing Date, which shall be deemed to survive for purposes hereof.

(b) EXCLUSIONS FROM INDEMNITIES; LIMITATIONS ON LESSOR INDEMNITIES.

(i) Notwithstanding the foregoing provisions of this ARTICLE XII, Lessee shall not be obligated to indemnify an Indemnatee under SECTION 12.1(a)(i) and Lessor shall not be

required or obligated to indemnify a Construction Period Participant Indemnatee under SECTION 12.1(a)(ii) for any Claim to the extent that such Claim is, or is attributable to: (A) the gross negligence or willful misconduct of such Indemnatee; (B) the breach by such Indemnatee of its representations and warranties in SECTION 7.1, 7.4 or 7.5 as the case may be, or the breach by such Indemnatee of its covenants as set forth in this Participation Agreement or in any other Operative Document to which such Indemnatee is a party; (C) any Claim resulting from the imposition of any Lessor Lien that such Indemnatee is responsible for discharging under the Operative Documents; and (D) in respect of any indemnification under SECTION 12.1(a)(i), any Claim to the extent such Claim arises as a result of a Nonrelated Construction Event; PROVIDED, HOWEVER, that nothing in the foregoing clauses (A) through (D) shall be deemed to exclude or limit (x) any Claim that Lessor or any Construction Period Participant and any Indemnatee may have under any Operative Document or Applicable Laws for damages from Lessee for breach by Lessee of its representations, warranties or covenants made or deemed made by it in any Operative Document or (y) any remedy under or claim for or right to damages pursuant to ARTICLE XVI of the Lease.

(ii) Lessor's obligation to indemnify and hold harmless any Construction Period Participant Indemnatee under SECTION 12.1(a)(ii) or Tax Indemnatee under SECTION 12.5(a)(ii):

(A) is not an individual or personal obligation of Lessor, but solely its obligation in its capacity as Lessor, and nothing herein shall be construed as creating any liability on Lessor, individually or personally, to pay, indemnify or hold harmless any Indemnatee under this ARTICLE XII;

(B) is not an obligation binding on Lessor except to the extent of any payment received by Lessor pursuant to SECTION 12.1(a)(i) or SECTION 12.5(a)(ii);

(C) shall be paid and discharged solely and exclusively from amounts received by Lessor pursuant to SECTION 12.1(a)(i) or SECTION 12.5(a)(ii), and it is expressly agreed by each Construction Period Participant Indemnatee that the sole recourse of each such Person for payment or discharge of the indemnification obligations created under SECTION 12.1(a)(ii)

shall be to such amounts paid by Lessor pursuant to SECTION 12.1(a)(i); and

(D) is the sole and exclusive right of each Construction Period Participant Indemnitee against Lessor, and any right to proceed against Lessor individually or otherwise under common law, federal or state securities laws or otherwise for indemnification or contribution in connection with the matters covered by this SECTION 12(a)(ii) or SECTION 12.5(a)(ii) is hereby expressly waived by each Construction Period Participant Indemnitee (other than claims that may be made against Lessor, individually or personally, for fraud, gross negligence or willful misconduct).

Except as otherwise set forth in this SECTION 12.1(b), nothing in this ARTICLE XII is intended as or shall be construed as a limitation on the right of any Indemnitee to make indemnification, contribution or other claims of any kind against Lessee, to the extent that such claims otherwise may be made, with respect to any matter, including indemnification for Claims of the type referred to in SECTION 12.1(a)(i) and 12.1(a)(ii). To the extent that any payments made pursuant to SECTION 12.1(a)(i) and SECTION 12.1(a)(ii) are subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid by Lessor to a trustee, debtor in possession, receiver or other Person under any Bankruptcy Law, common law or equitable cause, then to such extent, the Indemnitee who received any such payments from Lessor (or any portion thereof) shall repay any such amounts to Lessor, or as may otherwise be directed by a court of competent jurisdiction.

The indemnification obligations of Lessor under SECTION 12.1(a)(ii) shall survive and be reinstated to the same extent, for the same period and in the same manner as the indemnification obligations of Lessee.

The right of any Construction Period Participant Indemnitee or Tax Indemnitee to seek indemnification from Lessor under SECTION 12.1(a)(ii) or 12.5(a)(ii) is subject to and conditioned upon compliance by any such Indemnitee with the notice, cooperation, appointment of counsel, contest rights and other provisions in SECTION 12.4, except that any reference in such Sections to Lessee shall be deemed to be a reference to Lessor.

Without limiting the foregoing, Lessor hereby, subject to the terms of this SECTION 12.1(b), grants to each Construction Period

Participant Indemnitee and each Tax Indemnitee a nonexclusive assignment of the right to enforce Lessor's indemnification rights under SECTIONS 12.1(a)(i)(A) and 12.5(a)(i)(A) with respect to Claims or Impositions of such Construction Period Participant Indemnitees for which Lessor is indemnified under such SECTIONS 12.1(a)(i)(A) and 12.5(a)(i)(A). Lessee acknowledges and agrees that Lessor, (i) has indemnified the Construction Period Participant Indemnitees and Tax Indemnitees under SECTIONS 12.1(a)(i)(B) and 12.5(a)(i)(B), and (ii) has granted to such Construction Period Participant Indemnitees a nonexclusive assignment of the right to enforce Lessor's indemnification rights under such Sections. Any Claim for indemnification to be made by any Construction Period Participant Indemnitee by its exercise of the above described nonexclusive assignment will be brought on behalf of each Construction Period Participant Indemnitee to be so indemnified by Administrative Agent following a demand by any such Indemnitee, and solely for purposes of SECTION 12.4 and 12.5(b) Administrative Agent shall be deemed to be the Indemnitee or Tax Indemnitee as applicable.

SECTION 12.2. ENVIRONMENTAL INDEMNITY. Without limitation of the other provisions of this ARTICLE XII, Lessee hereby agrees to indemnify, hold harmless and defend each Indemnitee from and against any and all Claims, losses, damages, liabilities, fines, penalties, charges, administrative and judicial proceedings (including informal proceedings) and orders, judgments, remedial action, requirements, enforcement actions of any kind, and all reasonable and documented costs and expenses incurred in connection therewith (including reasonable and documented attorneys' and/or paralegals' fees and expenses), including all costs incurred in connection with any investigation or monitoring of the condition of the Leased Property or any clean-up, remedial, removal or restoration work by any Governmental Authority, arising in whole or in part, out of:

(a) the presence on, under or around the Leased Property or any portion thereof of any Hazardous Substance, or any releases or discharges of any Hazardous Substance on, under, from, onto or around the Leased Property or any portion thereof,

(b) any activity, including, without limitation, construction (including construction of the Financed Improvements), carried on or undertaken on or off the Leased Property or any portion thereof, and whether by Lessee or any of its Affiliates or any predecessor in title or any employees, agents, sublessees, contractors or subcontractors

of Lessee, any of its Affiliates or any predecessor in title, or any other Persons (including such Indemnitee), in connection with the handling, treatment, removal, storage, decontamination, clean-up, transport or disposal of any Hazardous Substance that at any time are located or present on, under or around, or that at any time migrate, flow, percolate, diffuse or in any way move onto or under the Leased Property or any portion thereof,

(c) loss of or damage to any property or the environment arising from, or in any way related to, the Leased Property or Lessee or any of its Affiliates (including, without limitation, clean-up costs, response costs, remediation and removal costs, cost of corrective action, costs of financial assurance, fines and penalties and natural resource damages), or death or injury to any Person, and all expenses associated with the protection of wildlife, aquatic species, vegetation, flora and fauna, and any mitigative action required by or under Environmental Laws, in each case arising from, or in any way related to, the Leased Property, Lessee, any of its Affiliates or the Overall Transaction or any portion thereof,

(d) any claim concerning lack of compliance with Environmental Laws, or any act or omission causing an environmental condition that requires remediation or would allow any Governmental Authority to record a Lien against the Leased Property or any portion thereof, or

(e) any residual contamination on or under any of the Leased Property, or affecting any natural resources, and any contamination of any property or natural resources arising in connection with the generation, use, handling, storage, transport or disposal of any such Hazardous Substance, in each case arising from, or in any way related to, the Leased Property, Lessee, any of its Affiliates, or the Overall Transaction or any portion thereof, and irrespective of whether any of such activities were or will be undertaken in accordance with Applicable Laws.

SECTION 12.3. END OF TERM INDEMNITY. If (a) Lessee elects the Sale Option and (b) after paying to Administrative Agent, for the benefit of the Participants, any amounts due under ARTICLES XX and XXI of the Lease, the Lease Balance shall not have been reduced to zero, then Lessee shall promptly pay an amount equal to the shortfall to Administrative Agent on the Expiration Date to the extent that an appraisal report conforming to the requirements of this SECTION 12.3 indicates that such shortfall is due to any of

the following events, circumstances or conditions, whether or not permitted under the Lease: (i) the failure to maintain the Leased Property as required by the Lease and the other Operative Documents, and in at least as good a condition as it was in on the Completion Date, ordinary wear and tear excepted; (ii) the carrying out of or the failure to undertake any improvements or Modifications (including the Financed Improvements) by Lessee whether or not permitted pursuant to the Operative Documents, ordinary wear and tear excepted; (iii) any change or modification to the Approved Plans and Specifications following the earlier of (x) the Second Document Closing Date and (y) the delivery of the Approved Plans and Specifications pursuant to SECTION 6.1(o), whether or not permitted pursuant to the Operative Documents, (iv) the existence of any environmental condition at or affecting the Leased Property, whether or not such condition existed on the initial Advance Date; (v) any defect, exception, easement, restriction or other encumbrance on or title to the Leased Property within the power of Lessee to control or affect, whether or not created or existing on the initial Advance Date, (vi) the dependence of the Leased Property on any improvement or facility not fully located on the Leased Property; (vii) any restoration or rebuilding carried out by Lessee or any sublessee; (viii) any use of the Leased Property or any part thereof by Lessee or any sublessee other than as an office building, or (ix) any other cause or condition within the power of Lessee to control or affect, other than ordinary wear and tear. For purposes of making the determination provided for in this SECTION 12.3, Lessor may request, and Lessee shall thereupon provide not less than 15 Business Days prior to the consummation of the sale of the Leased Property, at Lessee's sole cost and expense, a report from an appraiser selected by the Required Participants and reasonably approved by Lessee, in form and substance satisfactory to the Required Participants and using approved methods satisfactory to the Required Participants, concerning the extent to which the fact that the actual Fair Market Value of the Leased Property as of the Expiration Date is less than the Fair Market Value anticipated for such date in the Appraisal is due to any of the factors enumerated in the preceding sentence hereof.

SECTION 12.4. PROCEEDINGS IN RESPECT OF CLAIMS. With respect to any amount that Lessee is requested by an Indemnatee to pay by reason of SECTION 12.1(a) or 12.2, such Indemnatee shall, if so requested by Lessee and prior to any payment, submit such additional information to Lessee as Lessee may reasonably request and which is in the possession of such Indemnatee to substantiate properly the requested payment.

In case any action, suit or proceeding shall be brought against any Indemnatee, such Indemnatee shall notify Lessee of the commencement thereof, and Lessee shall be entitled, at its expense, to participate in, and, to the extent that Lessee desires to, assume and control the defense thereof through its own counsel, which shall be subject to the reasonable approval of the Required Participants, on behalf of the Indemnatee; PROVIDED, HOWEVER, that Lessee shall have acknowledged in writing its obligation to fully indemnify such Indemnatee in accordance with the terms of the Operative Documents in respect of such action, suit or proceeding, and, at the request of the Indemnatee, Lessee shall keep such Indemnatee fully appraised of the status of such action, suit or proceeding and shall provide such Indemnatee with all information with respect to such action, suit or proceeding as such Indemnatee shall reasonably request. Lessee must indicate its election to assume such defense by written notice to the Indemnatee within ninety (90) days following receipt of Indemnatee's notice of the Claim, or in the case of a third party claim which requires a shorter time for response then within such shorter period as specified in the Indemnatee's notice of Claim, PROVIDED that such Indemnatee has given Lessee notice thereof. Lessee shall not be entitled to assume and control the defense of any such action, suit or proceeding if and to the extent that, (A) in the reasonable opinion of such Indemnatee, (x) such action, suit or proceeding involves any risk of imposition of criminal liability or any material risk of imposition of material civil liability on such Indemnatee or will involve a material risk of the sale, forfeiture or loss of, or the creation of any Lien (other than a Permitted Lien) on the Leased Property or any part thereof unless, in the case of civil liability, Lessee shall have posted a bond or other security reasonably satisfactory to the relevant Indemnitees in respect to such risk or (y) the control of such action, suit or proceeding would involve an actual or potential conflict of interest, (B) such proceeding involves Claims not fully indemnified by Lessee which Lessee and the Indemnatee have been unable to sever from the indemnified Claim(s), or (C) an Event of Default has occurred and is continuing. The Indemnatee may participate in a reasonable manner at its own expense and with its own counsel in any proceeding conducted by Lessee in accordance with the foregoing. Lessee shall not enter into any settlement or other compromise with respect to any Claim which is entitled to be indemnified under SECTION 12.1 or 12.2, as applicable, without the prior written consent of the Indemnatee, which consent shall not be unreasonably withheld or delayed in the case of a money settlement not involving an admission of liability of such Indemnatee.

Each Indemnatee shall supply Lessee with such information and documents reasonably requested by Lessee as are necessary or advisable for Lessee to participate in any action, suit or proceeding to the extent permitted by SECTION 12.1 or 12.2, as applicable, and Lessee shall reimburse the Indemnatee for the reasonable out-of-pocket expenses of supplying such information and documents. Unless an Event of Default shall have occurred and be continuing, no Indemnatee shall enter into any settlement or other compromise with respect to any Claim which is entitled to be indemnified under SECTION 12.1 or 12.2, as applicable, without the prior written consent of Lessee, which consent shall not be unreasonably withheld, unless such Indemnatee waives its right to be indemnified under SECTION 12.1 or 12.2, as applicable, with respect to such Claim, does not admit any criminal liability or civil liability on behalf of Lessee in connection with such Claim, and uses reasonable efforts to advise Lessee on the status of proceedings from time to time during the pendency of such Claim.

Upon payment in full of any Claim by Lessee pursuant to SECTION 12.1 or 12.2, as applicable, to or on behalf of an Indemnatee, Lessee, without any further action, shall be subrogated to any and all claims that such Indemnatee may have relating thereto (other than claims in respect of insurance policies maintained by such Indemnatee at its own expense), and such Indemnatee shall execute such instruments of assignment and conveyance, evidence of claims and payment and such other documents, instruments and agreements as may be necessary to preserve any such claims and otherwise cooperate with Lessee and give such further assurances as are necessary or advisable to enable Lessee vigorously to pursue such claims.

Any amount payable to an Indemnatee pursuant to SECTION 12.1 or 12.2 shall be paid to such Indemnatee promptly upon receipt of a written demand therefor from such Indemnatee, accompanied by a written statement describing in reasonable detail the basis for such indemnity and the computation of the amount so payable.

SECTION 12.5. GENERAL TAX INDEMNITY.

(a) INDEMNIFICATION.

(i) Prior to the Base Term Commencement Date and without limitation on the rights of any Indemnatee under any other indemnification set forth in this ARTICLE XII:

A. Lessee shall pay and assume liability for, and does hereby agree, whether or not any of the transactions

contemplated hereby shall be consummated, to indemnify, protect, defend and hold harmless Lessor from and against, all Impositions on an After Tax Basis; and

B. Lessor shall pay and assume liability for, and does hereby agree to indemnify, protect, defend and hold harmless each Construction Period Participant Indemnitee from and against, any and all Impositions on an After Tax Basis; and

(ii) Commencing upon the Base Term Commencement Date, and without limitation on the rights of any Indemnitee under any other indemnification set forth in this ARTICLE XII, Lessee shall pay and assume liability for, and does hereby agree to indemnify, protect, defend and hold harmless, each Tax Indemnitee and the Leased Property from and against any and all Impositions on an After Tax Basis.

(b) CONTESTS. If any claim shall be made against any Tax Indemnitee or if any proceeding shall be commenced against any Tax Indemnitee (including a written notice of such proceeding) for any Imposition as to which Lessee may have an indemnity obligation pursuant to this SECTION 12.5, or if any Tax Indemnitee shall determine that any Imposition for which Lessee may have an indemnity obligation pursuant to this SECTION 12.5 may be payable, such Tax Indemnitee shall promptly (and in any event, within thirty (30) days) notify Lessee in writing (PROVIDED that failure to so notify Lessee within thirty (30) days shall not alter such Tax Indemnitee's rights under this SECTION 12.5, except to the extent such failure precludes or materially adversely affects the ability to conduct a contest of any indemnified Taxes) and shall not take any action with respect to such claim, proceeding or Imposition without the written consent of Lessee (such consent not to be unreasonably withheld or unreasonably delayed) for thirty (30) days after the receipt of such notice by Lessee; PROVIDED, HOWEVER, that in the case of any such claim or proceeding, if such Tax Indemnitee shall be required by law or regulation to take action prior to the end of such 30-day period, such Tax Indemnitee shall in such notice to Lessee, so inform Lessee, and such Tax Indemnitee shall not take any action with respect to such claim, proceeding or Imposition without the consent of Lessee (such consent not to be unreasonably withheld or unreasonably delayed) for ten (10) days after the receipt of such notice by Lessee, unless the Tax Indemnitee shall be required by law or regulation to take action prior to the end of such 10-day period, in which case Tax Indemnitee shall promptly notify Lessee.

Lessee shall be entitled for a period of thirty (30) days from receipt of such notice from the Tax Indemnitee (or such shorter period as the Indemnitee has notified Lessee is required by law or regulation for the Tax Indemnitee to commence such contest), to request in writing that such Tax Indemnitee contest such Imposition, at Lessee's expense. If (x) such contest can be pursued in the name of Lessee and independently from any other proceeding involving an Imposition for which Lessee has not agreed to indemnify such Tax Indemnitee, (y) such contest must be pursued in the name of the Tax Indemnitee, but can be pursued independently from any other proceeding involving an Imposition for which Lessee has not agreed to indemnify such Tax Indemnitee or (z) the Tax Indemnitee so requests, then Lessee shall be permitted to control the contest of such claim PROVIDED, that in order to take control of the contest, Lessee must first acknowledge in writing its obligation to indemnify for the Imposition which is the subject of the contest if the outcome thereof is adverse, and PROVIDED, FURTHER, that in determining the application of CLAUSES (x) and (y) of the preceding sentence, each Tax Indemnitee shall take any and all reasonable steps to segregate claims for any Taxes for which Lessee indemnifies hereunder from Taxes Lessee is not obligated to indemnify hereunder, so that Lessee can control the contest of the former. In all other claims requested to be contested by Lessee, the Tax Indemnitee shall control the contest of such claim, acting through counsel reasonably acceptable to Lessee. In no event shall Lessee be permitted to contest (or the Tax Indemnitee required to contest) any claim (A) if such Tax Indemnitee provides Lessee with a legal opinion of independent counsel that such action, suit or proceeding involves a material risk of imposition of criminal liability or will involve a material risk of the sale, forfeiture or loss of, or the creation of any Lien (other than a Permitted Lien) on the Leased Property or any part thereof unless Lessee shall have posted and maintained a bond or other security reasonably satisfactory to the relevant Tax Indemnitee in respect to such risk, (B) if an Event of Default has occurred and is continuing, unless Lessee shall have posted and maintained a bond or other security reasonably satisfactory to the relevant Tax Indemnitee in respect of the Impositions subject to such claim and all expenses for which Lessee is responsible hereunder reasonably foreseeable in connection with the contest of such claim, (C) unless Lessee shall have agreed to pay and shall pay to such Tax Indemnitee on demand all reasonable out-of-pocket costs, losses and expenses that such Tax Indemnitee may incur in connection with contesting such Imposition, including all reasonable legal, accounting and investigatory fees and disbursements, or (D) if such contest shall involve the payment of the Impositions prior to the contest, unless Lessee shall provide to the Tax Indemnitee an

interest-free advance in an amount equal to the Imposition that the Tax Indemnitee is required to pay (with no additional net after-tax costs (including Taxes) to such Tax Indemnitee). In addition, for Tax Indemnitee-controlled contests and claims contested in the name of the Tax Indemnitee in a public forum, no contest shall be required: (A) unless, in the case of an income tax, the amount of the potential indemnity (taking into account all similar or logically related claims that have been or could be raised in any audit involving such Indemnitee for which Lessee may be liable to pay an indemnity under this SECTION 12.5) exceeds \$50,000 and (B) unless, if requested by the Tax Indemnitee, Lessee shall have provided to the Indemnitee an opinion of counsel selected by Lessee (which may be in-house counsel, except that in the case of income taxes indemnified hereunder such opinion shall be that of independent tax counsel selected by the Tax Indemnitee and reasonably acceptable to Lessee) that a reasonable basis exists to contest such claim. In no event shall a Tax Indemnitee be required to appeal an adverse judicial determination to the United States Supreme Court.

The party conducting the contest shall consult in good faith with the other party and its counsel with respect to the contest of such claim for Impositions (or claim for refund) but the decisions regarding what actions to be taken shall be made by the controlling party in its sole judgment, PROVIDED, HOWEVER, that if the Tax Indemnitee is the controlling party and Lessee recommends the acceptance of a settlement offer made by the relevant Governmental Authority and such Tax Indemnitee rejects such settlement offer then the amount for which Lessee will be required to indemnify such Tax Indemnitee with respect to the Taxes subject to such offer shall not exceed the amount which it would have owed if such settlement offer had been accepted. In addition, the controlling party shall keep the noncontrolling party reasonably informed as to the progress of the contest, and shall provide the noncontrolling party with a copy of (or appropriate excerpts from) any reports or claims issued by the relevant auditing agent or taxing authority to the controlling party thereof, in connection with such claim or the contest thereof.

Each Tax Indemnitee shall supply Lessee with such information and documents reasonably requested by Lessee as are necessary or advisable for Lessee to participate in any action, suit or proceeding to the extent permitted by this SECTION 12.5(b), and Lessee shall promptly reimburse such Tax Indemnitee for the reasonable out-of-pocket expenses of supplying such information and documents. Unless an Event of Default shall have occurred and be continuing, no Tax Indemnitee shall enter into any settlement or

other compromise or fail to appeal an adverse ruling with respect to any claim which is entitled to be indemnified under this SECTION 12.5 (and with respect to which contest is required under this SECTION 12.5(b)) without the prior written consent of Lessee (such consent not to be unreasonably withheld), unless such Tax Indemnatee waives its right to be indemnified under this SECTION 12.5 with respect to such claim.

Notwithstanding anything contained herein to the contrary, a Tax Indemnatee will not be required to contest (and Lessee shall not be permitted to contest) a claim with respect to any Imposition if (i) such Tax Indemnatee shall waive its right to indemnification under this SECTION 12.5 with respect to such claim (and any claim with respect to such year or any other taxable year, the contest of which is materially adversely affected as a result of such waiver) or (ii) such Imposition is the sole result of a claim of a continuing and consistent nature, which claim has previously been resolved against the relevant Tax Indemnatee (unless a change in law or facts has occurred since such prior adverse resolution and Lessee provides an opinion of independent tax counsel to the effect that it is more likely than not that such change in law or facts will result in a favorable resolution of the claim at issue).

(c) PAYMENTS. (i) TO, OR FOR THE ACCOUNT OF, A TAX INDEMNITEE. Any Imposition indemnifiable under this SECTION 12.5 shall be paid directly when due to the applicable taxing authority if direct payment is practicable and permitted. If direct payment to the applicable taxing authority is not permitted or is otherwise not made, any amount payable to Tax Indemnatee pursuant to this SECTION 12.5 shall be paid within thirty (30) days after receipt of a written demand therefor from such Tax Indemnatee (accompanied by a written statement describing in reasonable detail the amount so payable), but not before two Business Days prior to the date that the relevant Taxes are due. Any payments made to a Tax Indemnatee pursuant to this SECTION 12.5 shall be made directly to the Tax Indemnatee entitled thereto in immediately available funds at such bank or to such account as specified by the Tax Indemnatee in written directions to Lessee, or, if no such direction shall have been given, by check of Lessee payable to the order of the Tax Indemnatee by certified mail, postage prepaid at its address as set forth in this Participation Agreement. Upon the request of any Tax Indemnatee with respect to an Imposition that Lessee is required to pay directly to the taxing authority, Lessee shall furnish to such Tax Indemnatee the original or a certified copy of a receipt for Lessee's payment of such Imposition or such other evidence of payment as is reasonably acceptable to such Tax Indemnatee.

(ii) TO LESSEE. (x) If any Tax Indemnatee shall actually realize a Tax benefit (whether by way of deduction, credit, allocation or apportionment or otherwise) with respect to a Tax not indemnifiable hereunder which would not have been realized but for any Tax with respect to which Lessee has reimbursed or indemnified such Tax Indemnatee pursuant to the Operative Documents, which benefit was not previously taken into account in determining the amount of Lessee's payment to such Tax Indemnatee, such Tax Indemnatee shall pay to Lessee an amount equal to the amount of such Tax benefit, increased by any actual Tax savings realized by such Tax Indemnatee and net of any additional Taxes actually borne by such Tax Indemnatee as a result of such payment (I.E., on a "GROSSED-UP BASIS"); PROVIDED, HOWEVER, that no payment shall be made as long as an Event of Default is continuing; PROVIDED, FURTHER, however, that no Tax Indemnatee shall be required to pay to Lessee any Tax benefit to the extent such payment would be greater than the amount of such Taxes in respect of which the reimbursement or indemnification was paid by Lessee, reduced by all prior payments by such Tax Indemnatee under this SECTION 12.5(c)(ii)(x) in respect of such amount; any payment to Lessee which is so limited shall, to the extent of such unpaid excess, be carried over and shall be available to offset any future obligations of Lessee under this SECTION 12.5. If such repaid Tax benefit is thereafter lost, the additional Tax payable shall be treated as a Tax indemnifiable hereunder without regard to the exclusions set forth in clauses (i) through (ix) of the definition of Impositions.

(y) Upon receipt by a Tax Indemnatee of a refund or credit of all or part of any Taxes paid or indemnified against by Lessee, which refund or credit was not previously taken into account in determining the amount of Lessee's payment to such Tax Indemnatee, such Tax Indemnatee shall pay to Lessee, on a Grossed-Up Basis, an amount equal to the amount of such refund or credit, plus any interest received by or credited to such Tax Indemnatee with respect to such refund; PROVIDED, HOWEVER, that no such payment shall be made as long as an Event of Default is continuing; PROVIDED, FURTHER, however, that no Tax Indemnatee shall be required to pay to Lessee any refund or credit to the extent such refund or credit is greater than the amount of Taxes in respect of which payment or indemnification was made by Lessee, reduced by all prior payments by such Tax Indemnatee under this SECTION 12.5(c)(ii)(y) in respect of such amount. If such repaid refund or credit is thereafter lost, the additional Tax payable shall be treated as a Tax indemnifiable hereunder without regard to the exclusions set forth in clauses (i) through (ix) of the definition of Impositions.

(z) The Tax Indemnitee will, at Lessee's expense, pursue refunds and tax benefits that would result in any such payments to Lessee, but only if the Tax Indemnitee has been notified in writing by Lessee that such refunds or tax benefits are available and should be pursued.

(d) REPORTS. In the case of any report, return or statement required to be filed with respect to any Impositions that are subject to indemnification under this SECTION 12.5 and of which Lessee has knowledge, Lessee shall promptly notify the Tax Indemnitee of such requirement and, at Lessee's expense (i) if Lessee is permitted (unless otherwise requested by the Tax Indemnitee) by Applicable Laws, timely file such report, return or statement in its own name or (ii) if such report, return or statement is required to be in the name of or filed by such Tax Indemnitee or the Tax Indemnitee otherwise requests that such report, return or statement be filed in the name of or by such Tax Indemnitee, Lessee shall prepare such report, return or statement for filing by such Tax Indemnitee in such manner as shall be reasonably satisfactory to such Tax Indemnitee and send the same to the Tax Indemnitee for filing no later than ten (10) days prior to the due date therefor. In any case in which the Tax Indemnitee will file any such report, return or statement, Lessee shall, upon written request of such Tax Indemnitee, provide such Tax Indemnitee with such information as is reasonably necessary to allow the Tax Indemnitee to file such report, return or statement.

(e) WITHHOLDING TAXES.

(i) Lessor or its agent shall withhold any Taxes required by Applicable Laws to be withheld on any payment to any Participant, except to the extent that the Participant has furnished such information to Lessor or its agent as shall be sufficient under Applicable Laws to entitle such Person to an exemption from withholding Taxes. The amount payable to Lessor, any Participant or any Sub-Participant shall be reduced by the amount of any withholding Taxes required to be withheld by Lessor or its agent pursuant to the preceding sentence and, except to the extent set forth in SECTION 13.3, Lessee and Lessor shall have no liability or obligation to the Participants with respect to any such withholding Taxes. In accepting and carrying out its duties with respect to withholding Taxes pursuant to this SECTION 12.5(e), Lessor shall act as the duly authorized agent of Lessee to act on behalf of Lessee under the withholding provisions of Chapter 3 of the Code. Lessee shall file notice of such appointment in accordance with applicable Treasury regulations order Code

Section 1441. Such agency shall terminate in the event that Applicable Laws are amended so as to release Lessee of the obligation to withhold Taxes with respect to payments made by Lessee to Lessor under the Lease and in any event upon termination or expiration of the Lease.

(ii) If and to the extent Lessor or its agent has in good faith attempted to comply with its obligation to withhold Taxes in accordance with CLAUSE (i) and a claim regarding withholding Taxes is made against Lessor or its agent, as between Lessee and Lessor (or its agent), Lessee shall be responsible for, and Lessee shall indemnify and hold harmless Lessor (and its agent) (without duplication of any indemnification required by SUBSECTION (a)) on an After Tax Basis against, such claim to the extent, but only to the extent, Lessor or its agent has actually paid funds to a taxing authority with respect to such withholding taxes or receives a demand for such payment from any taxing authority, but subject to the provisions of SECTION 12.5(b).

(iii) Each Participant agrees to reimburse Lessor or its agent for any withholding Taxes for which Lessor or its agent becomes liable and to reimburse Lessee for any Taxes other than those for which Lessee is liable pursuant to SECTION 13.3 or other amounts paid by Lessee pursuant to CLAUSE (ii) hereof.

(iv) For purposes of determining whether withholding Taxes apply to payments under the Lease, it shall be assumed that the Lease constitutes a loan for United States Federal income tax purposes (as is the parties' intention).

SECTION 12.6. GROSS UP. If an Indemnitee shall not be entitled to a corresponding and equal deduction with respect to any payment or Tax which Lessee is required to pay or reimburse under any other provision of this ARTICLE XII (each such payment or reimbursement under this ARTICLE XII, an "original payment") and which original payment constitutes income to such Indemnitee when accrued or received, then Lessee shall pay to, or for the account of, such Indemnitee on demand the amount of such original payment on an After Tax Basis.

ARTICLE XIII
CONTINGENT LIBOR AND OTHER COSTS

SECTION 13.1. LIBO RATE LENDING UNLAWFUL. If any Participant shall determine (which determination shall, upon notice thereof to Lessee and the Participants, be conclusive and binding on Lessee) that any change in or in the interpretation of any law after the date hereof makes it unlawful, or any central bank or other Governmental Authority asserts that it is unlawful, for such Participant to make available, continue or maintain any Loan or Certificate Amount that bears Interest or Yield based upon the LIBO Rate, as the case may be, the obligation of such Participant to make available, continue or maintain any such Loan or Certificate Amount, as the case may be, shall, upon such determination, forthwith be suspended until such Participant shall notify Lessee and Lessor that the circumstances causing such suspension no longer exist and, to the extent required by any such introduction of or change in or in the interpretation of any law, all Loans or Certificate Amounts, as the case may be, of such Participant shall automatically bear Interest or accrue Yield at the Alternate Base Rate either (a) on the last day of the then current Interest Period applicable to such Loan or Certificate Amount, as the case may be, if such Participant may lawfully continue to maintain and fund such Loan or Certificate Amount, or (b) immediately if such Participant shall determine that it may not lawfully continue to maintain and fund such Loan or Certificate Amount, as the case may be, to such day thereto or sooner, if required by such law or assertion.

SECTION 13.2. DEPOSITS UNAVAILABLE. If after the date hereof the Administrative Agent shall have determined, in good faith, that for any reason:

(a) Dollar deposits in the relevant amount and for the relevant Interest Period are not available to Participants in the relevant market; or

(b) adequate and reasonable means do not exist for ascertaining the LIBO Rate applicable to Participants' Loans or Certificate Amounts or that the LIBO Rate applicable to Loans or Certificate Amounts for any Interest Period does not adequately and fairly reflect the cost to Participants of funding any Loan or Certificate Amount,

then, upon notice from Administrative Agent to Lessee and the other Participants, (i) the obligations of the Participants to make available Loans or Certificate Amounts, as the case may be, shall be suspended and (ii) each outstanding Loan or Certificate Amount,

as the case may be, shall begin to bear Interest or accrue Yield at the Alternate Base Rate on the last day of the then current Interest Period applicable thereto.

SECTION 13.3. INCREASED COSTS, ETC. (a) If any Participant reasonably determines that, after the date hereof, any change in, or the adoption, effectiveness, interpretation, reinterpretation or phase-in of, any law or regulation, directive, guideline, decision or request (whether or not having the force of law) of any court, central bank, regulator or other Governmental Authority increases or would increase the cost to any Participant (including cost increase through the establishment or increase by the FRB of any reserve requirements) of, or reduces or would reduce the amount of any sum receivable by, such Participant in respect of, making available, continuing or maintaining (or of its obligation to make available, continue or maintain) or prevents or would prevent any Participant from being legally entitled to a complete exemption from withholding as described in SECTION 11.3 with respect to, any Loans or Certificate Amounts, as the case may be, Lessee agrees to reimburse such Participant for each such increased cost or reduced amount when applicable to such Participant or its parent, as applicable (on an After Tax Basis). Such Participant shall promptly notify Lessor and Lessee in writing of the occurrence of any such event, such notice to state, in reasonable detail, the reasons therefor and the calculation of the additional amount required fully to compensate such Participant for such increased cost or reduced amount. Such additional amounts shall be payable by Lessee as Supplemental Rent directly to such Participant within five (5) days of its receipt of such notice. A statement of a Participant as to any such additional amount or amounts (including calculations thereof in reasonable detail) shall, in the absence of manifest error, be conclusive and binding on Lessee; PROVIDED, HOWEVER, that upon request, Lessee shall be entitled to review and verify non-confidential information of any Participant related to the determinations set forth in such statement of such Participant and discuss such non-confidential information and determinations with such Participant. In determining such amount, each Participant shall use any method of averaging or attribution that it (in its reasonable discretion) shall deem applicable.

(b) Lessee shall pay to each Participant, as long as such Participant shall be required under regulations of the FRB to maintain reserves with respect to liabilities or assets consisting of or including Eurocurrency funds or deposits, additional costs on the unpaid principal amount of each such Participant's Loan or the Certificate Amount of such Participant's Certificate, as applicable, equal to the actual costs of such reserves allocated to

such Loan by the Participant (as determined by the Participant in good faith, which determination shall be conclusive in the absence of manifest error), which additional costs amount shall be payable on each Payment Date as Supplemental Rent, provided that Lessee shall have received at least 15 days prior written notice of such additional costs from such Participant. If a Participant fails to give notice 15 days prior to the relevant Payment Date, such Supplemental Rent shall be payable 15 days from the Lessee's receipt of such notice. A statement of such Participant as to any such additional amount or amounts (including calculations thereof in reasonable detail) shall be presumed correct and binding on Lessee absent manifest error; PROVIDED, HOWEVER, that upon request, Lessee shall be entitled to review and verify non-confidential information of any Participant related to the determinations set forth in such statement of such Participant and discuss such non-confidential information and determinations with such Participant. In determining such amount, such Participant shall use its standard practice in determining such amount, and, in the absence of such standard practice, may use any reasonable method of averaging and attribution that it shall deem applicable.

SECTION 13.4. FUNDING LOSSES. In the event any Participant shall incur any loss or out-of-pocket expense (including any Break Costs, any loss or out-of-pocket expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by such Participant to make available, continue or maintain any portion of the principal amount of any Loan or Certificate Amount, as the case may be and any fees payable to terminate the deposits from which such funds were obtained) as a result of:

(a) any conversion or repayment or prepayment of the principal amount of any Loans or Certificate Amounts, as the case may be, on a date other than the scheduled last day of the Interest Period applicable thereto; or

(b) any Loans or Certificate Amounts, as the case may be, not being made in accordance with the Advance Request therefor (unless such failure to make such Loans or fund such Certificate Amounts, as the case may be, constitutes a breach by the applicable Participant of its obligations under ARTICLE III),

then, upon the written notice of such Participant to Lessee (with a copy to Lessor), Lessee shall, within five (5) days of its receipt thereof, pay directly to such Participant as Supplemental Rent such amount (determined on the basis of such Participant's standard practices) as will reimburse such Participant for such loss or out-of-pocket expense (excluding loss of the Applicable

Certificate Holder Margin and Applicable Lender Margin). Such written notice (which shall include calculations in sufficiently reasonable detail to indicate the incurrence and amount of such loss and out-of-pocket expense) shall be presumed correct and binding on Lessee absent manifest error.

SECTION 13.5. INCREASED CAPITAL COSTS. If, after the date hereof, any change in, or the adoption, effectiveness, interpretation, reinterpretation or phase-in of, any law or regulation, directive, guideline, decision or request (whether or not having the force of law) of any court, central bank, regulator or other Governmental Authority affects or would affect the amount of capital required or expected to be maintained by any Participant or any Person controlling such Participant, and such Participant reasonably determines that the rate of return on its or such controlling Person's capital as a consequence of its Commitment or the Loans or Certificate Amounts, as the case may be, made available by such Participant is reduced to a level below that which such Participant or such controlling Person could have achieved but for the occurrence of any such circumstance, then, in any such case upon notice from time to time by such Participant to Lessee, Lessee shall immediately pay directly to such Participant or such controlling Persons, as Supplemental Rent, additional amounts sufficient to compensate such Participant or such controlling Persons for such reduction in rate of return. A statement of such Participant as to any such additional amount or amounts (including calculations thereof in reasonable detail) shall be presumed correct and binding on Lessee absent manifest error; PROVIDED, HOWEVER, that upon request, Lessee shall be entitled to review and verify non-confidential information of any Participant related to the determinations set forth in such statement of such Participant and discuss such non-confidential information and determinations with such Participant. In determining such amount, such Participant shall use its standard practice in determining such amount, and, in the absence of such standard practice, may use any reasonable method of averaging and attribution that it shall deem applicable.

SECTION 13.6. AFTER TAX BASIS. Lessee shall pay all amounts owing under this ARTICLE XIII on an After Tax Basis.

SECTION 13.7. FUNDING OFFICE. If Lessee is required to pay additional amounts to or for the account of any Participant pursuant to SECTIONS 13.1, 13.2 or 13.3, to the extent applicable, then such Participant will agree to use reasonable efforts to change the jurisdiction of its Applicable Lending Office so as to eliminate or reduce any such additional payment which may

thereafter accrue if such change, in the reasonable judgment of such Participant, is not otherwise disadvantageous to such Participant.

ARTICLE XIV
LIMITATION ON RECOURSE LIABILITY DURING INTERIM TERM

Notwithstanding any other provision set forth in this Participation Agreement or any of the other Operative Documents, in the event of the occurrence of a Construction Agency Event of Default at any time following the Second Document Closing Date but prior to the Base Term Commencement Date neither Lessee nor Construction Agent shall be required to pay more than the Construction Recourse Amount on a recourse basis with respect to any damages (which shall include Construction Breakage Costs and amounts payable by Construction Agent as Default Completion Costs) which relate to or arise from any such Construction Agency Event of Default; provided, however, that the foregoing limitation shall not apply (i) with respect to any Full Recourse Construction Period Event of Default, (ii) with respect to the rights of parties to seek all damages, without regard to such limitation, from the proceeds of the Leased Property or any other TeleTech Collateral or (iii) to any Claim for indemnity under Article XII.

ARTICLE XV
MISCELLANEOUS

SECTION 15.1. SURVIVAL OF AGREEMENTS. The representations, warranties, covenants, indemnities and agreements of the parties provided for in the Operative Documents, and the parties' obligations under any and all thereof, shall survive the execution and delivery and the termination or expiration of this Participation Agreement and any of the other Operative Documents, the transfer of the interest in the Leased Property as provided herein or in any other Operative Documents (and shall not be merged into any deed, ground lease or any other conveyance or transfer document), any disposition of any interest of Lessor in the Leased Property, the purchase and sale of the Notes or Certificates, payment therefor and any disposition thereof, and shall be and continue in effect notwithstanding any investigation made by any party hereto or to any of the other Operative Documents and the fact that any such party may waive compliance with any of the other terms, provisions or conditions of any of the Operative Documents.

SECTION 15.2. NO BROKER, ETC. Except for Lessee's dealing with Security Pacific Leasing Corporation, as Arranger, each of the parties hereto represents to the others that it has not retained or employed any arranger, broker, finder or financial advisor to act on its behalf in connection with this Participation Agreement, nor has it authorized any arranger, broker, finder or financial adviser retained or employed by any other Person so to act, nor has it incurred any fees or commissions to which Lessor, Administrative Agent or any Participant might be subjected by virtue of their entering into the Overall Transaction. Any party who is in breach of this representation shall indemnify and hold the other parties harmless from and against any liability arising out of such breach of this representation.

SECTION 15.3. NOTICES. Unless otherwise specified herein, all notices, requests, demands or other communications to or upon the respective parties hereto shall be deemed to have been duly given and shall be effective: (i) in the case of notice by letter, the earlier of when delivered to the addressee by hand or courier if delivered on a Business Day and, if not delivered on a Business Day, the first Business Day thereafter or on the third Business Day after depositing the same in the mails, registered or certified mail, postage prepaid, return receipt requested, (ii) in the case of a prepaid delivery to a reputable national overnight air courier service, on the Business Day following such date of delivery, and (iii) in the case of notice by facsimile or bank wire, when receipt is confirmed if delivered on a Business Day and, if not delivered on a Business Day, the first Business Day thereafter, addressed as provided on SCHEDULE III hereto, or to such other address as any of the parties hereto may designate by written notice.

SECTION 15.4. COUNTERPARTS. This Participation Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

SECTION 15.5. AMENDMENTS. The Operative Documents or any of the terms thereof may be terminated (except as specifically contemplated herein), amended, supplemented, waived or modified only with the written agreement or consent of Lessor, Administrative Agent, Lessee and the Required Participants; PROVIDED, HOWEVER, that SECTION 15.18 hereof may not be terminated, amended, supplemented, waived or modified without the written agreement or consent of the Arranger; and PROVIDED, FURTHER, that such termination, amendment, supplement, waiver or modification shall require the written agreement or consent of each Participant

(or, in the case of CLAUSE (b) below, each Certificate Holder) if such termination, amendment, supplement, waiver or modification would:

(a) modify any of the provisions of this SECTION 15.5, change the definition of "Required Participants" or modify or waive any provision of an Operative Document requiring action by each Participant;

(b) change the definition of "Required Certificate Holders" or modify or waive any provision of an Operative Document requiring action by each Certificate Holder;

(c) amend, modify, waive or supplement any of the provisions of SECTIONS 4.1, 4.2, or 5.3 hereof or Section 2.5, 2.6, 2.7 or 2.8 of the Loan Agreement;

(d) reduce, modify, amend or waive any fees or indemnities in favor of any Participant, including without limitation amounts payable pursuant to ARTICLE XII (except that any Person may consent to any reduction, modification, amendment or waiver of any indemnity payable to it);

(e) modify, postpone, reduce or forgive, in whole or in part, any payment of Rent (other than pursuant to the terms of the Operative Documents), any Loan or Certificate Amount, the Lease Balance, the Loan Balance, Sale Option Recourse Amount, Construction Recourse Amount, the Lessee Funding Amount, any Fees, amounts due pursuant to Section 20.2 of the Lease, Interest or Yield (except that any Person may consent to any modification, postponement, reduction or forgiveness of any payment of any Commitment Fee payable to it) or, subject to CLAUSE (c) above, any other amount payable under the Lease or this Participation Agreement, or modify the definition or method of calculation of any Rent (other than pursuant to the terms of the Operative Documents), Loans or Certificate Amounts, Lease Balance, Loan Balance, Certificate Balance, Sale Option Recourse Amount, Construction Recourse Amount, Construction Costs, Estimated Contract Costs, any Fees, Participant Balance or any other definition which would affect the amounts advanced or which are payable under the Operative Documents;

(f) consent to any assignment of the Lease by Lessee, releasing Lessee from its obligations in respect of the payments of Rent, Loan Balance, Certificate Balance or Lease

Balance or changing the absolute and unconditional character of such obligations; or

(g) release of any Lien granted by Lessee or Lessor under the Operative Documents, except as provided in the Operative Documents.

SECTION 15.6. HEADINGS, ETC. The Table of Contents and headings of the various Articles and Sections of this Participation Agreement are for convenience of reference only and shall not modify, define, expand or limit any of the terms or provisions hereof.

SECTION 15.7. PARTIES IN INTEREST. Except as expressly provided in SECTION 11.1 or elsewhere herein, none of the provisions of this Participation Agreement is intended for the benefit of any Person except the parties hereto. Lessee shall not assign or transfer any of its rights or obligations under the Operative Documents without the prior written consent of the Required Participants. Except as provided in SECTION 9.1(b) and (c), Lessor shall not assign or transfer any of its rights or obligations under the Operative Documents without the prior written consent of Lessee and the Required Participants.

SECTION 15.8. GOVERNING LAW. THIS PARTICIPATION AGREEMENT SHALL IN ALL RESPECTS BE GOVERNED BY THE INTERNAL LAW OF THE STATE OF COLORADO WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES.

SECTION 15.9. SEVERABILITY. Any provision of this Participation Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 15.10. LIABILITY LIMITED. No Participant shall have any obligation to any other Participant or to Lessee, Guarantor, Lessor or Administrative Agent with respect to the Overall Transaction, except those obligations of such Participant expressly set forth in the Operative Documents, including any liability any such Participant may have with respect to any inaccuracy or breach of the representations and warranties of such Participant expressly set forth herein, or except as set forth in the instruments delivered in connection therewith, and no Participant shall be liable for performance by any other party hereto of such other

party's obligations under the Operative Documents, except as otherwise so set forth.

SECTION 15.11. SUBMISSION TO JURISDICTION. Each party hereto irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Participation Agreement or any other Operative Document, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the United States District Court for the District of Colorado, and appellate courts from any thereof;

(b) consents that any such action or proceedings may be brought to such courts, and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such party at its address set forth on SCHEDULE III or at such other address of which the other parties hereto shall have been notified pursuant to SECTION 15.3; and

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction.

SECTION 15.12. WAIVER OF JURY TRIAL. THE PARTIES HERETO VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHTS THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS PARTICIPATION AGREEMENT OR ANY OTHER OPERATIVE DOCUMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY OF THE PARTIES HERETO AND THERETO. THE PARTIES HERETO HEREBY AGREE THAT THEY WILL NOT SEEK TO CONSOLIDATE ANY SUCH LITIGATION WITH ANY OTHER LITIGATION IN WHICH A JURY TRIAL HAS NOT OR CANNOT BE WAIVED. THE PROVISIONS OF THIS SECTION 15.12 HAVE BEEN FULLY NEGOTIATED BY THE PARTIES HERETO AND SHALL BE SUBJECT TO NO EXCEPTIONS. LESSEE AND GUARANTOR EACH ACKNOWLEDGES AND AGREES THAT IT HAS RECEIVED FULL AND SUFFICIENT CONSIDERATION FOR THIS PROVISION (AND EACH OTHER PROVISION OF EACH OTHER OPERATIVE DOCUMENT TO WHICH IT IS A PARTY) AND THAT THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE PARTICIPANTS ENTERING INTO THIS PARTICIPATION AGREEMENT AND EACH OTHER OPERATIVE DOCUMENT.

SECTION 15.13. CONFIDENTIALITY. Each party hereto agrees to take and to cause its Affiliates to take normal and reasonable precautions, in accordance with such party's customary procedures for handling confidential information of this nature, and exercise due care to maintain the confidentiality of all information identified as "nonpublic", "confidential" or "secret" by Lessee or Guarantor and provided to it by Lessee or Guarantor, or by the Administrative Agent on Lessee's or Guarantor's behalf, under this Agreement or any other Operative Document, and neither it nor any of its Affiliates shall use any such information other than in connection with or in enforcement of this Participation Agreement and the other Documents or in connection with other business now or hereafter existing or contemplated with the Lessee or Guarantor; except to the extent such information (a) was or becomes generally available to the public other than as a result of disclosure by such party or its Affiliates, or (b) was or becomes available on a non-confidential basis from a source other Lessee or Guarantor, provided that such source is not bound by a confidentiality agreement with the Lessee or Guarantor known to such party; PROVIDED, HOWEVER, that any party may disclose such information (i) at the request or pursuant to any requirement of any Governmental Authority to which such party is subject or in connection with an examination of such Lender by any such authority; (ii) pursuant to subpoena or other court process; (iii) when required to do so in accordance with the provisions of any applicable Requirement of Law; (iv) to the extent reasonably required in connection with any litigation or proceeding to which the Administrative Agent, any Participant, Lessor or their respective Affiliates may be party; (v) to the extent reasonably required in connection with the exercise of any remedy hereunder or under any other Operative Document; (vi) to such party independent auditors and other professional advisors, provided that such Person is informed of the confidential nature of such information and the obligation to keep such information confidential pursuant to the terms and subject to the conditions of this SECTION 15.13; (vii) to any participant or assignee, actual or potential, provided that such Person agrees in writing to keep such information confidential to the same extent required of the parties hereunder; (viii) as to any party or its Affiliate, as expressly permitted under the terms of any other document or agreement regarding confidentiality to which the Lessee or Guarantor is party or is deemed party with such party or such Affiliate; (ix) to its Affiliates; and (x) to the National Association of Insurance Commissioners or any similar organization or any nationally recognized rating agency that required access to information about such party's investment portfolio in connection with ratings issued with respect to such party.

SECTION 15.14. LIMITED LIABILITY OF LESSOR. The parties hereto agree that Bank shall have no personal liability whatsoever to Lessee, Guarantor, the Certificate Holders, the Lenders, Administrative Agent or any of their respective successors and assigns for any Claim based on or in respect of this Participation Agreement or any of the other Operative Documents or arising in any way from the Overall Transaction; PROVIDED, HOWEVER, that Bank shall be liable in its individual capacity: (a) for its own willful misconduct or gross negligence (or negligence in the handling of funds), (b) for liabilities that may result from the inaccuracy or incorrectness of any representation or warranty made by it in its individual capacity or as Lessor in this Participation Agreement or in any certificate or document delivered pursuant hereto, or from the failure of Bank to perform the covenants and agreements set forth in SECTION 9.1 hereof, whether as to itself or as Lessor, or any other breach by Bank of any of its other covenants or obligations under any of the Operative Documents (regardless of whether such covenants and agreements concern Bank, as such, or Bank acting as Lessor), or (c) for any Tax based on or measured by any fees, commission or compensation received by it for actions contemplated by the Operative Documents.

SECTION 15.15. LIMITED LIABILITY OF AGENT. The parties hereto agree that Administrative Agent, in its individual capacity, shall have no personal liability whatsoever to Lessee, Guarantor the Certificate Holders, the Lenders, any other agent, Lessor or any of their respective successors and assigns for any Claim based on or in respect of this Participation Agreement or any of the other Operative Documents or arising in any way from the Overall Transaction; PROVIDED, HOWEVER, that Administrative Agent shall be liable in its individual capacity: (a) for its own willful misconduct or gross negligence (or negligence in the handling of funds) and, to each Participant for the breach of its obligations to such Participant in respect of the Operative Documents and the Leased Property, (b) for liabilities that may result from the incorrectness of any representation or warranty expressly made by it in this Participation Agreement, whether in its individual capacity, or as Administrative Agent, or from its failure to perform the covenants and agreements set forth in this Participation Agreement or any other Operative Document, or (c) for any Tax based on or measured by any fees, commission or compensation received by it for actions contemplated by the Operative Documents. It is understood and agreed that, except as provided in the preceding proviso, Administrative Agent shall have no personal liability under any of the Operative Documents as a result of acting pursuant to and consistent with any of the Operative Documents.

SECTION 15.16. PAYMENT OF TRANSACTION EXPENSES AND OTHER COSTS.

(a) TRANSACTION EXPENSES AND CONTINUING EXPENSES. As and when any portion of Transaction Expenses becomes due and payable, including the continuing fees, expenses and disbursements (including reasonable counsel fees) of Lessor, as Lessor under the Lease, Borrower under the Loan Agreement, and as trustee under the Trust Agreement, with respect to the administration of the Trust Estate and each agent under the Operative Documents, such Transaction Expenses shall be paid by Lessee as Supplemental Rent subject to and in accordance with the provisions of Section 4.3(a) prior to the Base Term Commencement Date.

(b) PAYMENT BY ADVANCE. Subject to the other provisions of this SECTION 15.16 and without limiting the application of SECTION 15.16(a), all Transaction Expenses incurred following the Original Advance and prior to the Base Term Commencement Advance Date shall be paid through Advances, and Lessee may seek reimbursement for Transaction Expenses paid by Lessee following the Original Advance and prior to the initial Advance Date for which Lessee has not been previously reimbursed, in each case to the extent there are Available Commitments and such Transaction Expenses to be paid or reimbursed are reserved for in the Approved Construction Budget.

(c) AMENDMENTS, SUPPLEMENTS AND APPRAISAL. Without limitation of the foregoing, Lessee agrees to pay to the Participants, Lessor and Administrative Agent all costs and expenses (including reasonable legal fees and expenses of special counsel to Administrative Agent and Lessor and a single document counsel for the Participants) incurred by any of them in connection with: (i) the considering, evaluating, investigating, negotiating and entering into or giving or withholding of any amendments or supplements or waivers or consents with respect to any Operative Document; (ii) any Casualty, Condemnation or termination of the Lease or any other Operative Document; (iii) the negotiation and documentation of any restructuring or "workout", whether or not consummated, of any Operative Document; (iv) the enforcement of the rights or remedies against Lessee or Guarantor under the Operative Documents or (v) any transfer by Lessor or a Participant of any interest in the Operative Documents during the continuance of an Event of Default.

SECTION 15.17. REPRODUCTION OF DOCUMENTS. This Participation Agreement, all documents constituting an Appendix, Schedule or Exhibit hereto, and all documents relating hereto received by a

party hereto, including, without limitation: (a) consents, waivers and modifications that may hereafter be executed; (b) documents received by the Participants or Lessor in connection with the receipt and/or acquisition of the Leased Property; and (c) financial statements, certificates, and other information previously or hereafter furnished to Lessor, Administrative Agent or any Participant may be reproduced by the party receiving the same by any photographic, photostatic, microfilm, micro-card, miniature photographic or other similar process. Each of the parties hereto agrees and stipulates that, to the extent permitted by law, any such reproduction shall be admissible in evidence as the original itself in any judicial or administrative proceeding (whether or not the original is in existence and whether or not such reproduction was made by such party in the regular course of business) and that, to the extent permitted by law, any enlargement, facsimile or further reproduction of such reproduction shall likewise be admissible in evidence.

SECTION 15.18. ROLE OF SECURITY PACIFIC LEASING CORPORATION. Each party hereto acknowledges hereby that it is aware of the fact that Security Pacific Leasing Corporation has acted as an "arranger" with respect to the Overall Transaction. The parties hereto acknowledge and agree that Arranger and its Affiliates, including Bank of America, National Association, have not made any representations or warranties concerning, and that they have not relied upon Arranger as to, the tax, accounting or legal characterization or validity of (i) the Operative Documents or (ii) any aspect of the Overall Transaction. The parties hereto acknowledge and agree that Arranger has no duties, express or implied, under the Operative Documents in its capacity as Arranger. The parties hereto further agree that SECTION 4.4(b)(iii), SECTION 16.6, the first proviso in the first sentence of SECTION 15.5, SECTION 15.15(a) to the extent of its application to Arranger, and this SECTION 15.18 are for the express benefit of Arranger, and Arranger shall be entitled to rely thereon as if it were a party hereto and such Sections and Subsections, to the extent applicable to Arranger, shall not be amended or waived without the written consent of Arranger.

SECTION 15.19. DELIVERIES TO PARTICIPANTS. Lessee may fulfill its obligations hereunder and under each of the other Operative Documents to provide any item (other than any notices) to any Participant by providing sufficient copies of such item directly to Administrative Agent, along with the costs of postage, with instructions to Administrative Agent to deliver such item to such Participant.

ARTICLE XVI
ADMINISTRATIVE AGENT

SECTION 16.1. APPOINTMENT. Each Participant hereby irrevocably designates and appoints Administrative Agent as the agent of such Participant under this Participation Agreement and the other Operative Documents, and each such Participant irrevocably authorizes Administrative Agent, in such capacity, to take such action on its behalf under the provisions of this Participation Agreement and the other Operative Documents and to exercise such powers and perform such duties as are expressly delegated to Administrative Agent by the terms of this Participation Agreement and the other Operative Documents, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Participation Agreement, Administrative Agent shall not have any duties or responsibilities, except those expressly set forth herein and in the other Operative Documents, or any fiduciary relationship with any Participant or any other party to the Operative Documents, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Participation Agreement or any other Operative Document or otherwise exist against Administrative Agent.

SECTION 16.2. DELEGATION OF DUTIES. Administrative Agent may execute any of its duties under this Participation Agreement and the other Operative Documents by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. Administrative Agent shall not be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care.

SECTION 16.3. EXCULPATORY PROVISIONS. Neither Administrative Agent (in its capacity as such) nor any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates shall be (a) liable for any action lawfully taken or omitted to be taken by it or such Person under or in connection with this Participation Agreement or any other Operative Document, except for its or such Person's own willful misconduct or gross negligence (or negligence in the handling of funds) or (b) responsible in any manner to any of the Participants or any other party to the Operative Documents for any recitals, statements, representations or warranties made by Lessor, Lessee or Guarantor or any officer thereof contained in this Participation Agreement or any other Operative Document or in any certificate, report, statement or other document referred to or provided for in, or received by Administrative Agent under or in connection with, this Participation Agreement or any other

Operative Document, or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Participation Agreement or any other Operative Document or for any failure of Lessor, Lessee or Guarantor to perform its obligations hereunder or thereunder. Administrative Agent shall not be under any obligation to any Lender or any other party to the Operative Documents to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Participation Agreement or any other Operative Document, or to inspect the properties, books or records of Lessor, Lessee or Guarantor.

SECTION 16.4. RELIANCE BY ADMINISTRATIVE AGENT. Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon any Note, Certificate, writing, resolution, notice, consent, certificate, affidavit, letter, facsimile message, statement, order or other document or other written communication believed by it in good faith to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including counsel to Lessor or Lessee), independent accountants and other experts selected by Administrative Agent. Administrative Agent may deem and treat the payee of any Note or Certificate as the owner thereof for all purposes unless a written notice of assignment, negotiation or transfer thereof shall have been filed with Administrative Agent. Administrative Agent shall be fully justified in failing or refusing to take any action under this Participation Agreement or any other Operative Document unless it shall first receive the advice or concurrence of the Required Participants, or it shall first be indemnified to its satisfaction by the applicable Participants against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Participation Agreement and the other Operative Documents in accordance with a request of the Required Participants, and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Participants and all future holders of the applicable Notes or Certificates. Wherever in the Operative Documents the consent or approval of Administrative Agent is required, such consent or approval may be given by Administrative Agent only upon its receipt of such consent or approval from the Required Participants.

SECTION 16.5. NOTICE OF DEFAULT. Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default unless Administrative Agent has

received notice from a Participant or Lessor referring to this Participation Agreement, describing such Default or Event of Default and stating that such notice is a "notice of default". In the event that Administrative Agent receives such a notice, Administrative Agent shall promptly give notice thereof to the Participants, Lessor and Lessee. Administrative Agent shall take such action with respect to such Default or Event of Default as shall be directed by the Required Participants; PROVIDED, HOWEVER, that unless and until Administrative Agent shall have received such directions, Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable in the best interests of the Participants.

SECTION 16.6. NON-RELIANCE ON ADMINISTRATIVE AGENT AND OTHER LENDERS. Each Participant expressly acknowledges that neither Administrative Agent nor the Arranger, nor any of their respective officers, directors, employees, agents, attorneys-in-fact or Affiliates, has made any representations or warranties to it and that no act by Administrative Agent or the Arranger hereinafter taken, including any review of the affairs of Lessor, Lessee or Guarantor, shall be deemed to constitute any representation or warranty by Administrative Agent or the Arranger to any Participant. Each Participant represents to Administrative Agent and the Arranger that it has, independently and without reliance upon Administrative Agent, Administrator, the Arranger or any other Participant, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, financial and other condition and creditworthiness of Lessor, Lessee and Guarantor and made its own decision to enter into this Participation Agreement. Each Participant also represents that it will, independently and without reliance upon Administrative Agent, the Arranger or any other Participant, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Participation Agreement and the other Operative Documents, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of Lessor, Lessee and Guarantor. Except for notices, reports and other documents expressly required to be furnished to the Participants by Administrative Agent hereunder, neither Administrative Agent nor the Arranger shall have any duty or responsibility to provide any Participant with any credit or other information concerning the business, operations, property, condition (financial or otherwise), prospects or creditworthiness of Lessor, Lessee or Guarantor which

may come into the possession of Administrative Agent, the Arranger or any of their respective officers, directors, employees, agents, attorneys-in-fact or Affiliates.

SECTION 16.7. INDEMNIFICATION. Except as provided in SECTION 16.4 hereunder, Administrative Agent agrees to look solely to Lessee under ARTICLE XII, and not to any other party hereto, for any claim for indemnification which may arise hereunder or under any other Operative Document.

SECTION 16.8. ADMINISTRATIVE AGENT IN ITS INDIVIDUAL CAPACITY. Each Participant acknowledges that First Security Bank, National Association is acting as Administrative Agent hereunder. First Security Bank, National Association and its Affiliates may make loans to, issue letters of credit for the account of, accept deposits from, acquire equity interests in and generally engage in any kind of banking, trust, financial advisory, underwriting or other business with Lessor, Lessee and their Affiliates as though it was not Administrative Agent hereunder and under the other Operative Documents and without notice to or consent of the Participants. Each Participant acknowledges that, pursuant to such activities, First Security Bank, National Association or its Affiliates may receive information regarding Lessee, Lessor or their Affiliates (including information that may be subject to confidentiality obligations in favor of Lessee, Lessor or their Affiliates) and acknowledges that such Persons shall be under no obligation to provide such information to them.

SECTION 16.9. SUCCESSOR ADMINISTRATIVE AGENT. Subject to the appointment and acceptance of a successor Administrative Agent as provided below, Administrative Agent may resign at any time by giving notice thereof to each Participant or may be removed at any time by written notice from the Required Participants, such resignation or removal to be effective only upon appointment of a successor as herein provided and such successor's acceptance of such appointment. Upon any such resignation or removal, the Required Participants at the time of the resignation or removal shall have the right to appoint (so long as no Event of Default attributable to its or Guarantor's action or failure to act has occurred and is continuing, with the prior written consent of Lessee) a successor Administrative Agent which shall be a commercial bank organized under the laws of the United States of America or any State thereof or under the laws of another country which is doing business in the United States of America and having a combined capital, surplus and undivided profits of at least \$500,000,000. If, within 30 calendar days after the retiring Administrative Agent's giving of notice of resignation or receipt

of a written notice of removal, a successor Administrative Agent is not so appointed and does not accept such appointment, then the retiring or removed Administrative Agent may appoint a successor Administrative Agent and transfer to such successor Administrative Agent all rights and obligations of the retiring Administrative Agent. Such successor Administrative Agent shall be a commercial bank organized under the laws of the United States of America or any State thereof or under the laws of another country which is doing business in the United States of America and having a combined capital, surplus and undivided profits of at least \$500,000,000. Upon the acceptance of any appointment as Administrative Agent hereunder by a successor Administrative Agent, such successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring or removed Administrative Agent, and the term "Administrative Agent" shall mean such successor agent effective upon such appointment and approval, and the retiring or removed Administrative Agent shall be discharged from duties and obligations as Administrative Agent thereafter arising hereunder and under any related document without any other or further act or deed on the part of such former Administrative Agent or any of the parties to this Participation Agreement or any holders of the Notes or the Certificates. If the retiring Administrative Agent does not appoint a successor, Lessee (so long as no Event of Default attributable to its or Guarantor's actions or failures to act has occurred and is continuing) may do so, or any Participant shall be entitled to apply to a court of competent jurisdiction for such appointment, and in any such case the successor so appointed shall act until such time, if any, as a successor shall have been appointed as above provided. After any retiring Administrative Agent's resignation as Administrative Agent, all of the provisions of this ARTICLE XVI shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Participation Agreement and the other Operative Documents.

[END OF PAGE]
[SIGNATURE PAGES FOLLOW]

PARTICIPATION AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused this Participation Agreement to be duly executed by their respective officers thereunto duly authorized as of the day and year first above written.

TELETECH SERVICES CORPORATION, as Lessee

By: /s/ James Kaufman

Name: James Kaufman
Title: SVP

TELETECH HOLDINGS, INC., as Guarantor

By: /s/ James Kaufman

Name: James Kaufman
Title: SVP

S-1

PARTICIPATION AGREEMENT

STATE STREET BANK AND TRUST COMPANY OF
CONNECTICUT, NATIONAL ASSOCIATION, not
in its individual capacity, except as
expressly stated herein, but solely as
Certificate Trustee

By: /s/ Thomas Belamarich

Name: Thomas Belamarich
Title: Assistant Secretary

S-2

PARTICIPATION AGREEMENT

FIRST SECURITY BANK, NATIONAL
ASSOCIATION, not in its individual
capacity, except as expressly stated
herein, but solely as Administrative
Agent

By: /s/ Nancy M. Dahl

Name: Nancy M. Dahl
Title: VP

S-3

PARTICIPATION AGREEMENT

CERTIFICATE HOLDERS:

SECURITY PACIFIC LEASING CORPORATION,
as Certificate Holder

By: /s/ Denny C. Erardi

Name: Denny C. Erardi

Title: VP

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PARTICIPATION AGREEMENT

WELLS FARGO BANK, N.A., a
CERTIFICATE HOLDER

By: /s/ Nancy Martorano

Name: Nancy Martorano

Title: VP

PARTICIPATION AGREEMENT

LENDERS:

BANC OF AMERICA LEASING & CAPITAL, LLC,
as Lender

By: /s/ Denny C. Erardi

Name: Denny C. Erardi

Title: VP

PARTICIPATION AGREEMENT

WELLS FARGO BANK, N.A., AS LENDER

By: /s/ Nancy Martorano

Name: Nancy Martorano

Title: VP

S-7

APPENDIX 1
to
PARTICIPATION AGREEMENT
(TeleTech Trust No. 2000-A)

DEFINITIONS

APPENDIX 2
to
PARTICIPATION AGREEMENT
(TeleTech Trust No. 2000-A)

CONDITIONS PRECEDENT TO SECOND DOCUMENT CLOSING DATE

(a) AUTHORIZATION, EXECUTION AND DELIVERY OF DOCUMENTS; NO DEFAULT. The Participation Agreement, the Lease, the Memorandum of Lease, the Construction Agency Agreement, the Construction Agency Agreement Assignment, the Guarantees, the Deed or Trust, the Trust Agreement, the Fee Letters, the Certificates, the Loan Agreement and the Notes shall have been duly authorized, executed and delivered by each of the other parties thereto, shall (to the extent the form and substance thereof shall not be prescribed hereby) be in form and substance satisfactory to each Participant and an executed counterpart of each thereof (except for the Certificates and the Notes, originals of which shall only be delivered to the applicable Participant, and for each Fee Letter, originals and copies of which shall only be delivered to the parties thereto) shall have been received by each of the Participants, the Agents and Lessor. Each Participant shall have received an original, duly executed Note and Certificate registered in such Participant's name. Each of the Operative Documents listed in this clause (a) shall be in full force and effect as to all other parties and no Default, Event of Default, Loan Agreement Default or Loan Agreement Event of Default shall have occurred or be continuing.

(b) LITIGATION. No action or proceeding shall have been instituted or threatened, nor shall any governmental action be instituted or threatened before any Governmental Authority, nor shall any order, judgment or decree have been issued or proposed to be issued by any Governmental Authority, to set aside, restrain, enjoin or prevent the performance of this Participation Agreement or any transaction contemplated hereby or by any other Operative Document or which is reasonably likely, in the sole opinion of the Required Participants, to be expected to have a Material Adverse Effect.

(c) LEGALITY, ETC. In the opinion of each Participant, the Overall Transaction shall not violate any Applicable Laws and no change shall have occurred or been proposed in Applicable Laws that would make it uneconomic or illegal for any party to any Operative Document to participate in any of the transactions contemplated by the Operative Documents or otherwise would prohibit the

consummation of any transaction contemplated by the Operative Documents or expand the duties, obligations and risks of such Participant.

(d) GOVERNMENTAL APPROVALS. All necessary (or, in the reasonable opinion of Lessor or Administrative Agent (for the Required Participants), advisable) Governmental Actions, in each case required by any Applicable Laws, shall have been obtained or made and be in full force and effect.

(e) REQUIREMENTS OF LAW. In the reasonable opinion of Lessor, the Agents and the Required Participants, the Overall Transaction does not and will not violate any Applicable Laws and does not and will not subject Lessor, any Agent or any Participant to any adverse regulatory prohibitions or constraints.

(f) LIABILITY INSURANCE. Lessee shall have provided evidence reasonably satisfactory to Lessor, the Agents and the Participants that Lessee has obtained or caused to be obtained, and that there is in place and effective, liability insurance in accordance with and pursuant to the terms of Section 13.1(a) of the Lease and the other terms and conditions of Article XIII of the Lease applicable thereto.

(g) PAYMENT OF ACCRUED BUT UNPAID RENT. Lessee shall have paid to Administrative Agent, by wire transfer of immediately available funds, all accrued but unpaid Rent due and payable under the Original Lease for the period commencing on the First Document Closing Date through and including June 5, 2000.

All documents and instruments required to be delivered on the Second Document Closing Date shall be delivered at the offices of Mayer, Brown & Platt, 350 South Grand Avenue, 25th Floor, Los Angeles, California 90071, or at such other location as Administrative Agent and Lessee may agree.

SCHEDULE I
TO
PARTICIPATION AGREEMENT

CERTIFICATE HOLDERS' COMMITMENTS

Certificate Holder -----	Commitment -----	Commitment Percentage -----	Noneligible Accrued Amounts Commitment Percentage -----
Security Pacific Leasing Corporation	\$ 500,902	1.5%	50%
Wells Fargo Bank, N.A.	\$ 500,902	1.5%	50%
Total Certificate Holders' Commitments:	\$ 1,001,804	3.0%	
Total Loan Commitments:	\$25,663,196	97.0%	
Total Commitments:	\$26,665,000	100.0%	

SCHEDULE II
TO
PARTICIPATION AGREEMENT

LENDERS' COMMITMENTS

Lender -----	Commitment -----	Commitment Percentage -----
Banc of America Leasing & Capital, LLC	\$12,831,598	48.5%
Wells Fargo Bank, N.A.	\$12,831,598	48.5%
Total Loan Commitments:	\$25,663,196	97.0%
Total Certificate Holders' Commitments:	\$ 1,001,804	3.0%
Total Commitments:	\$26,665,000	100%

** Notwithstanding the percentages set forth above in this Schedule II or anything else in the Operative Documents to the contrary, the Certificate Holders shall Fund, in the aggregate, 100% of the Drawing Fees payable to each Participant, the Arrangement Fee payable to the Arranger, the fees set forth in the Trustee Fee Letter to the parties entitled thereto, and the fees set forth in the Agent Fee Letter to the Administrative Agent with each Certificate Holder Funding its pro rata portion of such Fees based on its percentage share of the total Certificate Holders' Commitments.

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM TELETECH HOLDINGS, INC.'S 2000 FIRST QUARTER FORM 10-Q AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FORM 10-Q FILING.

6-MOS		
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	JUN-30-2000	
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