

_____, 20__

Re: Letter of Intent to Lease Space at _____ (the “Building”)

Dear _____:

We are pleased to present the following proposal to lease space in the _____ Building. Upon execution of this letter of intent, the Landlord will prepare a lease document for your review, provided the space is still available.

Please find below the terms and conditions under which Landlord is prepared to enter into a lease agreement with you:

1. **TENANT:** _____, a _____ (“Tenant”)
2. **LANDLORD:** _____ (“Landlord”)
3. **BUILDING AND PROJECT:** The Building is part of an office/retail/industrial project known as _____ (the “Project”). The Project is located [*DESCRIBE PROJECT*].
4. **PREMISES:** Tenant shall lease approximately _____ rentable square feet of space in Suite ____ on the ____ floor (the “Premises”). [*The exact size of the Premises shall be measured and determined by Landlord’s architect/space planner in accordance with BOMA, ANSI Z.65.1 1996 standard methods of measuring floor area in office buildings.*]

or [the “rentable square feet” of the Premises and Building set forth herein were calculated pursuant to the Standard Method of Measuring Floor Area in Office Buildings, ANSI Z65.1 - 1996 (“BOMA”), and therefore the “rentable square feet” of the Premises shall be deemed as set forth herein].

Tenant shall assume the Premises in its “As-Is” condition and Landlord makes no representation or warranty regarding the condition of the Premises or the suitability of the Premises for Tenant’s intended business operations.
5. **USE:** The Premises shall be used for [*general office*][*retail sale of _____*] and

consistent with the Project as a first class [office] Project. Tenant shall be responsible for operating and maintaining the Premises pursuant to (i) Landlord's rules and regulations and (ii) all zoning, building codes, laws and CC&Rs.

6. **TERM:** The Lease Term shall be for _____ (__) months.

7. **COMMENCEMENT:** The Lease shall commence on _____, 200__

[For purposes of the Lease, the "Scheduled Completion Date" for completion of all Tenant Improvements by Landlord shall be _____, 20___. For purposes of the Lease, "Commencement Date" shall be the date of Substantial Completion of the Premises. However, Tenant's obligation to commence paying Base Rent and additional rent shall not commence until _____ (__) days after Substantial Completion of the Premises ("Rent Commencement Date"). "Substantial Completion" shall mean the date upon which: (1) the Tenant Improvements are complete so as to allow Tenant to commence use and occupancy of the Premises, (2) the City of San Diego has issued a certificate of occupancy or equivalent authorization for Tenant to occupy the Premises, or (3) Landlord's architect has issued a certificate of substantial completion for the Premise.]

8. **PREPAID RENT:** \$_____

9. **SECURITY DEPOSIT:** \$_____.

[Tenant shall also provide a letter of credit in an amount equal to \$_____, in form and content and issued by a financial institution approved by Landlord]

OR

[Landlord shall not require a security deposit.]

10. **GUARANTY:** _____

OR

[Subject to review of Tenant's financials]

11. **RENTAL SCHEDULE:** *[Option 1: NNN w/ annual increase: The Base Rent shall be _____ dollars (\$_____) per rentable square foot net of all expenses (triple net). Thereafter, the base annual rent shall increase **three percent (3%)** per annum on each anniversary of the Lease Commencement].*

Option 2: Modified Gross w/Base Year: Base Rent shall be paid according to the following schedule:

Period	Annualized Base Rent	Monthly Base Rent	Monthly Base Rent per r.s.f.
Lease Year 1	\$_____	\$_____	\$_____
Lease Year 2	\$_____	\$_____	\$_____
Lease Year 3	\$_____	\$_____	\$_____

Option 3: [RETAIL PROVISION - PERCENTAGE RENT - Tenant shall pay, as annual rent under the Lease, the greater of (i) the Annual Base Rent, and (ii) _____ percent (___%) of the annual gross sales for the Premises].

12. OPERATING EXPENSES:

[SEE ALTERNATIVE PROVISIONS OF “EXPENSE STOP” VERSUS “BASE YEAR” SCENARIOS VERSUS RETAIL “N/N/N” SCENARIO].
[EXPENSE STOP – If, during the Lease Term, Tenant’s proportionate share of taxes and operating expenses for the Building exceeds [INSERT EXPENSE STOP] per rentable square foot of the Premises, Tenant shall be responsible for such excess. Operating expenses will be calculated on a grossed-up basis reflecting variable operating expenses as if the Building was fully occupied.]

OR

[BASE YEAR - If, during the Lease Term, Tenant’s proportionate share of taxes and operating expenses for the Building exceeds the amount of operating expenses and taxes for [INSERT BASE YEAR], Tenant shall be responsible for such excess. Operating expenses will be calculated on a grossed-up basis reflecting variable operating expenses as if the Building was 95% occupied. Real property taxes will be calculated as if the Building and parking structure are fully completed and fully assessed.]

OR

[RETAIL PROVISION - N/N/N - During the Lease Term, Tenant shall pay its proportionate share of taxes and operating expenses for the Building. Operating expenses will be calculated on a grossed-up basis reflecting variable operating expenses as if the Building was fully occupied].

[OPTIONAL RETAIL PROVISION - Tenant shall, at its expense, directly meter the Premises for water, gas, and electrical usage, and Tenant shall pay directly for such utilities].

Tenant shall share in any increase in the actual operating costs of the Building on a pro rata basis, predicated upon a 20____ base year method-of-expense calculation ("Base Year"). All operating expenses shall be based upon the Building being 95% occupied and fully assessed for real estate taxes with all tenants paying full rent, as contrasted with free rent, half rent

and the like. *[(See Exhibit A for Exclusions from Operating Expenses)]*. *[Any pass-throughs above the Base Year shall be capped at ____ percent (___%) per annum]*.

For the purpose of payment of operating expenses, to the extent Landlord pays taxes and/or insurance premiums less frequently than monthly, the cost of same shall not be included in operating expenses but shall be separately calculated, with Tenant being obligated to pay Tenant's pro rata share of same.

Tenant shall pay its proportionate share of the Operating Expenses associated with the Building and Project, subject to certain express exclusions as set for the in the Lease. *[Operating Expenses include, but are not limited to, real estate taxes, common area maintenance expenses, five (5) days per week janitorial service, utility expenses, management fees, and insurance costs...]*

Maintenance of Premises & Project: Tenant shall maintain, at its sole cost and expense, the Premises. Landlord, as part of Operating Expenses shall maintain the common areas of the Project. Tenant shall be responsible, at its expense, for complying during the Lease Term with all applicable governmental rules and regulations with regards to Tenant's use of the Premises and all underlying covenants, conditions and restrictions (CC&Rs) to which the Premises are subject. Tenant shall be responsible for keeping the Premises in compliance with all Hazardous Materials Laws, permits, insurance, and shall indemnify Landlord from any related liabilities. Landlord retains the right to enter the Premises upon reasonable notice to Tenant to maintain items it feels, in its sole discretion, Tenant is not maintaining properly. Tenant shall directly reimburse Landlord for any and all costs incurred by Landlord for such maintenance.

Taxes and Other Impositions: Landlord shall pay, as part of Operating Expenses, all real estate taxes, assessments, charges and similar expenses to which the Project, the Building and/or the Premises are or become subject during the Lease Term. Tenant will be responsible for its pro-rata share of any future increases in real estate taxes resulting from a sale of the subject Property.

Insurance: Landlord may maintain, as part of Operating Expenses and throughout the Lease Term, (i) fire and casualty insurance with regard to the Building, (ii) coverage casualty insurance with regard to the Building, (iii) commercially reasonable earthquake insurance with regard to the Building, (iv) flood insurance with regard to the Building, and (v) public liability insurance with regard to the Project and Building. Tenant, at its sole cost and expense, shall maintain (A) commercial general liability insurance, (B) physical damage insurance covering the Tenant Improvements and Tenant's furniture, fixtures, equipment and other personal Property, (C) worker's compensation and employer's liability insurance, (D) business or rental interruption insurance in an amount of no

less than one (1) year's Base Rent, plus impositions, insurance premiums and other "fixed" Operating Expenses, (E) any and all hazardous/environmental policies with regard to the Building, and (F) employee automotive coverage.

Landlord's Responsibilities / Management Fee: Landlord shall be responsible, as part of Operating Expenses (but subject to certain capital expense limitations to be set forth in the Lease) and throughout the Lease Term and any extensions, for maintaining, repairing and replacing, as necessary, the parking garage structure, the foundation, slab, exterior wall, roof structure (specifically excluding the membrane). Otherwise, Landlord shall make no warranties or representations regarding the Premises and Tenant shall accept them in the condition in which they are delivered upon execution of the Lease. In consideration for these responsibilities and others outlined in the Lease, Operating Expenses shall include a Management Fee equal to *[fifteen percent (15%)]* of the Base Rent attributable to the Project.

13. **OPERATING HOURS:** Building Operating Hours shall be weekdays from _____ to _____, _____ through _____, excluding _____ and normally recognized national holidays excluding however, _____. Tenant shall directly pay for any additional "after hours use" including, but not limited to, the additional cost(s) and expense(s) associated with additional security personnel, equipment, maintenance, repair, day porter service and janitorial service beyond the aforementioned Building Operating Hours.

14. **JANITORIAL:** Landlord shall provide full janitorial services for the Premises 5 days/week (Sunday through Thursday). Landlord may pass-through to Tenant its proportionate share of janitorial services as a normal operating expense.

15. **TENANT IMPROVEMENTS:** [SEE ALTERNATIVE PROVISIONS FOR LANDLORD CONTROLLED CONSTRUCTION WITH "ALLOWANCE" VERSUS "TURN-KEY" SCENARIOS AND "TENANT CONTROLLED CONSTRUCTION WITH ALLOWANCE"]

Option 1: Turn-Key:

Landlord, at Landlord's expense, shall "turn-key" the Premises according to a mutually agreed upon space plan. This shall include, but not be limited to, all costs associated with the design, planning, engineering, permitting, and construction of Tenant Improvements.

Option 2: TI Allowance/Landlord Build:

At the request of Tenant, Landlord shall provide Tenant a one time Improvement Allowance equal to _____ dollars (\$____) per usable square foot of the Premises. *[Tenant may use up to ten dollars (\$____) per rentable square foot of the Tenant Improvement Allowance]*

for voice and data cabling, signage, soft costs and other similar costs.]

Option 3: Landlord Controlled/Allowance:

Landlord shall provide Tenant an allowance of \$_____ per usable square foot of Premises to be used by Tenant for permanently affixed improvements and the cost of all architecture and engineering fees, licenses and permits for the construction of the Premises.

OR

[LANDLORD CONTROLLED CONSTRUCTION\ TURN-KEY
Landlord shall construct the Premises according to [INSERT PLANS AND SPECIFICATIONS], but in no event shall Landlord's contribution to the cost of the construction of the Premises exceed \$_____ per usable of the Premises.

Additional Language:

Anticipated Tenant Improvement work shall include building standard grade finishes. Landlord, at Landlord's cost, shall commission Landlord's space planner to prepare a preliminary space plan ("Preliminary Plan") for Tenant Improvements in the Premises within 20 days after execution of this letter, utilizing Tenant's preliminary requirements for the Premises (e.g., lobby/reception, conference rooms, offices, secretary stations, kitchen, mail room, library, server/data room, filing and storage). Upon acceptance of the Preliminary Plan by Tenant, Landlord shall commission Landlord's contractor to estimate the timeline and cost of build-out of the Tenant Improvements set forth on the Preliminary Plan. Tenant may request modifications to the Preliminary Plan, and Landlord will commission Landlord's space planner and contractor to promptly modify the Preliminary Plan and provide a new estimate for the cost of build-out of the Tenant Improvements set forth on the modified Preliminary Plan, until such time as Tenant accepts the space plan and construction timeline as final ("Final Plan"). The Tenant Improvements identified on the Final Plan shall be delivered by Landlord to Tenant on a turn-key basis, subject to Tenant change orders at Tenant's sole cost and expense. Landlord, at Landlord's expense, shall also provide consulting services to Tenant and Landlord's space planner by the Building engineer regarding mechanical, electrical, telecommunications, load factors and other technical requirements to effectively and efficiently design and integrate Tenant's intended use (including library and telecommunications facilities) with existing Building systems.

As consideration for Landlord's administration of the construction of Tenant Improvements, Tenant shall pay Landlord a supervisory fee of three percent (3%) of hard costs paid for with any Tenant Improvement Allowance monies provided by Landlord used for the Premises, which fee shall be deducted from such Tenant Improvement Allowance. Tenant shall

engage their own architect/space planner (and engineers/consultants) for interior improvements only, subject to Landlord's reasonable approval, which costs may be paid for as part of the Tenant Improvement Allowance. Any base building modifications (if required) shall be made pursuant to Landlord's architect and general contractor at Tenant's sole cost. Tenant shall competitively bid the Tenant Improvement construction with mutually approved contractors and select the most qualified contractor, subject to Landlord's reasonable consent.

16. **RESTORATION:** Landlord may require Tenant, at Tenant's expense, (i) to remove all non-building standard Tenant Improvements, (ii) repair any damage to the Premises and Building caused by such removal, and (iii) to return the affected areas to a condition, the specifications of which shall be attached as a Schedule to the Tenant Work Letter; provided, however, in connection with the foregoing, Tenant shall be required to obtain any license, clearance or other authorization of any kind required to enter into and restore the Premises issued by any governmental or quasi-governmental agency having jurisdiction over the use, storage, release or removal of "Hazardous Materials," as that term shall be defined in the Lease, below, in, on or about the Premises (collectively, the "Hazardous Materials Clearances"), which Hazardous Materials Clearances shall be obtained by Tenant at its sole cost and expense.
17. **SIGNAGE:** Landlord shall provide signage on the building directory sign based on Landlord's building sign standards. Any other signage shall conform to building standards and Landlord shall have sole review and approval rights of Tenant's signage.
18. **PARKING:** Tenant shall have _____ (___) parking spaces per 1,000 usable square feet, all within the designated parking area, at the rates charged for such spaces, provided however, to the extent transportation/parking fees/assessments are mandated by a government agency, Tenant shall be solely responsible for said cost.

19. SUBLEASING:

[SEE RETAIL PROVISION AND NEGOTIATED RECAPTURE PROVISION]. Tenant shall have the right during the Lease Term to sublease or assign all or any portion of the Premises to a related entity or affiliate (as defined in Landlord's lease form) upon notification to Landlord. In addition, Tenant shall have the right to assign or sublease to unrelated entities as provided below. Tenant shall remain liable to Landlord for performance under the Lease regardless of such sublease or assignment.

In addition, Tenant shall have the right to assign or sublease all or any portion of the Premises subject to Landlord's consent, which consent will not be unreasonably withheld or delayed. Landlord shall retain [50%] of all profits paid in connection with any sublease or assignment in excess of Tenant's rent obligations hereunder. [RETAIL PROVISION – Tenant shall have the right to sublease or assign all or a portion of the Premises subject to Landlord's consent, which consent may be withheld by Landlord in its sole discretion. Landlord shall retain the profits from such sublease or assignment].

Upon Tenant's notice to Landlord of an intended sublease or assignment of all or any portion of the Premises, Landlord shall have the right to recapture such sublease or assignment space (except to any related entity or affiliate of Tenant). [ALTERNATE NEGOTIATED RECAPTURE PROVISION – If Tenant intends to sublease or assign all or any portion of the Premises, Tenant shall give Landlord notice of such intention, and Landlord may, within ninety (90) days of such notice, recapture the portion of the Premises pertaining to the intended assignment or sublease for the term of such intended sublease or assignment]. In no event shall Tenant assign, sublease or otherwise transfer the Premises for a use other than a Permitted Use.

[The original Tenant shall have the right to sublease or assign any portion of the Premises to any Affiliate without Landlord's consent provided that the Premises continued to be used only for office use. Such sublease or assignment to an Affiliate shall not relieve Tenant from liability under the Lease.]

20. HAZARDOUS MATERIALS:

Tenant shall indemnify Landlord from any claims arising from Tenant or Tenant's invitee's use of any Hazardous Materials and shall use such materials in compliance with all governmental codes and restrictions.

21. ENVIRONMENTAL LAW COMPLIANCE:

Tenant shall not sell, use, or store in or around the Premises any Hazardous Materials, except if stored, properly packaged and labeled, disposed of and/or used in accordance with applicable Environmental Laws. In addition, Tenant agrees that it: (i) shall not cause or suffer to occur, the release, discharge, escape, or emission of any Hazardous Materials at, upon, under or within the Premises or any contiguous or adjacent Premises; (ii) shall notify Landlord promptly following receipt of any knowledge with respect to any actual release, discharge, escape or emission (whether past or present) of any Hazardous Materials at, upon, under or within the Premises; (iii) shall promptly forward to Landlord copies of all orders, notices, permits,

applications and other communications and reports in connection with any release, discharge, escape or emission of any Hazardous Materials at, upon, under or within the Premises or any contiguous or adjacent Premises; and (iv) in connection with Tenant's surrender of the Premises upon the expiration or earlier termination of this Lease, Tenant shall deliver the same free of Hazardous Materials brought upon, kept or used in or about the Premises by any persons, and shall obtain and provide to Landlord (A) all Hazardous Materials Clearances, (B) evidence from the applicable governmental entities of "closure" of all permits which had been required for Tenant's use of the Premises, together with "no further action letters" from such applicable governmental entities (if required) and a "no further action letter" for unrestricted future use of the Premises, and (C) Phase I and Phase II (if required) reports with regard to the Premises, the requirements of which (form, content and determinations) shall be more particularly set forth in the Lease.

22. **COMMISSIONS:** Landlord shall pay a leasing commission to _____ pursuant to a separate agreement between Landlord and _____.

23. **[RENEWAL OPTION:** *Provided Tenant is not in material or economic default (following any applicable notice and cure periods) more than once during the preceding twelve months (12) months (and in no event more than two (2) times during the Lease Term) and provided Tenant occupies the entire Premises, the original Tenant shall have a personal right to [two (2) five (5) year] Renewal Options for the Premises at "Fair Market Rent" by providing at least eight (8) months prior written notice and not more than fifteen (15) months written notice prior to the Commencement Date of each Renewal Option Term.*

Fair Market Rent shall be defined to include the terms and conditions that would be offered to a Tenant for comparable non-sublease, non-encumbered, non-equity office space in the downtown San Diego area, and which shall take into account, among other things, face rental rates, rental increases, tenant improvement allowances, the value of existing improvements in the Premises, whether Operating Expenses are determined on a base year or triple net basis, type and amount of parking (surface, covered, subterranean), availability and cost of parking, signage, amenities, as well as other economic concessions. The Fair Market Rent shall also consider the credit of Tenant, the economic obligations of the Lease and size of the Premises.]

24. **[COMMUNICATIONS** *Tenant requires high-speed Internet access delivered to the Premises by a mutually-agreed vendor (Adelphia, PacBell, etc.) at the Building to the Premises. Costs associated with delivery of high-speed Internet access to the Premises shall be undertaken by Tenant at Tenant's sole cost and expense. Landlord shall provide Tenant with 15-day prior written notice and access to the Premises in order for Tenant or Tenant's vendor to (i) install telephone lines, data lines and other telecommunications hardware, and (ii) establish fully-operational telephone, data and Internet connectivity prior to Tenants 15-day move-in period.]*

25. **[EXPANSION:**

Tenant's expansion rights shall consist of: [(i) Must-Take Space as to _____ sq. ft. on the ___ floor, (ii) option space as to the balance of the ___ floor; (iii) a right of first refusal as to the balance of the ___ floor, if Tenant elects not to exercise its option; and (iv) a right of first refusal and right of first offer on the ___ floor;] all as more fully set forth below.

[A. Must-Take (___ Floor) - Tenant shall be obligated to accept approximately _____ square feet of office space located on the ___ floor of the Building adjacent to the Premises ("Must-Take Space") no later than the ___-month anniversary of the Commencement Date. Tenant may, at Tenant's sole election, accept the Must-Take Space prior to the ___- month anniversary of the Commencement Date. The Base Rent and Additional Rent for the Must-Take Space shall be at the same rental rate as the initial Premises.

B. Option (___ floor) - Tenant shall have the option to lease all or a portion of the balance of the -___ floor for the remainder of the initial Term, and any renewal term; the term of any such option space shall be coterminous with the term of the initial space. The Base Rent and Operating Expenses for the option space shall be at the same rental rate as the initial Premises. Tenant must exercise its option by delivering a written notice to Landlord at any time prior to the date which is ___ months after the Commencement Date. The written notice to Landlord shall identify Tenant's requested timetable for taking-over such option space, and the amount of option space which Tenant desires to accept. Landlord shall have the right to deliver the option space to Tenant anytime between the ___th and ___th month of the Lease; provided that Landlord will deliver a 4-month written notice to Tenant of the date of delivery of the option space.

C. Right of First Refusal (___ floor) - Tenant shall have the right to lease all or a portion of the balance of the ___ floor as set forth in Paragraph A above, Tenant shall have a right of first refusal on the balance of the ___ floor. In the event Landlord receives a bona-fide written offer to lease any portion of the ___ floor which offer sets forth all material business terms of a lease arrangement which Landlord is prepared to accept (except for Landlord's obligation under this Paragraph C), Landlord shall present the full particulars of such offer to Tenant, and Tenant shall have fifteen (15) days elect whether to lease such space on the same terms and conditions set forth in the third-party proposal; provided that the right of first refusal space shall be coterminous with the balance of Tenant's leased space. If Tenant elects to exercise its right of first refusal, the parties shall enter into an amendment of the Lease within 30 days of Tenant's acceptance notice

D. Right of First Offer (___ and ___ floors) - Subject to any existing rights of first offer existing at the time of mutual execution of this letter, Tenant shall have an ongoing Right of First Offer to lease any space which may become available in the Building on the ___ and ___ floor, during the initial term and any renewal term of the Lease. The terms and conditions applicable to

the Right of First Offer space shall be the same as for Tenant's lease of the initial Premises; provided that the Right of First Offer space shall be coterminous with the Term of the Lease.

E. Tenant Improvement Allowance - Tenant shall be entitled to (i) a refurbishment allowance equal to \$_____ per useable square foot of the Premises occupied by Tenant immediately prior to Tenant's exercise of each renewal option and (ii) Landlord's build-out of Tenant Improvements consistent with the Final Plan for the initial Premises in the event of Tenant's exercise of any right of first refusal, or right of first option; all at Landlord's sole cost and expense. With respect to item (ii), Landlord's cost of building-out Tenant Improvements shall be reduced on a pro-rata basis over the remaining initial term or renewal term. For example, if the build-out cost of Tenant Improvements is \$_____ sq. ft., and Tenant exercises its right of first refusal as of the 1-year anniversary of the Commencement Date, then Landlord's obligation to build-out Tenant Improvements shall be \$_____ sq. ft. (\$_____ sq. ft. reduced by \$_____ sq. ft. per year based upon a ____-year initial term)].

26. **[PRESS RELEASES/
MARKETING:**

Neither party may issue any independent press release regarding Tenant's execution of this letter or the Lease. With Landlord's prior written consent, Tenant may use Building photographs. [Notwithstanding the foregoing, the Parties shall have the right to (i) issue limited (i.e., setting forth the Project, Lease Term and general economic terms) press releases in connection with the Potential Lease subject only to the other party's prior consent, which consent may not be unreasonably withheld; provided, however, such party shall be deemed to have consented to any such press release if it fails to give or withhold its consent in writing within five (5) business days following receipt of a request for such consent, and (ii) disclose the Project, whether or not such party has entered into a Letter of Intent for the applicable office space which is the subject of the Potential Lease, and the Lease Term and general economic terms of the Potential Lease in connection with such party's earnings call (which shall expressly include the right to provide written supplemental materials in connection with such earnings call and to provide information and/or answer questions raised during such earnings call)].]

27. **OTHER OPTIONAL
MISCELLANEOUS
PROVISIONS:**

Operation of Premises [RETAIL PROVISION]. Tenant shall continuously operate the Premises during the hours of _____ and _____, except national holidays.

Relocation Allowance. Landlord will provide Tenant up to \$_____ per usable square foot of the Premises for the cost of Tenant's relocation to the Premises. Such relocation costs are subject to Landlord's approval, which shall not be unreasonably withheld.

Non-Disturbance Agreement. Landlord shall use good faith efforts to secure and deliver to Tenant a commercially reasonable non-disturbance agreement executed by the first trust deed holder of the Building.

Building Planning. Upon notice to Tenant, Landlord may relocate the Premises to other space in the Building.

Heating, Ventilation and Air-Conditioning. Landlord, as part of operating expenses, shall furnish heating, ventilation and air-conditioning for normal office usage, Monday through Friday, from 9:00 a.m. to 6:00 p.m., and Saturday, from 9:00 a.m. to 12:00 p.m., except for recognized national and state holidays. [OPTIONAL – *Landlord shall provide, upon Tenant's request and at Tenant's expense, after-hours heating, ventilation and air conditioning on an hourly, full-floor basis under terms and conditions to be established by Landlord*].

Roof Rights. Landlord shall provide to Tenant the non-exclusive (until Tenant occupies the entire Building) right to use its pro-rata share of appropriately designated roof space to accommodate and maintain one satellite dish (up to 20 inches in diameter and weighing up to 50 lbs.) device on the roof of the Building (including ancillary cabling to connect such equipment to the Premises) to the extent the same is reasonably necessary to support Tenant's operations within the Premises, provided Tenant shall, at Tenant's sole cost and expense, install, maintain, restore, and repair such equipment and the associated roof space. Any planned satellite dish shall conform to zoning, ordinances, CC&Rs and shall be subject to Landlord's reasonable approval, including the approval of Landlord on the size, location and screening of said equipment. Landlord retains the right to utilize the remainder of the rooftop in its sole and absolute discretion.

Early Occupancy. Tenant shall be permitted to enter the Building and Premises fifteen (15) days prior to the anticipated commencement date for the purpose of installing furniture, fixtures, computer and telephone equipment. Tenant shall not be charged for Base Rent during this move-in period.

28. CONTINGENCIES:

This Letter of Intent and any definitive Lease documentation, shall be expressly subject to the following:

1. Subject to Landlord's review and approval of Tenant's current financial statements
2. Mutually executed LOI on or before _____, 20__
3. Mutually executed Lease not later than _____, 20__
4. This proposal becomes null and void at 5:00 p.m., _____, 20__.

This Letter of Intent is intended as an outline of the major lease provisions only and, whether or not countersigned, is not a binding agreement by either party to lease the Premises. LANDLORD AND TENANT ACKNOWLEDGE THAT THIS PROPOSAL IS NOT A LEASE AND THAT IT IS INTENDED AS THE BASIS FOR PREPARATION OF A LEASE BY LANDLORD. THE LEASE

SHALL BE SUBJECT TO LANDLORD'S AND TENANT'S APPROVAL, AND ONLY A FULLY EXECUTED LEASE SHALL CONSTITUTE A LEASE FOR THE PREMISES. As a result, notwithstanding the execution of this Letter of Intent by Landlord and Tenant, neither Landlord nor Tenant shall have any legal obligation or liability to the other with respect to the matters set forth in this Letter of Intent unless and until a mutually agreed upon lease document is fully executed and delivered by both parties. As such, the parties hereby acknowledge and agree that this Letter of Intent is non-binding and that any acts or omissions undertaken or any costs or expenses incurred by Landlord or Tenant following the execution of this Letter of Intent are made or incurred at such party's sole risk and expense. FURTHERMORE, NEITHER LANDLORD NOR TENANT SHALL BE UNDER ANY DUTY OR OBLIGATION TO ACT IN GOOD FAITH, NOR DOES ANY IMPLIED DUTY OF GOOD FAITH EXIST, IN ORDER TO CAUSE A LEASE DOCUMENT TO BE EXECUTED OR DELIVERED. THE FINAL LEASE DOCUMENT SHALL INCORPORATE THE PROVISIONS CONTAINED IN THIS PROPOSAL AND ANY OTHER PROVISIONS UPON WHICH THE LANDLORD AND TENANT MAY MUTUALLY AGREE.

Furthermore, this Letter of Intent is subject to financial review and approval by Landlord through the date of full execution and delivery of definitive lease documents.

Landlord and Tenant and their respective representatives (the "Brokers") acknowledge that all correspondence (including this Letter of Intent), all communications and all information contained therein which relates to the potential Lease, whether or not the same ultimately becomes part of the executed Lease by and between the parties, shall be Confidential Information (collectively, the "Confidential Information"). Whether or not the Lease is ultimately consummated, the parties and the Brokers shall keep the Confidential Information strictly confidential and shall not disclose the Confidential Information to any person or entity. The parties acknowledge and agree, each shall have the right to disclose Confidential Information pursuant to governmental regulations and statutes as required by law for publicly traded entities and as necessary, to disclose to financial, accounting, legal, investment banking and related entities.

Very truly yours,