UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

[X] Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the quarterly period ended APRIL 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 0-21180

INTUIT INC.

(Exact name of registrant as specified in its charter)

DELAWARE	77-0034661
(State of incorporation)	(IRS employer identification no.)

2535 GARCIA AVENUE, MOUNTAIN VIEW, CA 94043
(Address of principal executive offices)

(650) 944-6000
(Registrant's telephone number, including area code)

Indicate by a 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 (or for such shorter period that the registrant was required to file such reports); and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

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

Approximately 203,440,410 shares of Common Stock, $0.01 par value,
as of May 31, 2000

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PART I FINANCIAL INFORMATION

<TABLE>
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INTUIT INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands, except par value; unaudited)	JULY 31, 1999	APRIL 30, 2000
	<C>	<C>
ASSETS		
Current assets:		
Cash and cash equivalents	$ 554,230	$ 962,107
Short term investments	305,125	560,398
Marketable securities	431,319	386,261
Customer deposits	145,836	162,824
Accounts receivable, net(1)	63,677	128,167
Mortgage loans	84,983	65,185
Deferred income taxes	64,925	64,993
Inventories	4,931	1,890
Prepaid expenses and other current assets(2)	67,859	45,261
Total current assets	1,722,885	2,377,086
Property and equipment, net	119,220	157,223
Purchased intangibles, net	98,049	88,199
Goodwill, net	383,102	387,358
Other assets	7,897	11,872
Long-term deferred income taxes	76,190	80,222
Investments	45,704	51,267
Restricted Investments	36,028	--
Total assets	$ 2,489,075	$ 3,153,227
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Mortgage lines of credit	$ 29,896	$ 18,791
Accounts payable	66,436	93,524
Accrued compensation and related liabilities	39,996	50,238
Payroll tax obligations	131,148	156,757
Escrow liabilities	14,857	8,186
Drafts payable	49,169	29,246
Deferred revenue	65,994	89,128
Income taxes payable	143,181	162,881
Deferred income taxes	136,694	159,623
Other accrued liabilities	201,872	256,433
Short-term note payable	--	34,658
Total current liabilities	879,243	1,059,465
Long-term notes payable	36,614	513
Long-term deferred income taxes	11,615	11,882
Minority interest	215	170
Stockholders' equity		
Preferred stock, $0.01 par value Authorized - 1,345 shares total; 145 shares designated Series A; 250 shares designated Series B Junior Participating Issued and outstanding - none; none	--	--
Common stock, $0.01 par value Authorized - 750,000 shares Issued and outstanding - 196,350 and 203,245 shares, respectively	1,963	2,032
Additional paid-in capital	1,265,114	1,492,216
Acquisition related deferred compensation	--	(28,293)
Accumulated other comprehensive income	77,680	110,095
Accumulated retained earnings	216,631	505,147

Total stockholders' equity	1,561,388	2,081,197
Total liabilities and stockholders' equity	$ 2,489,075	$ 3,153,227

</TABLE>

(1) Includes $0.1 million and $2.2 million due from Checkfree at July 31, 1999 and April 30, 2000, respectively (see Note 11).

(2) Includes $6.7 million and $8.5 million note receivable from Venture Finance Software Corp. at July 31, 1999 and April 30, 2000 respectively (see Note 11).

See accompanying notes to condensed consolidated financial statements.

INTUIT INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

<TABLE>
<CAPTION>

	THREE MONTHS ENDED APRIL 30,		NINE MONTHS ENDED APRIL 30,	
	1999	2000	1999	2000
(In thousands, except per share amounts; unaudited)				
<S>	<C>	<C>	<C>	<C>
Net revenue(1)	$ 261,492	$ 329,139	$ 772,106	$ 931,566
Costs and expenses:				
Cost of goods sold:				
Products and services	53,802	75,532	163,033	225,038
Amortization of purchased software and other	1,885	2,115	5,586	7,036
Customer service & technical support	29,580	31,596	101,584	113,554
Selling & marketing	50,787	60,173	175,070	216,188
Research & development	34,325	40,779	104,346	126,529
General & administrative	20,184	20,027	59,118	64,846
Charge for purchased research and development	--	--	--	1,312
Amortization of goodwill and purchased intangibles	20,890	37,266	62,822	118,828
Amortization of acquisition related deferred compensation	--	1,138	--	2,882
Reorganization costs	--	--	2,000	3,500
Total costs & expenses	211,453	268,626	673,559	879,713
Income from operations	50,039	60,513	98,547	51,853
Interest and other income and expense, net	5,344	14,516	12,642	29,981
Gain from marketable securities	58,596	422,206	68,684	402,096
Income before income taxes	113,979	497,235	179,873	483,930
Income tax provision	38,627	200,204	56,293	195,617
Minority interest	--	(54)	--	(203)
Net income	$ 75,352	$ 297,085	$ 123,580	$

288,516				
Basic net income per share	$ 0.39	$ 1.47	$ 0.65	$ 1.44
Shares used in per share amounts	192,786	202,342	189,328	199,787
Diluted net income per share	$ 0.37	$ 1.39	$ 0.62	$ 1.37
Shares used in per share amounts	203,161	214,362	198,261	211,049

</TABLE>

(1) Includes $1.6 million and $4.0 million from Checkfree for the three and nine months ended April 30, 1999 and $1.7 million and $5.3 million from Checkfree for the three and nine months ended April 30, 2000 respectively (see Note 11).

See accompanying notes to condensed consolidated financial statements.

INTUIT INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

<TABLE>
<CAPTION>

(In thousands; unaudited)	NINE MONTHS ENDED APRIL 30, 1999	2000
<S>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 123,580	$ 288,516
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization of goodwill and other purchased intangibles	68,408	125,864
Deferred compensation expense	--	2,882
Depreciation	26,945	33,682
Charge for purchased research and development	--	1,312
Gain from marketable securities	(68,684)	(402,096)
Changes in assets and liabilities:		
Accounts receivable	(54,742)	(64,390)
Inventories	1,428	3,041
Mortgage loans	10,383	19,798
Prepaid expenses and other current assets	(42,340)	21,705
Customer deposits	740	8,621
Deferred income tax assets and liabilities	(1,097)	(3,121)
Accounts payable	50,694	27,034
Accrued compensation and related liabilities	10,834	10,077
Escrow funds payable	(944)	(6,671)
Deferred revenue	10,677	23,134
Drafts payable	6,446	(19,923)
Accrued acquisition liabilities	(19,181)	(9,642)
Other accrued liabilities	96,937	52,166
Income taxes payable	46,833	106,535
Minority interest	--	(45)
Net cash provided by operating activities	266,917	218,479
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of marketable securities	79,900	519,183
Purchase of marketable securities	--	(16,500)
Purchase of property and equipment	(49,974)	(71,683)
Principal payments of long-term debt	(40)	(3,348)
(Increase) in other assets	(15,067)	(17,050)
Purchase of short-term investments	(232,868)	(728,504)
Acquisitions and dispositions, net of cash acquired	--	(54,584)
Purchase of long-term investments	(26,214)	(7,157)
Liquidation and maturity of short-term investments	135,590	509,259

Net cash used in (provided by) investing activities	(108,673)	129,616
CASH FLOWS FROM FINANCING ACTIVITIES		
Net borrowings (payments) under warehouse line of credit	6,156	(11,105)
Net borrowings under reverse repurchase agreement	289	--
Net proceeds from issuance of common stock	62,469	70,887
Rock Financial and Title Source payments of dividends	(1,240)	--
Net cash provided by financing activities	67,674	59,782
NET INCREASE IN CASH AND CASH EQUIVALENTS	225,918	407,877
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	140,991	554,230
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 366,909	$ 962,107

</TABLE>

See accompanying notes to condensed consolidated financial statements.

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INTUIT INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Company

Intuit Inc. develops, sells and supports small business accounting, tax preparation and consumer finance desktop software products, financial supplies (such as computer checks, envelopes and invoices), mortgage loans and Internet-based products and services for individuals, small businesses, and financial professionals. Our products and services are designed to automate commonly performed financial tasks and to simplify the way our customers manage their finances. We sell our products throughout North America and in many international markets. Sales are made primarily through retail and OEM distribution channels, traditional direct sales to customers and via the Internet.

Basis of Presentation

Intuit has prepared the accompanying unaudited condensed consolidated financial statements in accordance with generally accepted accounting principles for interim financial statements. We have included all adjustments considered necessary to give a fair presentation of our operating results for the periods shown. Results for the nine months ended April 30, 2000 do not necessarily indicate the results to be expected for the fiscal year ending July 31, 2000 or any other future period. All financial statements presented are restated to include the results of our Rock Financial Corporation ("Rock") and Title Source, Inc. ("Title Source") subsidiaries which were acquired on December 8, 1999 in a transaction which was accounted for as a pooling of interests. These statements and accompanying notes should be read together with the audited consolidated financial statements for the fiscal year ended July 31, 1999 included in Intuit's Form 10K-A, Amendment No. 1, filed with the Securities and Exchange Commission.

Principles of Consolidation

The condensed consolidated financial statements include all of our accounts and those of our wholly-owned subsidiaries. We have eliminated all significant intercompany accounts and transactions. Investments in which management intends to maintain more than a temporary 20% to 50% interest, or otherwise has the ability to exercise significant influence, are accounted for under the equity method. Investments in which we have less than a 20% interest and/or do not have the ability to exercise significant influence are carried at the lower of cost or estimated realizable value.

Use of Estimates

To comply with generally accepted accounting principles, we make estimates and assumptions that affect the amounts reported in the financial statements and disclosures made in the accompanying notes. Our most significant estimates are related to reserves for product returns and exchanges, reserves for rebates and the collectability of accounts receivable. We also use estimates to determine the remaining economic lives and carrying value of goodwill, purchased intangibles, and fixed assets. Despite our intention to establish accurate

estimates and assumptions, actual results may differ from our estimates.

Net Revenue

Intuit recognizes revenue upon shipment of our shrink-wrapped products based on "FOB shipping" terms. Because, under FOB shipping terms, title and risk of loss are transferred, and we have no continuing obligations, once our products are delivered to the shipper, we recognize revenue upon shipment, net of reserves based on historical experience. To recognize revenue, it must be probable that we will collect the accounts receivable from our customers. Reserves are provided for returns of excess quantities of current product versions, as well as previous versions of products still in the distribution channel when new versions are launched. In some situations, we receive advance payments from our customers. Revenue associated with these advance payments is deferred until the products are shipped or services are provided. We also reduce revenue by the estimated cost of rebates when products are shipped. Warranty reserves are provided at the time revenue is recognized for the estimated cost of replacing defective products.

We recognize revenue from Internet products and services when that revenue is "earned" based on the nature of the particular product or service. For Internet products and services that are provided over a period of time, revenue is recognized pro rata based on the passage of the contractual time period during which the product or service is to be provided or in accordance with agreed upon performance criteria. However, where the Internet product or service is to be delivered or provided at one point in time, revenue is recognized immediately upon delivery of the product or completion of the service, rather than over time. For example, we earn advertising revenues from third parties that advertise on certain of our websites and contract to run such advertisements for a particular period of time. In that case, the associated advertising revenue is recognized ratably over the contractual time period during which the advertising is to be placed. By contrast, for on-line transactions for which we receive a payment, revenue is recognized upon completion of the transaction, assuming there are no remaining obligations on our part. To recognize revenue, it must be probable that we will collect the accounts receivable from our customers.

Intuit also offers several plans under which customers are charged for technical support assistance. Fees charged for these plans are collected in advance and are recognized as revenue over a period of time (generally one year) at a rate that is based on historical call volumes for support, which approximates when these services are performed. Costs incurred for fee for support plans are included in cost of goods sold.

We defer loan origination revenue and associated incremental direct costs on loans held for sale until the related loan is sold. We recognize gains and losses on loans at the time we sell them, based upon the difference between the selling price and the carrying value of the related loans sold. We recognize loan servicing revenue as the related principal is collected. We recognize interest income on mortgage loans as it is earned, and we recognize interest expenses on related borrowings as we incur them.

Customer Service and Technical Support

Customer service and technical support costs include the costs associated with performing order processing, answering customer inquiries and providing technical assistance by telephone, fax, email, and the Internet. In connection with the sale of certain products, Intuit provides limited free telephone support service to customers. This free service, also referred to as post-contract customer support, is included in this expense category. We do not defer the recognition of any revenue associated with sales of these products, since the cost of providing this free support is insignificant. The support is provided within one year after the associated revenue is recognized and enhancements are minimal and infrequent. The estimated cost of providing this free support is accrued upon product shipment.

Cash, Cash Equivalents and Short-Term Investments

Intuit considers highly liquid investments with a maturity of three months or less at the date of purchase to be cash equivalents. Both cash equivalents and short-term investments are considered available-for-sale securities and are carried at amortized cost, which approximates fair value. Available-for-sale securities are classified as current assets based upon our intent and ability to use any and all of these securities as necessary to satisfy the significant short-term liquidity requirements that may arise from the highly seasonal and cyclical nature of our business. Based on our significant business seasonality, cash flow requirements within quarters may fluctuate dramatically and could require us to use a significant amount of the cash investments held as available-for-sale securities.

The following schedule summarizes the estimated fair value of our cash, cash equivalents and short-term investments:

<TABLE>
<CAPTION>

(In thousands; unaudited)	JULY 31, 1999	APRIL 30, 2000
<S>	<C>	<C>
Cash and cash equivalents:		
Cash	$ 56,548	$ 700
Money market funds	294,190	467,017
Commercial paper	156,037	43,944
Municipal bonds	37,455	440,446
U.S. Government securities	10,000	--
Corporate Notes	--	10,000
	$ 554,230	$ 962,107
Short-term investments:		
Certificates of deposit	$ 9,901	$ --
Commercial Paper	--	--
Corporate notes	19,482	58,943
Municipal bonds	284,057	468,771
U.S. Government securities	27,713	32,684
Restricted short-term investments	(36,028)	--
	$ 305,125	$ 560,398

</TABLE>

The estimated fair value of cash equivalents and short-term investments classified by date of maturity is as follows:

<TABLE>
<CAPTION>

(In thousands; unaudited)	JULY 31, 1999	APRIL 30, 2000
<S>	<C>	<C>
Due within one year	$ 735,349	$ 1,365,266
Due within two years	101,784	155,326
Due within three years	1,702	1,213
Restricted short-term investments	(36,028)	--
	$ 802,807	$ 1,521,805

</TABLE>

For information about our restricted investments, see Note 8. Realized gains and losses from sales of each type of security were immaterial for all periods presented.

Marketable Securities

As explained in greater detail below, we currently hold several marketable securities, most of which we acquired in connection with strategic business transactions and relationships. Our available for sale marketable securities are carried at fair value and we include unrealized gains and losses, net of tax, in stockholders' equity. We have designated our investments in At Home Corporation ("At Home") and VeriSign as trading securities and fluctuations in the market value of these shares are reported in net income. We held the following marketable securities at July 31, 1999 and April 30, 2000:

<TABLE>
<CAPTION>

		GROSS UNREALIZED		NET REALIZED	
	COST	GAIN	LOSS	LOSS	FAIR VALUE
<S>	<C>	<C>	<C>	<C>	<C>
JULY 31, 1999					
(In thousands; unaudited)					

At Home common stock	$132,060	$ --	$ --	$ 36,856	$ 95,204
Checkfree Corporation common stock	150,081	152,177	--	--	302,258
S1 Corporation common stock	49,997	--	16,140	--	33,857
	$332,138	$152,177	$ 16,140	$ 36,856	$431,319

APRIL 30, 2000
(In thousands; unaudited)

At Home common stock	$119,366	$ --	$ --	$ 84,286	$ 35,080
Checkfree Corporation common stock	68,956	168,593	--	--	237,549
Homestore.com, Inc. common stock	2,769	7,759	--	--	10,528
MetLife common stock	--	217	--	--	217
Mortgage.com, Inc. common stock	5,154	924	--	--	6,078
Quotesmith.com, Inc. common stock	5,645	--	1,525	--	4,120
S1 Corporation common stock	49,997	2,730	--	--	52,727
S1 Corporation options	--	12,879	--	--	12,879
VeriSign, Inc. (formerly Signio) common stock	49,160	--	--	22,077	27,083
	$301,047	$193,102	$ 1,525	$106,363	$386,261

</TABLE>

In connection with At Home Corporation's acquisition of Excite in May 1999, our shares of Excite were converted into At Home common stock. We have elected to report these converted At Home shares as a trading security. As a result, we are reporting both positive and negative fluctuations in the market value of this stock in net income. At April 30, 2000, we owned approximately 1.9 million shares (or approximately 0.4%) of At Home common stock and reported a realized valuation loss of approximately $53.5 million for these securities for the period between August 1, 1999 and April 30, 2000. The closing price of At Home (symbol ATHM) at April 30, 2000, was $18.625 per share. The average daily closing price of At Home between August 1, 1999 and April 30, 2000 was $38.18 per share.

In January 1997, we sold our online banking and bill payment transaction processing business to Checkfree Corporation. We obtained marketable securities in Checkfree as a result of this sale. We account for the investment in Checkfree as an available-for-sale equity security, which accordingly is carried at market value. Checkfree common stock is quoted on the Nasdaq National Market under the symbol CKFR. The closing price of Checkfree common stock at April 30, 2000 was $50.8125 per share. At April 30, 2000, we held 4.7 million shares, or approximately 8.1%, of Checkfree's outstanding common stock.

In August 1999, we acquired 729,165 shares of common stock of Homestore.com, Inc. ("Homestore.com") upon conversion of our preferred shares in connection with Homestore.com's initial public offering. We account for the investment in Homestore.com as an available-for-sale equity security, which accordingly is carried at market value. Homestore.com common stock is quoted on the Nasdaq National Market under the symbol HOMS. The closing price of Homestore.com common stock at April 30, 2000 was $18.25 per share. At April 30, 2000, we held 576,865 shares, or approximately 1.0%, of Homestore.com's outstanding common stock.

MetLife Insurance, Intuit's dental insurance provider demutualized in September of 1999. As a policy holder, Intuit obtained 13,130 shares of MetLife common stock when they began trading publicly in April 2000 (under the symbol MET). The stock closed on April 30, 2000 at $16.563 resulting in a market value of $217,472.

In August 1999, we acquired approximately 3.7 million shares of common stock of Mortgage.com, Inc. ("Mortgage.com") upon conversion of our preferred shares in

connection with Mortgage.com's initial public offering. We account for the investment in Mortgage.com as an available-for-sale equity security, which accordingly is carried at market value. Mortgage.com common stock is quoted on the Nasdaq National Market under the symbol MDCM. The closing price of Mortgage.com common stock at April 30, 2000 was $1.9375 per share. At April 30, 2000, we held 3.1 million shares, or approximately 7.2%, of Mortgage.com's outstanding common stock. Subsequent to April 30, 2000, we sold all of our shares of Mortgage.com common stock.

In February 1999, we purchased one million shares of common stock of Quotesmith.com, Inc. ("Quotesmith.com"). We purchased an additional 272,727 shares of Quotesmith.com in August 1999 at the time of its initial public offering. We account for the investment in Quotesmith.com as an available-for-sale equity security, which accordingly is carried at market value. Quotesmith.com common stock is quoted on the Nasdaq National Market under the symbol QUOT. The closing price of Quotesmith.com common stock at April 30, 2000 was $3.4375 per share. At April 30, 2000, we held approximately 1,197,327 shares, or approximately 6.2%, of Quotesmith.com's outstanding common stock.

In May 1999, we purchased 970,813 shares of common stock of Security First Technologies. In November 1999, Security First Technologies changed its name to S1 Corporation ("S1"). We account for the investment in S1 as an available-for-sale equity security, which accordingly is carried at market value. S1 common stock is quoted on the Nasdaq National Market under the symbol SONE. The closing price of S1 common stock at April 30, 2000 was $54.3125 per share. At April 30, 2000, we held 970,813 shares, or approximately 1.9%, of S1's outstanding common stock. In connection with the above purchase, we also received an option to purchase up to an additional 4,579,187 shares of S1 exercisable at a per share purchase price of $51.50. We account for these options as available-for-sale equity securities, and accordingly the options are carried at market value.

In connection with VeriSign Corporation's acquisition of Signio in February 2000, our shares of Signio were converted into VeriSign common stock. We have elected to report these converted VeriSign shares as a trading security. As a result, we are reporting both positive and negative fluctuations in the market value of this stock in net income. At April 30, 2000, we owned approximately 194,308 shares (or approximately 0.2%) of VeriSign common stock and reported a realized valuation loss of approximately $22.1 million for these securities for the period between August 1, 1999 and April 30, 2000. The closing price of VeriSign (symbol VRSN) at April 30, 2000, was $139.375 per share. The average daily closing price of VeriSign between August 1, 1999 and April 30, 2000 was $121.99 per share.

Checkfree, At Home, S1, Mortgage.com, Homestore.com, VeriSign, and Quotesmith.com are high technology companies whose stock prices are subject to substantial volatility. Accordingly, it is possible that the market price of one or more of these companies' stocks could decline substantially and quickly, which could result in a material reduction in the carrying value of these assets.

Mortgage Lines of Credit

For mortgage lines of credit we estimate fair value based on the discounted value of contractual cash flows using interest rates currently in effect for similar maturities and collateral requirements. The carrying amount of these lines of credit approximates their estimated fair values since all of the borrowings have variable interest rates that approximate current market interest rates for similar types of lines of credit and are due upon demand. We held the following mortgage lines of credit at July 31, 1999 and April 30, 2000:

<TABLE>
<CAPTION>

(In thousands; unaudited)	JULY 31, 1999		APRIL 30, 2000	
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
<S>	<C>	<C>	<C>	<C>
Lines of credit	$ 29,896	$ 30,000	$ 18,791	$ 19,000

</TABLE>

Mortgage Loans

We carry mortgage loans at estimated realizable value, and we estimate their fair value using quoted market prices for similar loans, adjusted for differences in loan characteristics, including credit quality. The carrying amount of accrued interest receivable approximates the assets' fair value. We held the following mortgage loans at July 31, 1999 and April 30, 2000:

<TABLE>

<CAPTION>

(In thousands; unaudited)	JULY 31, 1999		APRIL 30, 2000	
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
<S>	<C>	<C>	<C>	<C>
Mortgage loans	$ 84,983	$ 86,021	$ 65,185	$ 66,975

</TABLE>

Carrying amounts at July 31, 1999 and April 30, 2000 include an allowance for credit losses of $1.3 million and $0.3 million, respectively.

As of July 31, 1999 and April 30, 2000, there were approximately $1.8 million and $0.3 million, respectively of mortgage loans that were greater than 90 days past due.

Goodwill and Purchased Intangible Assets

We record goodwill when the cost of net assets we acquire exceeds their fair value. Goodwill is amortized on a straight-line basis over periods ranging from 3 to 5 years. The cost of identified intangibles is generally amortized on a straight-line basis over periods ranging from 1 to 10 years. We regularly perform reviews to determine if the carrying value of assets is impaired. The reviews look for the existence of facts or circumstances, either internal or external, which indicate that the carrying value of the asset cannot be recovered. No such impairment has been indicated to date. If, in the future, management determines the existence of impairment indicators, we would use undiscounted cash flows to initially determine whether impairment should be recognized. If necessary, we would perform a subsequent calculation to measure the amount of the impairment loss based on the excess of the carrying value over the fair value of the impaired assets. If quoted market prices for the assets are not available, the fair value would be calculated using the present value of estimated expected future cash flows. The cash flow calculations would be based on management's best estimates, using appropriate assumptions and projections at the time.

Goodwill and purchased intangible assets consisted of the following:

<TABLE>
<CAPTION>

(In thousands; unaudited)	LIFE IN YEARS	NET BALANCE AT JULY 31, 1999	NET BALANCE AT APRIL 30, 2000
<S>	<C>	<C>	<C>
Goodwill	3-5	$383,102	$387,358
Customer lists	3-5	66,934	62,649
Covenants not to compete	3-5	2,492	5,488
Purchased technology	1-5	17,751	12,803
Assembled workforce	2-5	3,972	2,607
Trade names and logos	1-10	6,900	4,652

</TABLE>

Balances presented above are net of total accumulated amortization of $210.1 million and $327.4 million at July 31, 1999 and April 30, 2000, respectively.

Concentration of Credit Risk

Intuit operates in an industry which is highly competitive and rapidly changing. Many circumstances could have an unfavorable impact on Intuit's operating results. Examples include significant technological changes in the industry, changes in customer requirements or the emergence of competitive products or services with new capabilities.

We are also subject to risks related to our significant balances of short-term investments, marketable securities and trade accounts receivable. At April 30, 2000, we held approximately $386 million in marketable securities, as described in "Marketable Securities", above in Note 1. Fluctuations in the market value of our shares in At Home and VeriSign are treated as realized gains and losses in our statement of operations on an ongoing basis, since these investments are treated as trading securities. If there is a permanent decline in the value of any other marketable securities below cost, we will need to report this decline in our statement of operations. See "Marketable Securities,"

above in Note 1 for a discussion of risks associated with our marketable securities. Our remaining portfolio is diversified and consists primarily of short-term investment-grade securities.

To reduce the credit risk associated with accounts receivable, Intuit performs

ongoing evaluations of customer credit. Generally, no collateral is required. We maintain reserves for estimated credit losses and these losses have historically been within our expectations.

Recent Pronouncements

In June 1998, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities" ("FAS 133"). FAS 133 provides a comprehensive and consistent standard for the recognition and measurement of derivatives and hedging activities. Implementation is required for fiscal years beginning after June 15, 2000. Upon adoption, we will report transition adjustments in net income or other comprehensive income, as appropriate, reflecting the effect of a change in accounting principle. We have not yet determined whether adoption of FAS 133 will have a material impact on our consolidated financial position, results of operations, or cash flows.

Reclassifications

Certain previously reported amounts have been reclassified and restated to include the results of our Rock and Title Source subsidiaries acquired on December 8, 1999. Certain other previously reported amounts have been reclassified to conform to the current presentation format.

2. PER SHARE DATA

Basic income per share is computed using the weighted average number of common shares outstanding during the period. Diluted income per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the period. Common equivalent shares consist of the shares issuable upon the exercise of stock options under the treasury stock method. In loss periods, basic and dilutive loss per share is identical since the impact of equivalent shares is anti-dilutive.

On September 8, 1999, our Board of Directors declared a three-for-one stock split, to be effected as a stock dividend of two shares of common stock for each share of Intuit's common stock outstanding. Stockholders of record on September 20, 1999 were issued two additional shares of common stock for each share of Intuit's common stock held on that date. The payment date for the stock dividend was September 30, 1999. We have restated all share and per share amounts referred to in the financial statements and notes to reflect this stock split.

3. COMPREHENSIVE NET INCOME

SFAS 130, "Reporting Comprehensive Income" provides rules for the reporting and display of comprehensive net income and its components. However, it has no impact on our net income or stockholders' equity as presented in our financial statements. SFAS 130 requires foreign currency translation adjustments and changes in the fair value of available for sale securities to be included in comprehensive income.

The components of comprehensive net income, net of tax, are as follows:

<TABLE>
<CAPTION>

	NINE MONTHS ENDED APRIL 30,	
	1999	2000
(In thousands; unaudited)		
<S>	<C>	<C>
Net income	$ 123,580	$ 288,516
Unrealized gain on marketable securities	364,243	33,325
Change in cumulative translation adjustment	(2,710)	(910)
Comprehensive net income	$ 485,113	$ 320,931

</TABLE>

4. ACQUISITIONS

On May 3, 1999, we completed our acquisition of Computing Resources, Inc. ("CRI"), a Reno, Nevada-based provider of payroll services for a combination of cash and Intuit stock. CRI is one of the country's largest payroll services companies and a leader in providing payroll services to small businesses. The purchase price for privately-

held CRI was approximately $200 million, consisting of approximately $100 million cash and approximately $25 million of Intuit stock that was paid at closing, and $75 million in cash to be paid in three annual installments of $25

million each beginning in May 2000. We accounted for the acquisition of CRI as a purchase for accounting purposes and allocated approximately $187 million to identified intangible assets and goodwill. These assets are being amortized over a period of three to five years. The following table shows pro forma net revenue, net income from continuing operations and diluted net loss per share from continuing operations of Intuit and CRI as if we had acquired CRI at the beginning of fiscal 1999:

<TABLE>
<CAPTION>

	NINE MONTHS ENDED APRIL 30, 1999	
	PRO FORMA	AS REPORTED
(In thousands, except per share data; unaudited)		
<S>	<C>	<C>
Net revenue	$797,854	$772,106
Net income	97,562	179,873
Diluted net income per share	$ 0.49	$ 0.62

</TABLE>

On November 30, 1999, we completed the purchase of all of the outstanding common stock of Turning Mill Software, Inc. ("Turning Mill") for approximately $22 million in stock. Turning Mill is a developer of software and web based products based in Acton, Massachusetts. We accounted for the acquisition of Turning Mill as a purchase for accounting purposes and allocated approximately $22 million to identified intangible assets and goodwill. These assets are being amortized over periods of three to five years.

On December 8, 1999, we completed the purchase of all of the outstanding shares of Rock Financial Corporation ("Rock") for approximately 8.6 million shares of Intuit common stock. Rock is a provider of consumer mortgages and is based in Michigan. In connection with the acquisition, Intuit assumed all of Rock's outstanding employee stock options, which were converted into options to purchase approximately 1.2 million shares of Intuit common stock. In a related transaction, Intuit also completed the acquisition of Title Source, Inc., an affiliate of Rock, for approximately 150,000 shares of Intuit stock. Title Source provides title insurance and escrow services to real estate agents, lenders, attorneys, corporations and homeowners. We accounted for the acquisitions of Rock and Title Source as a pooling of interests for accounting purposes and have restated all previously reported amounts to reflect the effect of the pooling.

5. BORROWINGS

We have two mortgage lines of credit. Advances under the first line of credit are based on a formula computation, with interest due monthly. Advances are due on demand and are collateralized by residential first and second mortgages. Advances may be drawn for working capital and sub-prime, high loan-to-value and conventional prime mortgage loans. Interest rates are variable and are based on the federal funds rate and prime rate, depending on the type of advance. The interest rates in effect at July 31, 1999 and April 30, 2000 were 6.29% and 7.25%, respectively. The weighted average interest rates for the year ended July 31, 1999 and quarter ended April 30, 2000 were 6.45% and 8.38%, respectively.

Our second line of credit currently provides for up to $50 million principal amount of demand loans secured by mortgage loans and other assets. Interest rates on loans vary depending on the type of underlying loan, and the loans are subject to sublimits, advance rates and warehouse terms that vary depending on the type of underlying loan. The interest rates in effect at July 31, 1999 and April 30, 2000 were 6.37% and 7.50%, respectively, while the weighted average interest rates for the three month periods ended July 31, 1999 and April 30, 2000 were 5.92% and 7.35%, respectively. We are required to maintain a minimum tangible net worth and to satisfy other financial covenants, as outlined in the line of credit agreements. We were in compliance with the requirements as of July 31, 1999 and April 30, 2000.

Our reverse repurchase agreement entered into in 1997 provided that the lender will purchase from us, subject to our agreement to repurchase on a specified date, up to $200 million of conventional prime and sub-prime mortgage loans at par, as of January 1, 2000. Loans subject to purchase are fixed and adjustable rate, fully-amortizing first or junior lien residential mortgage loans and home equity loans that comply with our origination guidelines and conform to whole-loan sale requirements. The reverse repurchase agreement was not a committed facility and the lender could elect to discontinue the repurchase agreement at any time. The terms of the financing under the repurchase agreement matured and could be renewed on a daily basis. In any event, the arrangement terminated in March 2000. Interest rates were variable and were based on the London Interbank Offered Rate, depending on the

type of advance. The interest rate in effect at July 31, 1999 was 5.75%. The weighted average interest rate for the year ended July 31, 1999 was 5.92%. There were no borrowings on this line for the quarter ended April 30, 2000.

Drafts payable represent funds advanced for mortgages originated which have not yet been drawn against the lines of credit.

6. OTHER ACCRUED LIABILITIES

<TABLE>
<CAPTION>

(In thousands; unaudited)	JULY 31, 1999	APRIL 30, 2000
<S>	<C>	<C>
Reserve for returns and exchanges	$ 73,955	$ 91,941
Future payments due for CRI acquisition	66,314	69,220
Other acquisition and disposition related items	10,824	7,181
Rebates	18,002	36,500
Post-contract customer support	3,418	5,112
Other accruals	29,359	46,479
	$201,872	$256,433

</TABLE>

7. SEGMENT INFORMATION

Intuit has adopted Statement of Financial Accounting No. 131, "Disclosures about Segments of an Enterprise and Related Information," ("SFAS 131"). SFAS 131 establishes standards for the way in which public companies disclose certain information about operating segments in the Company's financial reports. Consistent with SFAS 131, we have determined our operating segments based on factors such as how our operations are managed and how results are viewed by management. Since Internet-based revenues and expenses cut across all of our business divisions, we do not report results of our Internet-based businesses as a separate business segment in our financial statements. Instead, each of our business divisions reports Internet-based revenues and expenses that are specific to its operations and are included in its results. The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies. Intuit does not track assets by operating segments. Consequently, we do not disclose assets by operating segments. The following unaudited results are broken out by our operating segments for the nine month periods ended April 30, 1999 and 2000:

<TABLE>
<CAPTION>

NINE MONTHS ENDED APRIL 30, 1999 (In thousands; unaudited)	SMALL BUSINESS DIVISION	CONSUMER FINANCE DIVISION	TAX DIVISION	INTERNATIONAL DIVISION	OTHER (1)	CONSOLIDATED
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Net revenue	$ 214,169	$ 182,509	$ 324,455	$ 50,973	$ --	$ 772,106
Segment operating income / loss)	73,846	10,263	166,637	(9,870)	--	240,876
Common expenses	--	--	--	--	(71,921)	(71,921)
Sub-total operating income / (loss)	73,846	10,263	166,637	(9,870)	(71,921)	168,955
Gains / (losses) on marketable securities	--	--	--	--	68,684	68,684
Acquisition costs	--	--	--	--	(68,408)	(68,408)
Reorganization costs	--	--	--	--	(2,000)	(2,000)
Interest income/ expense and other items	--	--	--	--	12,642	

12,642						
Net income/(loss) before tax	$ 73,846	$ 10,263	$ 166,637	$ (9,870)	$ (61,003)	$ 179,873

NINE MONTHS ENDED APRIL 30, 2000	SMALL BUSINESS DIVISION	CONSUMER FINANCE DIVISION	TAX DIVISION	INTERNATIONAL DIVISION	OTHER (1)	CONSOLIDATED
(In thousands; unaudited)						
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Net revenue	$ 307,606	$ 183,922	$ 365,472	$ 74,566	$ --	$ 931,566
Segment operating income	90,629	135	184,738	11,510	--	287,012
Common expenses	--	--	--	--	(101,601)	(101,601)
Sub-total operating income / (loss)	90,629	135	184,738	11,510	(101,601)	185,411
Gains on marketable securities	--	--	--	--	402,096	402,096
Acquisition costs	--	--	--	--	(130,058)	(130,058)
Reorganization costs	--	--	--	--	(3,500)	(3,500)
Interest income/ expense and other items	--	--	--	--	29,981	29,981
Net income before tax	$ 90,629	$ 135	$ 184,738	$ 11,510	$ 196,918	$ 483,930

</TABLE>

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(1) "Other" includes acquisition and other common costs not allocated to specific segments.

8. NOTES PAYABLE AND COMMITMENTS

In March 2000, our Japanese subsidiary, Intuit KK, entered into a one-year loan agreement with Japanese banks for approximately $34.7 million which was used to refinance the three year loan that was entered into in March 1997 to finance our acquisition of Nihon Micom. The loan is denominated in Japanese yen and is therefore subject to foreign currency fluctuations when translated to U.S. dollars for reporting purposes. The interest rate is variable based on the Tokyo inter-bank offered rate or the short-term prime rate offered in Japan. At April 30, 2000, the rate was approximately 0.8%. The fair value of the loan approximates cost as the interest rate on the borrowings is adjusted periodically to reflect market rates (which are currently significantly lower in Japan than in the United States). We are obligated to pay interest only on the loan until March 2001.

9. INCOME TAXES

Intuit computes the provision (benefit) for income taxes by applying the estimated annual effective tax rate to recurring operations and other taxable items. Our effective tax rate differs from the federal statutory rate primarily because of tax credits, tax exempt interest income, state taxes and certain foreign losses.

10. LITIGATION

Intuit was a defendant in a consolidated class action lawsuit in California which alleged that certain of its Quicken products have on-line banking

functions that are not Year 2000 compliant. On October 13, 1999 the court dismissed the case without leave to amend. In May 2000, plaintiffs were awarded nominal attorneys' fees. If plaintiffs do not appeal the case dismissal or the fees award, this case will be over.

On March 3, 2000 a class action lawsuit, Bruce v. Intuit Inc., was filed in the United States District Court, Central District of California, Eastern Division. Two virtually identical lawsuits were later filed: Rubin v. Intuit Inc., was filed on March 8, 2000 in the United States District Court, Southern District of New York and Newby v. Intuit Inc. was filed on April 27, 2000, in the United States District Court, Central District of California, Eastern Division. A similar lawsuit, Almanza v. Intuit Inc. was filed on March 22, 2000 in the Superior Court of State of California, San Bernadino County, Rancho Cucamonga Division. These purported class actions allege violations of various federal and California statutes and common law claims for invasion of privacy based upon the alleged intentional disclosure to third parties of personal and private customer information entered at Intuit's Quicken.com website. The complaints seek injunctive relief, orders to disgorge profits related to the alleged acts, and statutory and other damages. To date, the Rubin complaint has not been served.

In addition, on April 19, 2000, Bosch v. Intuit Inc. was filed in the Superior Court, State of California, County of Los Angeles, Central District. This lawsuit alleges violations of California statutes for alleged false and deceptive advertising and unlawful business practices related to QuickBooks products and purchasing the Tax Table Service. Plaintiff seeks injunctive relief, an order to disgorge profits, restitution and attorneys' fees.

Intuit is subject to other legal proceedings and claims that arise in the normal course of our business. We currently believe that the ultimate amount of liability, if any, for any pending actions (either alone or combined) will not materially affect our financial position, results of operations or liquidity. However, the ultimate outcome of any litigation is uncertain, and either unfavorable or favorable outcomes could have a material negative impact. Regardless of outcome, litigation can have an adverse impact on Intuit because of defense costs, diversion of management resources and other factors.

11. RELATED PARTY TRANSACTIONS

As of April 30, 2000, we held approximately 8.1% of Checkfree's outstanding common stock. In exchange for providing connectivity between Checkfree's bill payment processing service and our Quicken products, we reported revenues of $1.6 million and $4.0 million from Checkfree for the three and nine months ended April 30, 1999 and $1.7 million and $5.3 million for the three and nine months ended April 30, 2000, respectively. We held receivables due from Checkfree for $0.1 million and $2.2 million at July 31, 1999 and April 30, 2000, respectively.

As of April 30, 2000, we held a 49% non-voting equity interest in Venture Finance Software Corp. ("VFSC"). We have entered into agreements with VFSC to provide them with services related to ongoing development of Web-oriented finance products and services. We have an option to purchase the equity interests of the other investors in VFSC between May 4, 2000 and May 4, 2002, at a price to be determined by a formula. We held receivables due from VFSC for $6.7 million and $8.5 million at July 31, 1999 and April 30, 2000, respectively.

ITEM 2
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS

CAUTIONS ABOUT FORWARD LOOKING STATEMENTS AND INVESTMENT CONSIDERATIONS

This Form 10-Q contains forward-looking statements about events and circumstances that have not yet occurred. For example, statements with words like "expect," "anticipate," or "believe" and statements in the future tense, are forward-looking statements. Investors should be aware that actual results may differ materially from our expectations expressed in this report because of risks and uncertainties about the future. We will not necessarily update information in this Form 10-Q if any forward-looking statement later turns out to be inaccurate. Details about risks and uncertainties that affect various aspects of our business, and may affect future results and performance, are discussed throughout this Form 10-Q. This section should be read in conjunction with the financial statements and notes in Item 1 of this Form 10-Q. Investors should consider all of these risks carefully, and should pay particular attention to the following:

- - Our revenue and earnings are highly seasonal and our quarterly and annual financial results fluctuate significantly.

- - We face intense competition from many companies in all of our business areas. Intense competition can have a material negative impact on revenue, profitability and market position.

- - Competition in the personal tax preparation software business is particularly intense. Although Microsoft ultimately withdrew from the desktop personal tax market this season, there are other formidable current and potential competitors in the private sector, and we also face potential competition from the Internal Revenue Service and state tax agencies.

- - In our online mortgage and insurance businesses, we face competition from many newly public companies that have a narrower business focus, increasing financial resources and less demanding earnings expectations.

- - We must continue to establish and maintain important distribution relationships for our Internet-based products and services and successfully market and promote these products and services.

- - We must maintain high reliability for our server-based Web services in order to attract and retain customers. In particular, our web-based tax preparation and electronic filing services effectively handled extremely heavy customer demand during the peak tax season this year, but must continue to successfully do so in future tax seasons.

- - If we fail to provide responsive customer service and technical support, we could lose customers.

- - Our Internet businesses face risks relating to customer privacy and security and increasing regulation that could adversely affect our ability to offer online services and derive advertising revenue from our Internet operations.

- - Our Internet businesses require significant research and development and marketing expenditures.

- - Page views and reach statistics for our Quicken.com site can vary significantly from month to month due to seasonal trends, site performance, the timing of launches, performance of the major stock market indices, competitors' activities and other factors. Adverse changes in page view and reach statistics could adversely affect our ability to earn advertising revenue from our Quicken.com site.

- - In order to succeed in the payroll services business, we must continue to improve the integration of the operations of our payroll processing subsidiary, streamline customer activations for our online payroll processing service and focus our traditional payroll service on existing distribution channels.

- - The technology and services of certain alliances for our QuickBooks Internet Gateway initiative still need to be completed and integrated with QuickBooks, and are subject to risks and uncertainties involved in the product development process, including technological difficulties, possible delays, and possible unavailability of financial resources. Significant delays in implementing key services, or failure to implement, could delay or eliminate our ability to recognize contractually committed revenues.

- - The anticipated benefits of certain proposed small business services to Intuit (including the Site Builder website creation tool, Site Solutions services and QuickBooks Internet Gateway services) will depend on a number of variables, including the rate at which customers upgrade to QuickBooks 2000 and future versions of the product, customer acceptance of new and proposed services, and the level of satisfaction of third party participants. Customer upgrade rates for QuickBooks 2000, which was released in January 2000, have been negatively impacted by heavier upgrade activity during 1999 due to Year 2000 concerns.

- - The success of the small business alliances will depend on establishing and maintaining a number of important business relationships, and there can be no assurance that key relationships will be established and, if established, will continue.

- - Our Tax and Quicken Internet Gateway initiatives, and related new services to be offered in these areas, are in very early stages. Success of these initiatives will depend on establishing and maintaining business relationships with key participants and completing necessary technology development and integration, as well as achieving broad customer acceptance of the services to be offered.

- - We offer electronic bill payment and bill presentment services, and the My Finances web-based personal finance management service, through licensing arrangements with a joint venture in which we are a participant. The success of these services for Intuit will depend on a number of factors, including timely and cost-effective completion of ongoing development efforts, customer and biller adoption and participation rates, and the status of the relationship with the joint venture. Intuit has an option to purchase the interests in the joint venture that it does not currently own

between May 2000 and May 2002, at a formula-driven price that would likely exceed $100 million. If we do not exercise the purchase option, our rights to use the technology developed by the joint venture will be subject to future negotiation.

- - We face increasing competition for access to retail and OEM distribution channels.

- - The integration of acquired companies poses ongoing operational challenges and risks. In addition, our recent acquisitions have resulted in significant acquisition-related expenses.

- - Our mortgage business is subject to interest rate fluctuations, and the impact of interest rates on Intuit's operating results has become more significant since the acquisition of Rock Financial was completed. The recent increase in interest rates is also adversely affecting our mortgage business.

- - We hold investments that have been very volatile.

Additional information about factors that could affect future results and events is included in our fiscal 1999 Form 10-K/A, our fiscal 2000 Form 10-Qs, and other reports filed with the Securities and Exchange Commission.

OVERVIEW

Intuit's mission is to revolutionize the way individuals, small businesses, and financial professionals manage their finances. As we execute this mission, our strategy is to greatly expand the world of electronic finance. "Electronic finance" encompasses three types of products and services: (1) desktop software products, such as Quicken(R), QuickBooks(R) and Quicken TurboTax(R), that operate on customers' personal computers to automate financial tasks; (2) online products and services, such as Quicken.com(SM), QuickenLoans(SM), QuickenInsurance(SM) and Quicken TurboTax for the Web(SM), that are delivered via the Internet; and (3) products and services, such as QuickBooks Online Payroll(SM) service, that connect Internet-based services with desktop software to enable customers to integrate their financial activities.

While desktop software and related products and services now provide most of our revenue, our Internet-based revenue is growing rapidly. For the three months ended April 30, 2000, Internet-based revenue more than doubled compared to the same period last year and accounted for approximately 35% of total revenue in the quarter ended April 30, 2000, compared to approximately 20% in the prior year quarter. We expect Internet revenues to be approximately 25% of total revenues for the full fiscal year. We use the term Internet-based revenue to include revenue from both Internet-enabled products and services as well as revenue from electronic distribution. Internet products and services include activities where the customer realizes the value of the goods or services directly on the Internet or an Intuit server. Internet product revenues include, for example, advertising revenues generated on our Quicken.com website, online tax preparation and electronic tax filing revenues, online payroll service revenue and transaction and processing fees from our online insurance and online mortgage services. Electronic distribution includes revenues generated by electronic ordering and/or delivery of traditional desktop software products and financial supplies. We also use the Internet to host our technical support website where we can quickly and cost-effectively provide patches for product bugs and provide customers with answers to frequently asked questions.

While we believe that the Internet provides an opportunity to increase future revenue, we also anticipate continued increases in spending in an effort to capitalize on new business opportunities. While we have made significant progress in our Internet-based businesses, investors should be aware that many of these businesses are in their initial stages, and are not yet generating significant revenue or profit. In particular, we continue to expect increased research and development expenses due to investments in Internet-based initiatives. Since Internet-based revenues and expenses cut across all of our business divisions, we do not report results of our Internet-based businesses as a separate business segment in our financial statements. Instead, each of our business divisions reports Internet-based revenues and expenses that are specific to its operations and are included in its results.

Our business is highly seasonal. Sales of tax products are heavily concentrated from November through March. Sales of consumer finance and small business products are typically strongest during the year-end holiday buying

season, and therefore our major product launches usually occur in the fall to take advantage of this customer buying pattern. These seasonal patterns mean that revenue is usually strongest during the quarters ending January 31 and April 30. We experience lower revenues for the quarters ending July 31 and October 31, while our operating expenses to develop and manage products and services continue to be incurred at relatively consistent levels during these

periods. These seasonal trends can result in significant operating losses, particularly in the July 31 and October 31 quarters when our revenues are lower. Operating results can also fluctuate for other reasons, such as changes in product release dates, non-recurring events such as acquisitions and dispositions, and product price cuts in quarters that have relatively high fixed expenses. Acquisitions and dispositions in particular can have a significant impact on the comparability of both our quarterly and yearly results, and acquisition-related expenses have had a negative impact on earnings.

RESULTS OF OPERATIONS

Set forth below are certain consolidated statements of operations data for the three and nine-month periods ended April 30, 1999 and 2000. Investors should note that results for the three and nine-month periods ended April 30, 2000 include activity for our CRI subsidiary, which was acquired in May 1999. The corresponding year ago periods did not include results for CRI (see Note 4). Results for all periods include results for Rock Financial Corporation and Title Source, Inc. (collectively, "Rock") which we acquired in December 1999. The acquisition of Rock has been accounted for as a pooling of interests, so all prior periods have been restated to reflect combined results of Rock and Intuit. The inclusion of Rock's results in the comparison periods for both fiscal 1999 and fiscal 2000 had a significant impact on our financial results. Rock's revenue declined approximately 50% for the comparison periods, due to Rock's transition from a traditional mortgage business to an online mortgage business as well as rising interest rates. Although Rock's operating expenses decreased in absolute dollars between the comparison periods, they increased significantly as a percentage of revenue and resulted in operating losses for Rock during the fiscal 2000 comparison periods (compared to operating profits in the fiscal 1999 periods), which partially offset growth in operating income for our other businesses as a whole.

<TABLE>
<CAPTION>

NET REVENUE (Dollars in millions; unaudited)	Three Months Ended April 30, 1999	Change	2000	Nine Months Ended April 30, 1999	Change	2000
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Net revenue	$261.5	26%	$329.1	$772.1	21%	$931.6

</TABLE>

The following revenue discussion is categorized by our business divisions, which is how we examine results internally. Our domestic supplies business is considered a part of our small business division while the international supplies business is considered part of our international division. For more information regarding revenue by division, see Note 7.

Small Business Division. Small business division revenues come primarily from the following sources:

- QuickBooks product line
- Supplies products (including checks, envelopes and invoices)
- Payroll services
- Support fees for the QuickBooks Support Network

Overall, revenue for the division was up 10% and 44% for the three and nine-month periods ended April 30, 2000, respectively, compared to the same periods a year ago. QuickBooks revenue for the third quarter declined compared to the third quarter of fiscal 1999. However, for the nine-month period, we experienced significant growth in our QuickBooks product line revenue, driven primarily by higher unit sales, as well as increased average selling prices as a result of consumer preferences toward higher priced, greater functionality products. This unusual quarterly revenue pattern is due to two primary factors. First, we encouraged owners of older versions of QuickBooks to upgrade prior to January 2000 in order to minimize Year 2000 issues. Second, we gave over 350,000 online customers free upgrades to bring them into Y2K compliance. These actions resulted in strong first-half revenue growth, while producing a decline in customer upgrades and resulting revenue for the third quarter. The third quarter trend is expected to continue into the fourth quarter.

Domestic supplies revenues, which are part of the small business division, grew by 7% and 14% for the three and nine-month periods ended April 30, 2000 as a result of our increasing base of small business customers who use

QuickBooks and Quicken. In addition, in August 1999, we began charging for shipping and handling for domestic supplies shipments which also contributed to our domestic supplies revenue.

QuickBooks Deluxe Payroll Service (launched in October 1998) and CRI's

traditional payroll business (acquired in May 1999) both contributed to increased revenues during the three-month and nine-month periods ended April 30, 2000. Tax tables service revenue and revenue from our QuickBooks Support Network also grew in the three and nine-month periods ended April 30, 2000 compared to the same periods a year ago.

We offer different types of payroll services. Our Basic Payroll Service is a payroll tax table subscription service for small business customers that need current tax tables to prepare their own payroll. Our QuickBooks Deluxe Payroll service, which is integrated with our QuickBooks products, is an online payroll services that handles all aspects of payroll processing, with our CRI subsidiary providing the processing services. Our Premier payroll services provides traditional payroll processing services for former customers of CRI. In addition, we offer QuickPayroll, a subscription-based payroll service for customers who do not use QuickBooks. While the payroll processing business provides us with a significant opportunity to generate revenue, there are business risks associated with the payroll processing business and the continued integration of CRI into our existing business model. For example, if we are unable to provide accurate and timely payroll information, cash deposits or tax return filings, that failure could be costly to correct and may have a significant negative impact on our ability to attract and retain customers, who have a low tolerance for payroll processing errors. The success of our premier payroll service will depend in part on retaining existing customers and maintaining relationships with certain banks and other third parties. If we are unable to do so, it could result in a negative impact on our consolidated results. While the customer base for the QuickBooks Deluxe Payroll service continues to expand, the service is not yet generating material revenues and we must continue to focus on streamlining the customer activation process.

QuickBooks 2000 features the QuickBooks Internet Gateway platform of connected and integrated electronic services. It is designed to offer small businesses direct access to business services from third parties, such as electronic postage and merchant account services, that can help them more easily and efficiently manage their business. It also features QuickBooks Site Solutions, a new web site creation and domain name registration tool that enables small businesses to quickly establish a presence on the Web. These new features are strategically important to Intuit as a way to expand our customer base and generate more revenue and profit per customer. While we are encouraged by preliminary results for these services, future revenues and profits are subject to a variety of risks and uncertainties. See "Cautions about Forward-Looking Statements and Investment Considerations," above.

Tax Division. Tax division revenues come primarily from the following sources:

- Quicken TurboTax and MacInTax personal desktop tax preparation products

- Professional tax preparation products (ProSeries and Lacerte product lines)

- Quicken TurboTax for the Web electronic tax preparation services

- Electronic filing services

Overall, tax division revenues for the three and nine-month periods ended April 30, 2000 increased by 47% and 13% respectively, compared to the same periods last year. The increase in revenue for the three-months ended April 30, 2000 was due primarily to the deferral of significant electronic filing and state product revenues in our second fiscal quarter which were subsequently recognized in our third fiscal quarter. These deferrals were significantly higher this year as a result of the increased popularity of electronic filing and more aggressive free state product promotions with certain versions of our Quicken Turbo Tax product. While we experienced significant unit sales growth for the three and nine months ended April 30, 2000, we also experienced extreme pricing pressures from both H&R Block's aggressively priced TaxCut product and from Microsoft's TaxSaver product, including free product offerings from Microsoft. The increased competition resulted in lower average selling prices in response to these pricing pressures. We also experienced significantly higher revenues and volume for Quicken TurboTax for the Web and for electronic filing compared to last year. Unit sales and revenue from our Quicken TurboTax for the Web increased by approximately 470% and 120%, respectively, for the nine months ended April 30, 2000 compared to the same period last year. Unit growth was driven in part by free units offered through our Quicken Tax Freedom Project. Unit sales and revenue from our electronic filing services increased by approximately 73% and 88%, respectively, for the nine months ended April 30, 2000 compared to the same period last year. While we are encouraged by 1999 tax season results, we do not expect comparable growth rates for our web-based offerings in our 2000 tax season.

In March 2000, Microsoft announced that it would discontinue its TaxSaver product after the 1999 tax season. However we believe they plan to offer H&R Block's TaxCut product on the MSN network for the 2000 tax season. Accordingly, we expect the personal tax market to remain extremely competitive for the foreseeable future.

Although we are encouraged by the year-to-date results for our personal tax products, revenues for the full tax season are still subject to product returns from our retail distribution channels. While we expect our reserves for returned products will be adequate to cover retailers' returns of unsold products during the next two quarters, higher than expected returns could have a negative impact on revenue for the full season.

Revenues for our professional tax (ProSeries) products and products from our Lacerte subsidiary increased by 22% and 13% for the three and nine-month periods ended April 30, 2000 respectively, compared to the same periods last year. This growth is attributable to a combination of a continued shift to higher priced products, increased pay-per-return revenues and growth in our customer base due in part to our acquisitions of Compucraft and TaxByte during 1999. In addition, we continue to experience a high customer renewal rate.

Consumer Finance Division. Consumer finance division revenues come primarily from the following sources:

- Quicken product line

- Advertising and sponsorship fees from the consumer areas of our Quicken.com website

- Implementation, marketing and transaction fees from financial institutions (including marketspace participants) providing services through Quicken and Quicken.com

- Consumer mortgage placement and servicing fees through Quicken Loans

Overall, consumer finance division revenues were down 10% and roughly flat for the three and nine-month periods ended April 30, 2000, respectively, compared to the same periods a year ago. These results reflect strong revenue growth for our Quicken product line and growth in Internet-based revenues, offset by a significant decline in revenues for Rock's mortgage business from the year-ago periods. Quicken revenue increased compared to the same periods of the prior year primarily due to strong consumer demand resulting from aggressive retail promotions with our tax products. While overall Quicken revenue growth is strong year-to-date, Quicken revenue in the third quarter this year was relatively flat compared to the third quarter of fiscal 1999. We believe this is attributable to a significant number of customers upgrading in the first half of the fiscal year, due to Year 2000 concerns. We anticipate that this shift will continue to impact upgrade sales and that Quicken revenue may continue to decline compared to fiscal 1999 levels for the remainder of our fiscal year.

Our Quicken product line faces many challenges in the desktop personal financial software market. For example, we continue to face competition from Microsoft's Money product. In addition, personal financial software functionality is increasingly becoming available on the Internet at no cost, which has a negative impact on desktop product sales. There is also an increasing emphasis on packaging desktop software with original equipment manufacturers' personal computers, which results in lower revenues per unit shipped.

Consumer division revenue growth also benefited from an increase in certain Internet-based revenue compared to the same periods last year. This increase was largely due to higher advertising, sponsorship and transaction-related revenue through Quicken.com and Quicken. However, revenue growth was not uniform across all of our Internet product and service offerings in the Consumer division. For example, advertising revenue from our Quicken.com site has grown relatively rapidly. However, revenue from Quicken Loans was substantially lower than in the same periods a year ago. Quicken Loans now encompasses Intuit's online mortgage business as well as the online and traditional mortgage businesses of Rock Financial, which we acquired in December 1999. The decline in mortgage revenue was primarily due to Rock's decision to close many of its traditional mortgage branch offices in order to focus resources on Internet-based lending, as well as increasing interest rates. Revenue from mortgage transaction fees may continue to be adversely impacted if interest rates continue to rise, and as we continue to phase out Rock's traditional mortgage business. In addition, the acquisition of Rock will continue to result in new business risks and integration challenges common in all acquisitions. For example, our ability to successfully facilitate the application, approval, and closing process in loan applications on a timely basis will have a significant impact on our ability to attract customers to our mortgage service. Our ability to succeed in the mortgage business will depend in part on maintaining relationships with certain banks and other third parties who we will rely on to provide access to capital, and later, service the loans. If we are unable to do so, it could have a negative impact on our consolidated results.

The revenue growth we've experienced in our Internet products and services has been generated in part by collaborating with third party online service and content providers such as At Home Corporation (doing business as "Excite@Home") and AOL, which have helped to increase traffic to our Quicken.com website. The

Excite@Home agreement calls for us to share revenue generated from our Quicken.com site and the AOL agreement calls for us to make significant guaranteed payments to AOL over the term of the agreement. While the Internet provides a significant opportunity for revenue growth, our financial commitments to these and other third party providers are significant and we must continue to increase traffic and revenue in order for our Internet businesses to become

profitable. Our ability to maintain important relationships with Internet portals, distributors and content providers will also have an impact on traffic and revenues. If our website traffic and revenue expectations aren't met, there could be a significant negative impact on our operating results.

International Division. International division revenues come primarily from the following sources:

- Japanese QuickBooks and other small business products
- Canadian Quicken, QuickBooks and Tax products
- German Quicken, QuickBooks and Tax products
- United Kingdom Quicken and QuickBooks products

In addition to the above, we also operate in smaller European, Asian and Latin American markets. Overall, international division revenues increased 67% and 46% for the three and nine-month periods ended April 30, 2000 compared to the same periods last year. This increase is a result of stronger sales of Quicken and QuickBooks in both Canada and the U.K., higher sales of the Yayoi small business product in Japan, and favorable currency fluctuations in Japan. Partially offsetting these increases was a decline in revenues in Germany, which experienced reduced revenue but increased profitability due to a shift in our German business model from direct participation in the market to a third party distribution arrangement.

COST OF GOODS SOLD

<TABLE>
<CAPTION>

(Dollars in millions; unaudited)	Three Months Ended April 30, 1999	Change	2000	Nine Months Ended April 30, 1999	Change	2000
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Product	$ 53.8	40%	$ 75.5	$163.0	38%	$225.0
% of revenue	21%		23%	22%		24%
Amortization of purchased software & other	$ 1.9	10%	$ 2.1	$ 5.6	25%	$ 7.0
% of revenue	1%		1%	1%		1%
Total	$ 55.7	39%	$ 77.6	$168.6	38%	$232.0
% of revenue	21%		24%	23%		25%

</TABLE>

There are two components of cost of goods sold. The largest is the direct cost of manufacturing and shipping products and offering services. The second component is the amortization of purchased software, which is the cost of products obtained through acquisitions. Total cost of goods sold increased to 24% and 25% of revenue for the three and nine-months ended April 30, 2000 compared to 21% and 23% for the same periods of the prior year. These increases are primarily attributable to two factors. First, consistent with our growing Internet-based business, we are experiencing a significant increase in related hardware and infrastructure costs as we purchase equipment to increase our Internet capability and capacity. These costs are classified as cost of goods sold and, as a percentage of revenue, are significantly higher than the costs of goods sold for our traditional desktop software business. Second, our service businesses, such as payroll processing and QuickBooks Support Network, generally have higher cost of goods sold compared to the sale of packaged software. As these businesses contribute a higher proportion of total revenue, we anticipate that our cost of goods sold will continue to increase. Note that results from CRI, our payroll processing subsidiary that we acquired in May 1999, are included in fiscal 2000 results but not in the fiscal 1999 comparison periods, which contributed to the year-over-year increase in cost of goods sold.

OPERATING EXPENSES

<TABLE>

<CAPTION>

(Dollars in millions; unaudited)	Three Months Ended April 30, 1999	Change	2000	Nine Months Ended April 30, 1999	Change	2000
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Customer service & technical support	$ 29.6	7%	$ 31.6	$101.6	12%	$113.6
% of revenue	11%		10%	13%		12%
Selling & marketing	$ 50.8	19%	$ 60.2	$175.1	23%	$216.2
% of revenue	19%		18%	23%		23%
Research & development	$ 34.3	19%	$ 40.8	$104.3	21%	$126.5
% of revenue	13%		12%	14%		14%
General and administrative	$ 20.2	0%	$ 20.0	$ 59.1	10%	$ 64.8
% of revenue	7%		6%	8%		7%
Charge for purchased research and development	$ --	N/A	$ --	$ --	100%	$ 1.3
% of revenue	N/A		N/A	N/A		0%
Other acquisition costs, including amortization of goodwill and purchased intangibles	$ 20.9	78%	$ 37.3	$ 62.8	89%	$118.8
% of revenue	8%		11%	8%		13%
Other acquisition related costs- amortization of deferred compensation	$ --	100%	$ 1.1	$ --	100%	$ 2.9
% of revenue	N/A		0%	N/A		0%
Reorganization costs	$ --	N/A	$ --	$ 2.0	75%	$ 3.5
% of revenue	N/A		N/A	0%		0%

</TABLE>

Customer Service and Technical Support. Customer service and technical support expenses were 10% and 12% of revenue for the three and nine-months ended April 30, 2000 compared to 11% and 13% for the same periods of the prior year. This improvement reflects the acquisition of CRI which experiences comparatively lower customer service and technical support expenses as a percentage of revenue. We have also benefited from our efforts to provide customer service and technical support less expensively through websites and other electronic means and from the expansion of our fee-for-support programs.

Selling and Marketing. Selling and marketing expenses were 18% and 23% of revenue for the three and nine-months ended April 30, 2000 compared to 19% and 23% for the same periods of the prior year. The decrease in selling and marketing costs for the three month period is attributable to our acquisition of CRI, which experiences comparatively lower selling and marketing expenses as a percentage of revenue. This was partially offset by the aggressive marketing programs relating to the expansion of our Internet-based businesses and the extremely competitive personal tax season.

Research and Development. Research and development expenses were 12% and 14% of revenue for the three and nine-months ended April 30, 2000 compared to 13% and 14% of revenue for the same periods of the prior year. This decline in the three-month period reflects the acquisition of CRI which experiences comparatively lower research and development expenses as a percentage of revenue. We expect to continue significant investments in research and development due to our efforts to develop our Internet-based businesses and believe that these expenditures will impact our results for the remainder of fiscal 2000 and beyond. If such expenses exceed our current expectations, they may have an adverse effect on operating results. This could occur, for example, if we were to undertake a costly product development venture in response to competitive pressures or other market conditions.

General and Administrative. General and administrative expenses were 6% and 7% of revenue for the three and nine-months ended April, 2000 compared to 7% and 8% for the same periods of the prior year. For fiscal 2000, we

expect general and administrative expenses to remain roughly flat as a percentage of revenue compared to fiscal 1999.

Charge for Purchased Research and Development. For the nine months ended April 30, 2000, we recorded charges for purchased research and development as a result of our Boston Light and Hutchison acquisitions. In connection with these acquisitions, we used third party appraisers' estimates to determine the value of in-process projects under development for which technological feasibility had not been established. The total value of these projects at the time of the acquisitions was determined to be approximately $1.3 million and was expensed in the three months ended October 31, 1999. The value of the projects was determined by estimating the costs to develop the in-process technology into commercially feasible products, estimating the net cash flows we believed would result from the products and discounting these net cash flows back to their present value. We believe the products related to these charges will be completed during our fiscal year 2000, and that the risk of these products not being successfully completed is low.

Other Acquisition Costs. Other acquisition costs include the amortization of goodwill and purchased intangibles and deferred compensation costs that are recorded as part of an acquisition. These costs increased to $37.3 million and $118.8 million for the three and nine-months ended April 30, 2000 compared to $20.9 million and $62.8 million for the same periods of the prior year. These increases ware primarily attributable to the amortization of intangibles associated with our acquisition of CRI in May 1999, and our acquisitions of Secure Tax, Boston Light and Hutchison in August 1999, and Turning Mill Software in November 1999.

The high levels of non-cash amortization expense related to completed acquisitions will continue to have a negative impact on operating results in future periods. Assuming no additional acquisitions and no impairment of value resulting in an acceleration of amortization, amortization will be approximately $167.3 million, $148.0 million, $142.8 million and $118.7 million for the years ending July 31, 2000 through 2003, respectively. If we complete additional acquisitions or accelerate amortization in the future, there could be an incremental negative impact on operating results.

Reorganization Costs. Reorganization costs represent the costs associated with Rock's closure of numerous branch offices in Michigan prior to its acquisition by Intuit as the mortgage business began to transition from a traditional branch-based business to an on-line transaction-based business. These costs increased to $3.5 million for the nine-month period ended April 30, 2000 from $2.0 million for the same period of the prior year.

OTHER INCOME

For the three and nine months ended April 30, 2000, interest and other income and expense, net, increased to $14.5 million and $30.0 million compared to $5.3 million and $12.6 million for the same periods a year ago, reflecting increased cash and short-term investment balances due primarily to the sale of marketable securities. For the three and nine-months ended April 30, 2000, we recorded gains from marketable securities of $422.2 million and $402.1 million compared to $58.6 million and $68.7 million for the same periods a year ago. We have elected to report our At Home and VeriSign common stock as trading securities and are required to mark to market the fluctuations in the stock price and report the fluctuations in our earnings. Recent volatility in the market has significantly impacted the value of our trading securities and consequently, our operating results and we expect this to continue as long as we hold these securities. See Note 1 for additional information regarding our marketable securities.

INCOME TAXES

For the three and nine-months ended April 30, 2000, we recorded income tax provisions of $200.2 million and 195.6 million on a pretax income of $497.2 million and $483.9 million, respectively. This compares to income tax provisions of $38.6 million and $56.3 million on a pretax income of $114.0 million and $179.9 million, respectively for the same periods of the prior year. At April 30, 2000, there was a valuation allowance of $11.6 million for tax assets of our international subsidiaries based on management's assessment that we may not receive the benefit of certain loss carryforwards.

LIQUIDITY AND CAPITAL RESOURCES

At April 30, 2000, our unrestricted cash and cash equivalents totaled $962.1 million, a $407.9 million increase from July 31, 1999. Liquidity improvement was the result of net cash provided by operating, investing, and financing

activities. Cash from operating activities is driven by the seasonality of our business, which typically results in the

majority of net revenues and cash receipts occurring in the January and April quarters, though operating expenses are incurred throughout the year.

Our operations provided $218.5 million in cash during the nine months ended April 30, 2000. Primary sources of cash were net income of $288.5 million, net income adjustments made for non-cash items such as acquisition charges, depreciation, gains from the sale of marketable securities and an increase in liabilities. The increase in liabilities was driven primarily by increased income taxes payable from our realized gains from the disposition of marketable securities, such as Checkfree, At Home, and VeriSign Inc. (see Note 1). We also experienced increased liabilities due to the seasonality of our business and the resulting increase in accruals for product returns, customer rebates and accrued technical support expenses. These sources of cash were offset significantly by an increase of $64.4 million in accounts receivable that is attributable to the large volume of seasonal product shipments to retailers and distributors that typically occur in our second and third fiscal quarters.

Investing activities generated $129.6 million in cash for the nine months ended April 30, 2000. The primary contributor to cash included net proceeds of $519.2 million from the sale of our marketable securities. This was significantly offset by net purchases of $219.2 million in short-term investments, the purchase of $71.7 million in property and equipment and the purchase of $16.5 million in marketable securities. Property and equipment purchases were made to support our ongoing operations, information system upgrades and our growing Internet-based businesses. We also used $54.6 million in cash for our acquisitions of SecureTax and Hutchison.

Financing activities provided $59.8 million for the nine months ended April 30, 2000, primarily attributable to proceeds from the exercise of employee stock options. This was partially offset by the decrease in our line of credit as we funded new consumer mortgage loans during the period.

We currently hold investments in a number of publicly traded companies (see Note 1). The volatility of the stock market and the potential risk of fluctuating stock prices may have an impact on our future liquidity. Due to our reporting of the At Home and VeriSign shares as trading securities, future fluctuations in the carrying values of At Home and VeriSign will impact our earnings (see Note 1). If future declines in our other marketable securities are deemed to be permanent, they will also impact our earnings. Investors should note that many high technology companies, including At Home and VeriSign, have recently experienced significant declines in their stock prices.

In connection with our acquisition of CRI (see Note 4), we are required to pay three annual installments of $25 million, one of which was paid in the fourth quarter of fiscal 2000. In the normal course of business, we enter into leases for new or expanded facilities in both domestic and international locations. We also evaluate the merits of acquiring technology or businesses, or establishing strategic relationships with and investing in other companies. Accordingly, it is possible that we may decide to use cash and cash equivalents to fund such activities in the future. For example, if we exercise our option to purchase VFSC (see Note 11) and elect to pay all or a significant portion of the exercise price in cash, this would have a negative impact on our liquidity.

We believe that our unrestricted cash, cash equivalents and short-term investments will be sufficient to meet anticipated seasonal working capital and capital expenditure requirements for at least the next twelve months.

YEAR 2000

The following is a Year 2000 readiness disclosure under the Year 2000 Information and Readiness Disclosure Act.

Intuit established a Year 2000 Project Office to address the impact of the year 2000 date transition on its operations, products and services globally. We adopted a five-phase approach for reviewing and preparing the significant elements of operations, products and services for the Year 2000 date transition. Through the date of this filing, we have had no major Y2K-related issues. In addition, all substantive claims in the lawsuits filed against Intuit in connection with alleged Y2K problems with our products and services have been dismissed, with only one possible appeal remaining. Customers can find Intuit's Year 2000 Readiness Disclosure about our products, and order free solutions, where required, on our Corporate Year 2000 Resource Center at www.intuit.com/y2k.

Costs directly attributed to our Year 2000 project were approximately $6.5 million in fiscal 1999. We currently anticipate direct costs in the range of $8 to $12 million for fiscal year 2000, including costs associated with ongoing

maintenance and support activity in fiscal year 2000, and including costs associated with the manufacture and

distribution of free solutions for products that are not Year 2000 compliant or in certain cases that were not tested for Year 2000 compliance. For example, we gave approximately 350,000 of our QuickBooks online customers free upgrades to bring them into Y2K compliance. We don't know how many of those customers would have paid for a new product if we had not provided the free upgrade, so we are unable to precisely quantify the amount of lost revenue due to the free upgrades. However, this action did lead to a decline in customer upgrades and resulting QuickBooks revenue for the third quarter of fiscal 2000, and the third quarter trend is expected to continue into the fourth quarter. We are experiencing a similar pattern in fiscal 2000 quarterly revenue for Quicken, due in part to free Y2K upgrades provided to online customers.

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ITEM 3
QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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SHORT-TERM INVESTMENT PORTFOLIO

We do not hold derivative financial instruments in our short-term investment portfolio. Our short-term investments consist of instruments that meet high quality standards consistent with our investment policy. This policy dictates that we diversify our holdings and limit our short-term investments to a maximum of $5 million to any one issuer. Our policy also dictates that all short-term investments mature in 30 months or less.

MARKETABLE SECURITIES

We also carry significant balances in marketable equity securities as of April 30, 2000. These securities are subject to considerable market risk due to their volatility. See Note 1 of the financial statement notes for more information regarding risks related to our investments in marketable securities.

INTEREST RATE RISK

Interest rate risk represents a component of market risk to us and represents the possibility that changes in interest rates will cause unfavorable changes in our net income and in the value of our interest rate sensitive assets, liabilities and commitments. In a higher interest rate environment, borrower demand for mortgage loans declines. Interest rate movements also affect the interest income earned on loans we hold for sale in the secondary market, interest expense on our lines of credit, the value of mortgage loans we hold for sale in the secondary market and ultimately the gain on the sale of those mortgage loans. In addition, interest rate movements affect the interest income earned on investments we hold in our short-term investment portfolio and the value of those investments.

As part of our risk management programs, we enter into financial agreements and purchase financial instruments in the normal course of business to manage our exposure to interest rate risk with respect to our Conventional Loans and our government-insured loans (together, "Prime Loans"), but not with respect to our Sub-Prime Loans or Home Equity Lines of Credit. We use these financial agreements and financial instruments for the explicit purpose of managing interest rate risks to protect the value of our mortgage loan portfolio.

Management actively monitors and manages our exposure to interest rate risk on Prime Loans, which is incurred in the normal course of business. The committed and closed pipelines of Prime Loans, as well as the related forward commitments and derivatives, are valued daily. We refer to the loans, pipeline, commitments and derivatives together as the "hedge position." The hedge position is evaluated against a spectrum of interest rate scenarios to determine expected net changes in the fair values of the hedge position in relation to the changes in interest rates. We do not enter into instruments for trading purposes. Our interest rate risk exposure is evaluated daily using models which estimate changes in the fair value of the hedge position and compare those changes against the fair value of the underlying assets and commitments.

PRINCIPAL AMOUNTS BY EXPECTED MATURITY:
(in thousands, except interest rates; unaudited)

<TABLE>

<CAPTION>

	EXPECTED MATURITY DATE (1) PERIOD ENDING APRIL 30,						FAIR VALUE APRIL 30,
	2000	2001	2002	2003	2004	TOTAL	2000
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
ASSETS:							
Mortgage Loans	$ 65,480	--	--	--	--	$ 65,185	$ 66,975
Average Interest Rate	9.04%					9.04%	
LIABILITIES:							
Lines of Credit	$ 18,839	--	--	--	--	$ 18,791	$ 19,000
Average Interest Rate	8.38%					8.38%	

</TABLE>

(1) In the ordinary course of our mortgage business, expected maturity is based on the assumption that loans will be re-sold in the indicated period.

Based on the carrying values of our mortgage loans and lines of credit that we held at April 30, 2000, we do not believe that short-term changes in interest rates would have a material effect on the interest income we earn on loans held for sale in the secondary market, interest expense on our lines of credit or the value of mortgage loans that we hold for sale in the secondary market. See Notes 1 and 5 of the financial statement notes for more information regarding risks related to our mortgage loans and lines of credit.

IMPACT OF FOREIGN CURRENCY RATE CHANGES

During fiscal 1999, the currency of our Japanese subsidiary strengthened while the currencies of our other subsidiaries remained essentially stable. As of April 30, 2000, the currency of our Japanese subsidiary has continued to strengthen and the currencies of our other subsidiaries have remained essentially stable since the end of our 1999 fiscal year. Because we translate foreign currencies into U.S dollars for reporting purposes, currency fluctuations can have an impact, though generally immaterial, on our results. We believe that our exposure to currency exchange fluctuation risk is insignificant, primarily because our international subsidiaries invoice customers and satisfy their financial obligations almost exclusively in their local currencies. For the quarter ended April 30, 2000, there was an immaterial currency exchange impact from our intercompany transactions. Currency exchange risk is also minimized since foreign debt is due almost exclusively in local foreign currencies. As of April 30, 2000, we did not engage in foreign currency hedging activities.

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PART II
ITEM 1
LEGAL PROCEEDINGS

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Intuit was a defendant in a consolidated class action lawsuit in California which alleged that certain of its Quicken products have on-line banking functions that are not Year 2000 compliant. On October 13, 1999 the court dismissed the case without leave to amend. In May 2000, plaintiffs were awarded nominal attorneys' fees. If plaintiffs do not appeal the case dismissal or the fees award, this case will be over.

On March 3, 2000 a class action lawsuit, Bruce v. Intuit Inc., was filed in the United States District Court, Central District of California, Eastern Division. Two virtually identical lawsuits were later filed: Rubin v. Intuit Inc., was filed on March 8, 2000 in the United States District Court, Southern District of New York and Newby v. Intuit Inc. was filed on April 27, 2000, in the United States District Court, Central District of California, Eastern Division. A similar lawsuit, Almanza v. Intuit Inc. was filed on March 22, 2000 in the Superior Court of State of California, San Bernadino County, Rancho Cucamonga Division. These purported class actions allege violations of various federal and California statutes and common law claims for invasion of privacy based upon the alleged intentional disclosure to third parties of personal and private customer information entered at Intuit's Quicken.com website. The complaints seek injunctive relief, orders to disgorge profits related to the alleged acts, and statutory and other damages. To date, the Rubin complaint has not been served.

In addition, on April 19, 2000, Bosch v. Intuit Inc. was filed in the Superior Court, State of California, County of Los Angeles, Central District. This lawsuit alleges violations of California statutes for alleged false and deceptive

advertising and unlawful business practices related to QuickBooks products and purchasing the Tax Table Service. Plaintiff seeks injunctive relief, an order to disgorge profits, restitution and attorneys' fees.

Intuit is subject to other legal proceedings and claims that arise in the normal course of our business. We currently believe that the ultimate amount of liability, if any, for any pending actions (either alone or combined) will not materially affect our financial position, results of operations or liquidity. However, the ultimate outcome of any litigation is uncertain, and either unfavorable or favorable outcomes could have a material negative impact. Regardless of outcome, litigation can have an adverse impact on Intuit because of defense costs, diversion of management resources and other factors.

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ITEM 5
OTHER MATTERS

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CHANGES IN EXECUTIVE OFFICERS

As of June 9, 2000, Intuit's executive officers are as follows:

<TABLE>
<CAPTION>

NAME	POSITION
<S>	<C>
Sonita J. Ahmed	Vice President, Finance
Stephen M. Bennett	President and Chief Executive Officer
Scott D. Cook	Chairman of the Executive Committee of the Board of Directors
Caroline F. Donahue	Vice President, Sales
Eric C.W. Dunn	Senior Vice President and Chief Technology Officer
Linda Fellows	Vice President, Investor Relations and Treasurer
Daniel B. Gilbert	Vice President, Quicken Loans
Alan A. Gleicher	Senior Vice President, International Division
Larry King, Jr.	Vice President, Payroll Services Group
David A. Kinser	Senior Vice President, Service Delivery and Operations
Elisabeth M. Lang	Vice President, Corporate Public Relations and Marketing Communications
Daniel T. Nye	Vice President, Small Business Division
Carol Novello	Vice President, Financial Supplies Group
Enrico Roderick	Vice President, Personal Finance Group
Greg J. Santora	Senior Vice President, Finance and Corporate Services; Chief Financial Officer
Raymond G. Stern	Senior Vice President, Corporate Strategy and Marketing
Catherine L. Valentine	Vice President, General Counsel and Corporate Secretary
Larry J. Wolfe	Senior Vice President, Tax Products Division

</TABLE>

- ---

ITEM 6
EXHIBITS AND REPORTS ON FORM 8-K

- ---

(a) THE FOLLOWING EXHIBITS ARE FILED AS PART OF THIS REPORT:

<TABLE>

<S>	<C>
3.01	Restated Certificate of Incorporation as of January 19, 2000
10.01	Separation Agreement between Mark Goines and Intuit Inc. dated March 9, 2000
10.02	Separation Agreement between James Heeger and Intuit Inc. dated May 2, 2000
10.03	Commercial lease between Intuit Inc. and Broderick Way Partners, LLC dated January 31, 2000 (2700 Broderick Way, Mountain View, CA)
10.04	Office Lease Agreement between Lacerte Software Corporation and KCD-TX I Investment Limited Partnership dated February 22, 2000 (Plano, Texas)
10.05	Consent to Sublease Agreement among Intuit Inc. as subtenant,

	Spieker Properties, L.P. and Franklin Templeton Corporate Services, Inc. dated March 31, 2000 (Eastgate Mall, San Diego, CA)
27.01	Financial Data Schedule (filed only in electronic format) period ended April 30, 2000
27.02	Financial Data Schedule (filed only in electronic format) period ended April 30, 1999

- ----------

(b) REPORTS ON FORM 8-K:

None

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.

INTUIT INC.
(REGISTRANT)

Date: June 14, 2000 By: /s/ Greg J. Santora

Greg J. Santora
Senior Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)

INDEX TO EXHIBITS

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27.01	Financial Data Schedule (filed only in electronic format) period ended April 30, 2000
27.02	Financial Data Schedule (filed only in electronic format) period ended April 30, 1999

EXHIBIT 3.01

RESTATED CERTIFICATE OF INCORPORATION

OF

INTUIT INC.
(ORIGINALLY INCORPORATED ON FEBRUARY 1, 1993)

INTUIT INC., a Delaware corporation, hereby certifies that the Restated Certificate of Incorporation of the Company attached hereto as EXHIBIT "A", which is incorporated herein by this reference, and which restates and integrates, but does not further amend, the provisions of the certificate of incorporation of the Company as heretofore amended or supplemented, has been duly adopted by the Company's Board of Directors in accordance with Section 245 of the Delaware General Corporation Law.

IN WITNESS WHEREOF, the Company has caused this Restated Certificate of Incorporation to be signed by its duly authorized officer this 19th day of January, 2000.

INTUIT INC.

By: /s/ VIRGINIA R. COLES

VIRGINIA R. COLES
Assistant Secretary

EXHIBIT "A"

RESTATED CERTIFICATE OF INCORPORATION
OF
INTUIT INC.

ARTICLE I

The name of the corporation is Intuit Inc. (the "Company").

ARTICLE II

The address of the registered office of the corporation in the State of Delaware is 1013 Centre Road, City of Wilmington, County of New Castle, DE 19805. The name of its registered agent at that address is Corporation Service Company.

ARTICLE III

The purpose of the Company is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

ARTICLE IV

A. AUTHORIZATION OF SHARES.

The total number of shares of all classes of stock which the Company has authority to issue is 751,344,918 shares, consisting of two classes as follows: 750,000,000 shares of Common Stock, par value $0.01 per share (the "Common Stock"), and 1,344,918 shares of Preferred Stock, par value $0.01 per share (the "Preferred Stock").

B. DESIGNATION OF FUTURE SERIES OF PREFERRED STOCK.

The Board of Directors is authorized, subject to any limitations prescribed by the law of the State of Delaware, to provide for the issuance of the shares of Preferred Stock in one or more series, and, by filing a certificate of designation pursuant to the applicable law of the State of Delaware, to establish from time to time the number of shares to be included in each such series, to fix the designation, powers, preferences and rights of the shares of each such series and any qualifications, limitations or restrictions thereof, and to increase or decrease the number of shares of any such series (but not below the number of shares of such series then outstanding). The number

of authorized shares of Preferred Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the stock of the Company entitled to vote, unless a vote of any other holders is required pursuant to a certificate or certificates establishing a series of Preferred Stock.

Except as expressly provided in Part C of this Article IV or except as may be expressly provided in any Certificate of Designation designating any series of Preferred Stock pursuant to the foregoing provisions of this Article IV, any new series of Preferred Stock may be designated, fixed and determined as provided herein by the Board of Directors without approval of the holders of Common Stock or the holders of Preferred Stock, or any series thereof, and any such new series may have powers, preferences and rights, including, without limitation, voting rights, dividend rights, liquidation rights, redemption rights and conversion rights, senior to, junior to or pari passu with the rights of the Common Stock, the Preferred Stock, or any future class or series of Preferred Stock or Common Stock.

C. SERIES A PREFERRED STOCK.

1. Designation. One Hundred Forty-Four Thousand Nine Hundred Eighteen (144,918) of the shares of Preferred Stock of the Company are hereby designated Series A Preferred Stock, par value $0.01 per share (hereinafter referred to as the "Series A Stock"), with the powers, preferences, rights, limitations and restrictions specified herein.

2. Dividends. Subject to the payment of dividends on senior series of Preferred Stock which may be created by the Board of Directors pursuant to this Article IV, the holders of the Series A Stock shall be entitled to receive, if, as and when declared by the Board of Directors, out of any assets legally available therefor, dividends at the rate determined by the Board of Directors. No dividend other than a stock dividend shall be paid on any share of Common Stock unless a dividend for each share of Series A Stock in an amount equal to the dividend for each share of Series A Stock in an amount equal to the dividend for each share of Common Stock multiplied by the number of shares of Common Stock into which each share of Series A Stock is then convertible is first declared and paid (or set apart for payment) on the Series A Stock. Such dividends shall not be cumulative and no right to such dividends shall accrue to holders of Series A Stock unless declared by the Board of Directors.

3. Liquidation Preference. In the event of any liquidation, dissolution, or winding up of the Company, either voluntary or involuntary, distributions to the shareholders of the Company shall be made in the following manner:

(a) Subject to and after the distribution of the liquidation preference(s) of all senior series of Preferred Stock which may be created by the Board of Directors pursuant to this Article IV, the holders of the Series A Stock shall be entitled to receive, prior and in preference to any distribution of any of the assets or surplus funds of the Company to the holders of the Common Stock by reason of their ownership of such stock, the amount of Seven Dollars and Fifty Cents ($7.50) for each share of Series A Stock then held by them, adjusted for any combinations, consolidations or stock distributions or dividends with respect to the shares of Series A Stock (a "Series A Stock Recapitalization Event"), plus any declared but unpaid dividends on the Series A Stock. If the assets and funds thus distributed among the holders of the Series A Stock shall be insufficient to permit the payment to such holders of the full aforesaid preferential amount, then, subject to the rights of any future series of Preferred Stock which may be created by the Board of Directors pursuant to this Article IV, the entire assets and funds of the Company legally available for distribution shall be distributed among the holders of the Series A Stock in proportion to the number of shares of Series A Stock then held by them.

(b) After payment to the holders of Series A Stock of the amounts set forth in paragraph 3(a) hereof, the entire assets and funds of the Company legally available for distribution, if any, shall be distributed among the holders of the Common Stock in proportion to the number of shares of Common Stock then held by them.

(c) The liquidation rights of the Series A Stock shall not be participating, and accordingly the holders of Series A Stock shall not be entitled to any payments on liquidation except as expressly set forth in this Section 3.

(d) A consolidation or merger of the Company with or into any other corporation or corporations, or a sale of all or substantially all of the assets of the Company, shall not be deemed to be a liquidation, dissolution, or winding up within the meaning of this Section 3.

4. Voting Rights. Except as otherwise required by law, the holder

of each share of the Series A Stock shall be entitled to the number of votes equal to the number of shares of Common Stock into which such share of Series A Stock could then be converted, shall have voting rights and powers equal to the voting rights and powers of the Common Stock, and shall be entitled to notice of any stockholders' meeting in accordance with the Bylaws of the Company. Fractional votes shall not, however, be permitted and any fractional voting rights resulting from the above formula (after aggregating all shares into which shares of Series A Stock held by each holder could be converted) shall be rounded to the nearest whole number (with one-half being rounded up).

5. Conversion. The holders of the Series A Stock shall have conversion rights as follows (the "Conversion Rights"):

(a) Right to Convert.

(i) Each share of Series A Stock shall be convertible, at the option of the holder, at any time after the date of issuance of such share, at the office of the Company or any transfer agent of the Series A Stock, into two (2) fully paid and nonassessable shares of Common Stock. (The number of shares of Common Stock into which one (1) share of Series A Stock may be converted is hereinafter referred to as the "Conversion Rate".)

(ii) Each share of Series A Stock shall automatically be converted into shares of Common Stock at the then effective Conversion Rate upon the first to occur of (i) August 31, 1993, or (ii) the last day of the first fiscal year in which the Company has net income after provision for income taxes, as shown on the Company's audited financial statements, of at least $9,000,000, or (iii) the closing of an underwritten public offering of the Company's Common Stock at an aggregate public offering price of at least $10,000,000 and a per share price equal to or greater than $7.00, (as appropriately adjusted for any combinations, consolidations, or stock distributions or dividends with respect to shares of Common Stock (a "Common Stock Recapitalization Event"), or (iv) the vote or written consent by holders of at least two-thirds (2/3) of the then outstanding shares of Series A Stock to convert the Series A Stock into Common Stock or (v) when less than 250,000 shares of Series A Stock (as appropriately adjusted for any Series A Stock Recapitalization Event) remain outstanding (the "Automatic Conversion Events"). Upon an Automatic Conversion Event, each outstanding option, warrant or right to purchase or acquire one (1) share of Series A Stock shall automatically be converted into an option, warrant or right to purchase or acquire that number of shares of Common Stock into which each outstanding share of Series A Stock was converted upon such Automatic Conversion Event.

(b) Mechanics of Conversion. Before any holder of Series A Stock shall be entitled to convert the same into shares of Common Stock, he shall surrender the certificate or certificates for such shares, duly endorsed, at the office of the Company or of any transfer agent for the Series A Stock, or notify the Company or its transfer agent that such Series A Stock certificates have been lost,

stolen or destroyed and execute an agreement satisfactory to the Company to indemnify the Company from any loss incurred by it in connection with such certificates, and shall give written notice to the Company at such office that he elects to convert the same and shall state in the notice the name or names in which he wishes the certificate or certificates for shares of Common Stock to be issued. The Company shall then, as soon as is practicable, issue and deliver at such office to such holder of Series A Stock, or to his nominee or nominees, a certificate or certificates for the number of shares of Common Stock to which he shall be entitled. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of surrender of the shares of Series A Stock to be converted, and the person or persons entitled to receive the shares of Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Common Stock on such date; provided, however, that in the event of automatic conversion pursuant to paragraph 5(a)(ii), such conversion shall be deemed to have been made upon the occurrence of the Automatic Conversion Event triggering such conversion without any further action by the holders of shares of Series A Stock, though the Company shall not be obligated to issue certificates evidencing the shares of Common Stock issuable upon such automatic conversion unless the certificates evidencing such shares of Series A Stock are delivered to the Company or its transfer agent as provided above, or the holder notifies the Company or its transfer agent that such Series A Stock certificates have been lost, stolen or destroyed and executes an agreement satisfactory to the Company to indemnify the Company from any loss incurred by it in connection with such certificates.

(c) Mechanics for Combinations or Consolidations of Common Stock. In the event the Company at any time or from time to time after the date that a share of Series A Stock is first issued (hereinafter referred to as the "Original Issue Date") effects a subdivision or combination of its outstanding Common Stock into a greater or lesser number of shares, then and in each such event the Conversion Rate shall be increased (in the case of a subdivision) or decreased (in the case of a combination) proportionately.

(d) Adjustment for Certain Dividends, Distributions and Common Stock Equivalents. In the event the Company at any time or from time to time after the Original Issue Date shall make, use or fix a record date for the determination of holders of Common Stock entitled to receive a dividend or other distribution payable (hereinafter referred to as "Common Stock Equivalents") convertible into or entitling the holder to receive additional shares of Common Stock, without payment of any consideration by such holder for the additional shares of Common Stock or Common Stock Equivalents (including the additional shares of Common Stock issuable upon conversion or exercise), then, and in each such event, the maximum number of shares (as set forth in the instrument relating thereto without regard to any provisions contained therein for subsequent adjustment of such number) of Common Stock issuable in payment of such dividend or distribution or upon conversion or exercise of such outstanding as of the time of such issuance or, in the event such record date shall have been fixed, as of the close of business on such record date. In each such event the Conversion Rate shall be increased as of the time of such issuance or, in the event such a record date shall have been fixed, as of the close of business on such record date, by multiplying the Conversion Rate by a fraction.

(i) the numerator of which shall be the total number of shares of Common Stock issued and outstanding or deemed to be issued and outstanding immediately prior to the time of such issuance or the close of business on such record date plus the number of shares of Common Stock issuable in payment of such dividend or distribution or upon conversion or exercise of such Common Stock Equivalents; and

(ii) the denominator of which shall be the total number of shares of Common Stock issued and outstanding or deemed to be issued and outstanding immediately prior to the time of such issuance or the close of business on such record date; provided, however, (A) if such record date shall have been fixed and such dividend is not fully paid or if such distribution is not fully made on the date fixed for such distribution, then the Conversion Rate shall be recomputed accordingly as of the close of business on such record date and the Conversion Rate shall be adjusted pursuant to this paragraph 5(d) as of the time of actual payment of such dividend or distribution; (B) if such Common Stock Equivalents provide, with the passage of time or otherwise, for any decrease in the number of shares of Common Stock issuable upon conversion or exercise thereof (or upon the occurrence of a record date with respect thereto), then the Conversion Rate, and any subsequent adjustments based thereon, shall, upon any such decrease becoming effective, be recomputed to reflect such decrease insofar as it affects the rights of conversion or exercise of the Common Stock Equivalents then outstanding; (C) upon the expiration of any rights of conversion or exercise under any unexercised Common Stock Equivalents, the Conversion Rate computed upon the original issue (or upon the occurrence of a record date with respect thereto), and any subsequent adjustments based thereon, shall, upon such expiration, be recomputed as if the only additional shares of Common Stock issued were the shares of such stock, if any, that were actually issued upon the conversion or exercise of such Common Stock Equivalents; and (D) in the case of Common Stock Equivalents that expire by their terms not more than sixty (60) days after the date of issuance, no adjustment of the Conversion Rate shall be made until the expiration or exercise of all such Common Stock Equivalents, whereupon such adjustment shall be made in the manner provided in clause (C).

(e) Adjustments for Other Reclassifications, Dividends and Distributions. In the event the Company at any time or from time to time after the Original Issue Date shall effect a reclassification of its Common Stock (other than one resulting in the issue of additional shares of Common Stock) or shall make, issue, or fix a record date for the determination of holders of Common Stock entitled to receive a dividend or other distribution payable in securities of the Company other than shares of Common Stock, then, and in each such event, provision shall be made so that the holders of Series A Stock shall receive upon conversion of each share of Series A Stock the number of shares of stock or other securities to which a holder of the number of shares of Common Stock of the Company deliverable upon conversion of such Series A Stock would have been entitled in such reclassification, dividend or distribution.

(f) Adjustments for Merger or Reorganization, etc. In the event of any consolidation or merger of the Company with or into another corporation (other than a merger in which the Company is the surviving corporation) or the conveyance of all or substantially all of the assets of the Company to another corporation, such share of Series A Stock shall thereafter be convertible into the number of shares of stock or other securities or property to which a holder of the number of shares of Common Stock of the Company deliverable upon conversion of such Series A Stock would have been entitled upon such consolidation, merger or conveyance; and, in any such case, appropriate adjustment (as determined by the Board of Directors) shall be made in the application of the provisions herein set forth with respect to the rights and interest thereafter of the holders of the Series A Stock, to the end that the provisions set forth herein (including provisions with respect to changes in and other adjustments of the Conversion Rate) shall thereafter be applicable, as nearly as reasonably may be, in relation to any shares of stock or other

property thereafter deliverable upon the conversion of the Series A Stock.

(g) No Impairment. The Company will not, by amendment of its Certificate of Incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution,

issue or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed under this Article IV by the Company, but will at all times in good faith assist in the carrying out of all the provisions of this Section 5 and in the taking of all such action as may be necessary or appropriate in order to protect the Conversion Rights of the holders of the Series A Stock against impairment.

(h) Certificate as to Adjustment. Upon the occurrence of each adjustment or readjustment of the Conversion Rate pursuant to this Section 5, the Company at its expense shall promptly compute such adjustment or readjustment in accordance with the terms of this Section 5 and prepare and furnish to each holder of Series A Stock a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Company shall, upon the written request at any time of any holder of Series A Stock, furnish or cause to be furnished to such holder a like certificate setting forth (i) such adjustments and readjustments, (ii) the Conversion Rate in effect at the time, and (iii) the number of shares of Common Stock and the amount, if any, of other property that at the time would be received upon the conversion of the Series A Stock.

(i) Notices of Record Date. In the event of any taking by the Company of a record of the holders of any class of securities for the purpose of determining the holders of such securities who are entitled to receive any dividend (other than a cash dividend) or other distribution, any Common Stock Equivalents or any right to subscribe for, purchase, or otherwise acquire any shares of stock of any class or any other securities or property, or to receive any other right, the Company shall mail to each holder of Series A Stock at least twenty (20) days prior to the record date specified in such notice, a notice specifying the date on which any such record is to be taken for the purpose of such dividend, distribution, or rights, and the amount and character of such dividend, distribution, or right.

(j) Issue Taxes. The Company shall pay any and all issue and other taxes that may be payable in respect of any issue or delivery of shares of Common Stock on conversion of shares of Series A Stock.

(k) Reservation of Stock Issuable Upon Conversion. The Company shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock solely for the purpose of effecting the conversion of the shares of the Series A Stock such number of its shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of Series A Stock. If at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Series A Stock, the Company will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purpose.

(l) Fractional Shares. No fractional shares shall be issued upon the conversion of any share or shares (including fractional shares) of Series A Stock. All shares of Common Stock (including fractions) issuable upon conversion of shares of Series A Stock by a holder of such stock shall be aggregated for purposes of determining whether the conversion would result in the issuance of any fractional share. If, after aggregation, the conversion would result in the issuance of a fractional share of Common Stock, the Company shall, in lieu of issuing any fractional share, pay the holder otherwise entitled to such fraction a sum in cash equal to the fair market value of such fraction on the date of conversion (as determined in good faith by the Board of Directors of the Company).

(m) Notices. Any notice required by the provisions of this Section 5 to be given to the holders of shares of Series A Stock shall be deemed given if deposited in the United States mail, postage prepaid, and addressed to each holder of record at his address appearing on the books of the Company.

6. Amendment. Any of the rights of the Series A Stock specified in this Certificate may be reduced, restricted, or eliminated (either generally or in a particular instance and either retrospectively or prospectively) with the written consent of (a) the Company and (b) the holders of a majority of the Series A Stock then outstanding. All other amendments to this Part C of this Article IV and any waiver of the observance of any form hereof, shall be made in

accordance with the provisions of the General Corporation Law of the State of Delaware, as in effect from to time. Any such reduction, restriction, elimination, amendment, or waiver so effected shall be binding upon the Company and any holder of Series A Stock or Common Stock.

7. Status of Converted Shares. Upon the conversion of all outstanding shares of Series A Stock into shares of Common Stock pursuant to an Automatic Conversion Event, such converted shares of Series A Stock shall be cancelled and shall not thereafter be issuable by the Company.

D. SERIES B JUNIOR PARTICIPATING PREFERRED STOCK.

The powers, preferences and relative participating, optional and other special rights, and qualifications, limitations, and restrictions of the Company's Series B Junior Participating Preferred Stock, as designated pursuant to a Certificate of Designation filed in the Office of the Secretary of State of the State of Delaware on May 5, 1998, as amended by a Certificate of Increase filed in the Office of the Secretary of State of the State of Delaware on November 9, 1999, are as follows:

Section 1. Designation and Amount. The shares of such series shall be designated as "Series B Junior Participating Preferred Stock" (the "Series B Preferred Stock") and the number of shares constituting the Series B Preferred Stock shall be 250,000. Such number of shares may be increased or decreased by resolution of the Board of Directors; provided, that no decrease shall reduce the number of shares of Series B Preferred Stock to a number less than the number of shares then outstanding plus the number of shares reserved for issuance upon the exercise of outstanding options, rights or warrants or upon the conversion of any outstanding securities issued by the Corporation convertible into Series B Preferred Stock.

Section 2. Dividends and Distributions.

(A) Subject to the rights of the holders of any shares of any series of Preferred Stock (or any other stock) ranking prior and superior to the Series B Preferred Stock with respect to dividends, the holders of shares of Series B Preferred Stock shall be entitled to receive, when, as and if declared by the Board of Directors out of funds legally available for the purpose, quarterly dividends payable in cash on the first day of March, June, September and December in each year (each such date being referred to herein as a "Quarterly Dividend Payment Date"), commencing on the first Quarterly Dividend Payment Date after the first issuance of a share or fraction of a share of Series B Preferred Stock, in an amount (if any) per

share (rounded to the nearest cent), subject to the provision for adjustment hereinafter set forth, equal to 1000 times the aggregate per share amount of all cash dividends, and 1000 times the aggregate per share amount (payable in kind) of all non-cash dividends or other distributions, other than a dividend payable in shares of Common Stock, par value $0.01 per share (the "Common Stock"), of the Company or a subdivision of the outstanding shares of Common Stock (by reclassification or otherwise), declared on the Common Stock since the immediately preceding Quarterly Dividend Payment Date or, with respect to the first Quarterly Dividend Payment Date, since the first issuance of any share or fraction of a share of Series B Preferred Stock. In the event the Corporation shall at any time declare or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the amount to which holders of shares of Series B Preferred Stock were entitled immediately prior to such event under the preceding sentence shall be adjusted by multiplying such amount by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(B) The Corporation shall declare a dividend or distribution on the Series B Preferred Stock as provided in paragraph (A) of this Section immediately after it declares a dividend or distribution on the Common Stock (other than a dividend payable in shares of Common Stock).

(C) Dividends due pursuant to paragraph (A) of this Section shall begin to accrue and be cumulative on outstanding shares of

Series B Preferred Stock from the Quarterly Dividend Payment Date next preceding the date of issue of such shares, unless the date of issue of such shares is prior to the record date for the first Quarterly Dividend Payment Date, in which case dividends on such shares shall begin to accrue from the date of issue of such shares, or unless the date of issue is a Quarterly Dividend Payment Date or is a date after the record date for the determination of holders of shares of Series B Preferred Stock entitled to receive a quarterly dividend and before such Quarterly Dividend Payment Date, in either of which events such dividends shall begin to accrue and be cumulative from such Quarterly Dividend Payment Date. Accrued but unpaid dividends shall not bear interest. Dividends paid on the shares of Series B Preferred Stock in an amount less than the total amount of such dividends at the time accrued and payable on such shares shall be allocated pro rata on a share-by-share basis among all such shares at the time outstanding. The Board of Directors may fix a record date for the determination of holders of shares of Series B Preferred Stock entitled to receive payment of a dividend or distribution declared thereon, which record date shall be not more than 60 days prior to the date fixed for the payment thereof.

Section 3. Voting Rights. The holders of shares of Series B Preferred Stock shall have the following voting rights:

(A) Subject to the provision for adjustment hereinafter set forth, each share of Series B Preferred Stock shall entitle the holder thereof to 1000 votes on all matters submitted to a vote of the stockholders of the Corporation. In the event the Corporation shall at any time declare or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by

reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the number of votes per share to which holders of shares of Series B Preferred Stock were entitled immediately prior to such event shall be adjusted by multiplying such number by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(B) Except as otherwise provided herein, in any other Certificate of Designation creating a series of Preferred Stock or any similar stock, or by law, the holders of shares of Series B Preferred Stock and the holders of shares of Common Stock and any other capital stock of the Corporation having general voting rights shall vote together as one class on all matters submitted to a vote of stockholders of the Corporation.

(C) Except as set forth herein, or as otherwise provided by law, holders of Series B Preferred Stock shall have no special voting rights and their consent shall not be required (except to the extent they are entitled to vote with holders of Common Stock as set forth herein) for taking any corporate action.

Section 4. Certain Restrictions.

(A) Whenever quarterly dividends or other dividends or distributions payable on the Series B Preferred Stock as provided in Section 2 are in arrears, thereafter and until all accrued and unpaid dividends and distributions, whether or not declared, on shares of Series B Preferred Stock outstanding shall have been paid in full, the Corporation shall not:

(i) declare or pay dividends, or make any other distributions, on any shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series B Preferred Stock;

(ii) declare or pay dividends, or make any other distributions, on any shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series B Preferred Stock, except dividends paid ratably on the Series B Preferred Stock and all such parity stock on which dividends are payable or in arrears in proportion to the total amounts to which the holders of all such shares are then entitled; or

(iii) redeem or purchase or otherwise acquire for consideration shares of any stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series B Preferred Stock, provided that the Corporation may at any time redeem, purchase or otherwise acquire shares of any such junior stock in

exchange for shares of any stock of the Corporation ranking junior (as to dividends and upon dissolution, liquidation or winding up) to the Series B Preferred Stock.

(B) The Corporation shall not permit any subsidiary of the Corporation to purchase or otherwise acquire for consideration any shares of stock of the Corporation unless the Corporation could, under paragraph (A) of this Section 4, purchase or otherwise acquire such shares at such time and in such manner.

Section 5. Reacquired Shares. Any shares of Series B Preferred Stock purchased or otherwise acquired by the Corporation in any manner whatsoever shall be retired and canceled promptly after the acquisition thereof. All such shares shall upon their cancellation become authorized but unissued shares of Preferred Stock and may be reissued as part of a new series of Preferred Stock subject to the conditions and restrictions on issuance set forth herein, in the Certificate of Incorporation, or in any other Certificate of Designation creating a series of Preferred Stock or any similar stock or as otherwise required by law.

Section 6. Liquidation, Dissolution or Winding Up.

(A) Upon any liquidation, dissolution or winding up of the Corporation, the holders of shares of Series B Preferred Stock shall be entitled to receive, prior and in preference to any distribution of any assets of the Corporation to the holders of Common Stock, the amount of $10.00 per share for each share of Series B Preferred Stock then held by them. Thereafter, the holders of shares of Series B Preferred Stock shall be entitled to receive an aggregate amount per share, subject to the provision for adjustment hereinafter set forth, equal to 1000 times the aggregate amount to be distributed per share to holders of shares of Common Stock plus an amount equal to any accrued and unpaid dividends. In the event the Corporation shall at any time declare or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the aggregate amount to which holders of shares of Series B Preferred Stock were entitled immediately prior to such event under the preceding sentence shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(B) If the assets of the Corporation legally available for distribution to the holders of shares of Series B Preferred Stock upon liquidation, dissolution or winding up of the Corporation are insufficient to pay the full preferential amount set forth in the first sentence of paragraph (A) above, then the entire assets of the Corporation legally available for distribution to the holders of Series B Preferred Stock shall be distributed among such holders in proportion to the shares of Series B Preferred Stock then held by them.

(C) The foregoing rights upon liquidation, dissolution or winding up provided to the holders of Series B Preferred Stock shall be subject to the rights of the holders of any other series of Preferred Stock (or any other stock) ranking prior and superior to the Series B Preferred Stock upon liquidation, dissolution or winding up.

Section 7. Consolidation, Merger, etc. In case the Corporation shall enter into any consolidation, merger, combination or other transaction in which the shares of Common Stock are exchanged for or changed into other stock or securities, cash and/or other property, then in any such case each share of Series B Preferred Stock shall at the same time be similarly exchanged or changed into an amount per share, subject to the provision for adjustment hereinafter set forth, equal to 1000 times the aggregate amount of stock, securities, cash and/or any other property (payable in kind), as the case may be, into which or for which each share of Common Stock is changed or exchanged. In the event the Corporation shall at any time declare

or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the amount set forth in the preceding sentence with respect to the exchange or change of shares of Series B Preferred Stock shall be adjusted by

multiplying such amount by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

Section 8. No Redemption. The shares of Series B Preferred Stock shall not be redeemable.

ARTICLE V

To the fullest extent permitted by law, no director of the Company shall be personally liable for monetary damages for breach of fiduciary duty as a director. Without limiting the effect of the preceding sentence, if the Delaware General Corporation Law is hereafter amended to authorize the further elimination or limitation of the liability of a director, then the liability of a director of the Company shall be eliminated or limited to the fullest extent permitted by the Delaware General Corporation Law, as so amended.

Neither any amendment nor repeal of this Article V, nor the adoption of any provision of this Certificate of Incorporation inconsistent with this Article V, shall eliminate, reduce or otherwise adversely affect any limitation on the personal liability of a director of the Company existing at the time of such amendment, repeal or adoption of such an inconsistent provision.

ARTICLE VI

The Board of Directors of the Company shall have the power to adopt, amend or repeal Bylaws of the Company.

ARTICLE VII

Election of directors need not be by written ballot, unless the Bylaws of the Company shall so provide.

EXHIBIT 10.01

[INTUIT LOGO]
PO Box 7850, MS 2550
Mountain View, CA 94039-7850

March 9, 2000

Mark R. Goines
[ADDRESS]
[ADDRESS]

Re: Separation Terms

Dear Mark:

This letter confirms the terms of your separation from the employment of Intuit Inc., a Delaware corporation, with offices at 2535 Garcia Avenue, Mountain View, CA 94043 (the "Company").

1. Termination Date. Your employment with the Company is terminated effective May 15, 2000 (the "Termination Date"). Your current employment status, salary and benefits will remain unchanged between the date you sign this Agreement and May 15, 2000.

2. Shares. Assuming you do not exercise any stock options between today's date and the Termination Date, on the Termination Date, you will hold vested options to purchase 2,812 shares of Intuit's Common Stock at a purchase price of $7.91 per share. You have until August 13, 2000 in which to exercise these vested options.

In addition, assuming you do not exercise any stock options between today's date and the Termination Date, on the Termination Date, you will hold vested options to purchase 74,189 shares of Intuit's Common Stock at a purchase price of $7.64 per share. You have until August 13, 2000 in which to exercise these vested options.

Furthermore, assuming you do not exercise any stock options between today's date and the Termination Date, on the Termination Date, you will hold vested options to purchase 56,250 shares of Intuit's Common Stock at a purchase price of $16.37 per share. You have until August 13, 2000 in which to exercise these vested options.

Finally, assuming you do not exercise any stock options between today's date and the Termination Date, on the Termination Date, you will hold vested options to purchase 75,000 shares of Intuit's Common Stock at a purchase price of $26.20 per share. You have until August 13, 2000 in which to exercise these vested options.

You acknowledge that you have no additional vested options.

3. Payment of Wages. On the Termination Date, the Company will deliver to you a final paycheck for all accrued wages, salary, bonuses, reimbursable expenses, accrued but unused vacation pay and any similar payments due and owing to you from the Company as of the Termination Date. By acceptance of this final paycheck you are acknowledging that the Company does not owe you any other amounts.

4. COBRA Coverage. You have the option, at your own expense, to extend the health insurance coverage currently provided by the Company for a period of 18 months from May 31, 2000 pursuant to the terms and conditions of COBRA. You have 60 days from the Termination Date to notify the Company in writing of your election to so continue your continuation coverage.

5. Payment. In addition, you and Intuit have agreed that you will receive, as severance pay, a payment in an amount equivalent to your regular salary for the period May 15, 2000 through February 28, 2001. This severance pay is in addition to any amounts due you from the Company and is given as consideration for the release set forth below. This severance will be paid to you in one lump sum on the Termination Date. All normal withholding and deductions will be applied.

If you choose to sign this Agreement which includes the release, you will then be given seven (7) days after you sign the Agreement to revoke it and the Agreement will not be effective until after this seven-day period has lapsed. You understand that the Company will not pay you any severance payment until this revocation period has lapsed.

6. Annual Variable Plan. On the earlier of: (I) March 15, 2000, or (ii) such date as any employee of the Company first receives payment under the Fiscal Year 2000 Annual Variable Plan, the Company will pay to you the amount of $72,333 representing payment in full of the 80% of target (prorated for seven months) pursuant to the Fiscal Year 2000 Annual Variable Plan.

7. Home Loan. Notwithstanding paragraph 7 of the attached Secured Balloon Payment Promissory Note dated March 17, 1998 between you and Intuit Inc. (the "Note"), you and the Company agree that the entire remaining principal balance as of May 15, 2000 of $160,000 of said Note and all accrued interest shall become due and payable on August 1, 2000. Upon the repayment of the Note, the Company agrees that it will execute and record or cause to be executed and recorded such documents as are necessary to release from the record the deed of trust securing the Note. No other terms of the Note are modified by this Agreement.

8. Return of Company Property. You hereby represent and warrant to the Company that you have returned to the Company any and all property or data of the Company of any type whatsoever that may have been in your possession or control. You may keep your laptop, however you must first allow the Company's technicians to scrub and re-image it for confidentiality and security reasons.

9. Confidential Information. You hereby acknowledge that you are bound by a nondisclosure agreement with the Company, that as a result of your employment with the Company you have had access to the Confidential Information (as defined in such agreement) of the Company, that you will hold all such Confidential Information in strictest confidence and that you may not make any use of such Confidential Information on behalf of any third party. Nothing in the nondisclosure agreement or this Agreement shall restrict your ability, after May 15, 2000, to seek or obtain a position with any other company or entity, whether such services are provided as an employee, consultant, officer, or director. You further confirm that you have delivered to the Company all documents and data of any nature containing or pertaining to such Confidential Information and that you have not taken with you any such documents or data or any reproduction thereof.

10. Waiver of Claims. The payments and agreements set forth in this Agreement are in full satisfaction of any and all accrued salary, vacation pay, bonus pay, profit-sharing, termination benefits or other compensation to which you may be entitled by virtue of this employment with the Company or your separation of employment. You hereby release and waive any and all claims you may have against

the Company or any of its officers, directors, employees, managers, shareholders, partners, agents, attorneys, parent corporations, subsidiaries, successors, and assigns, including without limitation claims for any additional compensation or benefits arising out of the separation of your employment, any claims for any additional stock or stock options and any claims of wrongful termination, breach of contract, defamation, or discrimination under state or federal law, including but not limited to any claims you may have based on age or under the Age Discrimination in Employment Act or Older Workers Benefit Protection Act. Company hereby releases and waives any and all claims it may have against you, your heirs, successors or assigns, based on any acts, failures to act, or statements by you during your employment with Company or its predecessor companies.

You and Company hereby expressly waive any benefits of Section 1542 of the Civil Code of the State of California, which provides as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR."

11. Indemnity. Nothing in this Agreement or the termination of your employment shall affect in any way any right of indemnity, defense or reimbursement which is otherwise provided to you by the Company under operation of law, the by laws of the Company, action of the Board of Directors, or policy of insurance issued to the Company or its officers or directors.

12. Filings: This confirms that, as of March 1, 2000, you ceased to serve as an officer of Intuit Inc. Accordingly, you are no longer subject to Section 16 or Rule 144 requirements, including any future filings with the SEC, except any post-termination filing requirements or potential liabilities under Section 16. Finally, although you are no longer an "access person" you remain subject to Intuit's Insider Trading Policy.

13. Review of Severance Agreement. You acknowledge your understanding that you may take up to twenty-one (21) days to consider this Agreement and that you have been advised to consult with an attorney prior to executing this Agreement. You further acknowledge that you understand that you may revoke your

agreement within seven (7) days of your execution of this document and that the consideration to be paid to you pursuant to paragraph 5 above for your agreement will be paid only after the expiration of the seven (7) day revocation period.

14. Nondisparagement. You agree that you will not disparage the Company or its products, services, directors, officers, affiliates, successors or assigns, with any written or oral statement. Likewise, Company agrees to advise the specific employees identified by you in writing to make no disparaging statements, whether written or oral, about you or the services you provided on Company's behalf.

15. Legal and Equitable Remedies; Arbitration. You agree that you and the Company shall have the right to enforce this Agreement and any of its provisions by injunction, specific performance or other equitable relief without prejudice to any other rights or remedies you or the Company may have at law or in equity for breach of this Agreement.

You and the Company agree that any dispute or claim of any nature arising between you and the Company, other than claims for workers' compensation, unemployment benefits or trade secret misappropriation, shall be submitted to final and binding arbitration before a neutral arbitrator. The

arbitrator shall be selected according to the employment arbitrator selection procedures of the American Arbitration Association, and his or her fees shall be shared equally by the parties, subject to reapportionment by the arbitrator. The arbitrator shall decide any such claim and may grant any relief authorized by law. The arbitrator shall issue a written award and opinion. Nothing contained herein shall preclude you or the Company from seeking a temporary injunction or other provisional relief where appropriate. This provision is governed by the California arbitration statute, Code of Civil Procedure Section 1280 et seq.

16. Attorneys' Fees. If any action at law or in equity is brought to enforce the terms of this Agreement, the prevailing party shall be entitled to recover its reasonable attorneys' fees, costs and expenses from the other party, in addition to any other relief to which such prevailing party may be entitled.

17. Confidentiality. You and the Company agree to keep confidential the contents, terms and conditions of this Agreement, and shall not disclose the contents, terms and conditions of this Agreement except to their respective tax advisors, attorneys, your spouse, governmental taxing, regulatory authorities, auditors and employees of the Company who, in Company's sole discretion, need to know the terms in order to perform the Agreement or as may be required pursuant to a subpoena or court order. Any breach of this confidentiality provision shall be deemed a material breach of this Agreement.

18. No Admission of Liability. This Agreement is not and shall not be construed or contended by you or Company to be an admission or evidence of any wrongdoing or liability on your part or the part of the Company, its representatives, heirs, executors, attorneys, agents, partners, officers, shareholders, directors, employees, subsidiaries, affiliates, divisions, successors or assigns. This Agreement shall be afforded the maximum protection allowable under California Evidence Code Section 1152 and/or any other state or Federal provisions of similar effect.

19. Entire Agreement. This Agreement constitutes the entire agreement between you and the Company with respect to the subject matter hereof and supersedes all prior negotiations and agreements, whether written or oral, relating to such subject matter. You acknowledge that neither the Company nor its agents or attorneys, have made any promise, representation or warranty whatsoever, either express or implied, written or oral, which is not contained in this Agreement for the purpose of inducing you to execute the Agreement, and you acknowledge that you have executed this Agreement in reliance only upon such promises, representations and warranties as are contained herein.

20. Modification. It is expressly agreed that this Agreement may not be altered, amended, modified, or otherwise changed in any respect except by another written agreement that specifically refers to this Agreement, duly executed by authorized representatives of each of the Parties hereto.

21. Governing Law. This Agreement is governed by, and is to be interpreted according to, the laws of the State of California. If any term of this Agreement or application thereof is deemed invalid or unenforceable, the remainder of the Agreement shall remain in full force and effect.

If this letter accurately sets forth the terms of your separation from the Company, please sign the attached copy and return it to the undersigned.

Very truly yours,

Intuit Inc.

By: /s/ STEPHEN M. BENNETT

Stephen M. Bennett
President and Chief Executive Officer

READ, UNDERSTOOD AND AGREED

/s/ MARK R. GOINES Date:

Mark R. Goines

EXHIBIT 10.02

[INTUIT LOGO]
PO Box 7850, MS 2550
Mountain View, CA 94039-7850

May 2, 2000

James J. Heeger
[ADDRESS]
[ADDRESS]

Re: Separation Terms

Dear Jim:

This letter confirms the terms of your separation from the employment of Intuit Inc., a Delaware corporation, with offices at 2535 Garcia Avenue, Mountain View, CA 94043 (the "Company").

1. Termination Date. Your employment with the Company is terminated effective June 16, 2000 (the "Termination Date"). Your current employment status, salary and benefits will remain unchanged between the date you sign this Agreement and June 16, 2000.

2. Shares. Assuming you do not exercise any stock options between today's date and the Termination Date, on the Termination Date, you will hold vested options to purchase 10,500 shares of Intuit's Common Stock at a purchase price of $15.66 per share. You have until September 14, 2000 in which to exercise these vested options.

In addition, assuming you do not exercise any stock options between today's date and the Termination Date, on the Termination Date, you will hold vested options to purchase 2,190 shares of Intuit's Common Stock at a purchase price of $18.75 per share. You have until September 14, 2000 in which to exercise these vested options.

Furthermore, assuming you do not exercise any stock options between today's date and the Termination Date, on the Termination Date, you will hold vested options to purchase 28,126 shares of Intuit's Common Stock at a purchase price of $10.50 per share. You have until September 14, 2000 in which to exercise these vested options.

Also, assuming you do not exercise any stock options between today's date and the Termination Date, on the Termination Date, you will hold vested options to purchase 26,184 shares of Intuit's Common Stock at a purchase price of $7.64 per share. You have until September 14, 2000 in which to exercise these vested options.

In addition, assuming you do not exercise any stock options between today's date and the Termination Date, on the Termination Date, you will hold vested options to purchase 67,500 shares of Intuit's Common Stock at a purchase price of $16.37 per share. You have until September 14, 2000 in which to exercise these vested options.

Finally, assuming you do not exercise any stock options between today's date and the Termination Date, on the Termination Date, you will hold vested options to purchase 81,250 shares of Intuit's Common Stock at a purchase price of $26.20 per share. You have until September 14, 2000 in which to exercise these vested options.

You acknowledge that you have no additional vested options.

3. Payment of Wages. On the Termination Date, the Company will deliver to you a final paycheck for all accrued wages, salary, bonuses, reimbursable expenses, accrued but unused vacation pay and any similar payments due and owing to you from the Company as of the Termination Date. By acceptance of this final paycheck you are acknowledging that the Company does not owe you any other amounts.

4. COBRA Coverage. You have the option, at your own expense, to extend the health insurance coverage currently provided by the Company for a period of 18 months from June 31, 2000 pursuant to the terms and conditions of COBRA. You have 60 days from the Termination Date to notify the Company in writing of your election to so continue your continuation coverage.

5. Annual Variable Plan. On June 16, 2000, the Company will pay to you the amount of $108,415 representing payment in full of the 80% of target (prorated for ten months) pursuant to the Fiscal Year 2000 Annual Variable Plan.

6. Return of Company Property. You hereby represent and warrant to the Company that you have returned to the Company any and all property or data of the Company of any type whatsoever that may have been in your possession or control. You may keep your laptop, but you must first allow the Company's technicians to scrub and re-image it for confidentiality and security reasons.

7. Confidential Information. You hereby acknowledge that you are bound by a nondisclosure agreement with the Company, that as a result of your employment with the Company you have had access to the Confidential Information (as defined in such agreement) of the Company, that you will hold all such Confidential Information in strictest confidence and that you may not make any use of such Confidential Information on behalf of any third party. You further confirm that you have delivered to the Company all documents and data of any nature containing or pertaining to such Confidential Information and that you have not taken with you any such documents or data or any reproduction thereof.

8. Waiver of Claims. The payments and agreements set forth in this Agreement are in full satisfaction of any and all accrued salary, vacation pay, bonus pay, profit-sharing, termination benefits or other compensation to which you may be entitled by virtue of this employment with the Company or your separation of employment. You hereby release and waive any and all claims you may have against the Company or any of its officers, directors, employees, managers, shareholders, partners, agents, attorneys, parent corporations, subsidiaries, successors, and assigns, including without limitation claims for any additional compensation or benefits arising out of the separation of your employment, any claims for any additional stock or stock options and any claims of wrongful termination, breach of contract, defamation, or discrimination under state or federal law, including but not limited to any claims you may have based on age or under the Age Discrimination in Employment Act or Older Workers Benefit Protection Act.

You hereby expressly waive any benefits of Section 1542 of the Civil Code of the State of California, which provides as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR."

9. Filings: This confirms that, as of May 2, 2000, you cease to serve as an officer of Intuit Inc. Accordingly, you are no longer subject to Section 16 or Rule 144 requirements, including any future filings with the SEC, except any post-termination filing requirements or potential liabilities under

Section 16. Finally, although you are no longer an "access person" you remain subject to Intuit's Insider Trading Policy.

10. Review of Severance Agreement. You acknowledge your understanding that you may take up to twenty-one (21) days to consider this Agreement and that you have been advised to consult with an attorney prior to executing this Agreement. You further acknowledge that you understand that you may revoke your agreement within seven (7) days of your execution of this document and that the consideration to be paid to you pursuant to paragraph 5 above for your agreement will be paid only after the expiration of the seven (7) day revocation period.

11. Nondisparagement. You agree that you will not disparage the Company or its products, services, agents, representatives, directors, officers, shareholders, attorneys, employees, vendors, affiliates, successors or assigns, or any person acting by, through, under or in concert with any written or oral statement.

12. Legal and Equitable Remedies; Arbitration. You agree that you and the Company shall have the right to enforce this Agreement and any of its provisions by injunction, specific performance or other equitable relief without prejudice to any other rights or remedies you or the Company may have at law or in equity for breach of this Agreement.

You and the Company agree that any dispute or claim of any nature arising between you and the Company, other than claims for workers' compensation, unemployment benefits or trade secret misappropriation, shall be submitted to final and binding arbitration before a neutral arbitrator. The arbitrator shall be selected according to the commercial arbitration selection procedures of the American Arbitration Association, and his or her fees shall be shared equally by the parties. The arbitrator shall decide any such claim and may grant any relief authorized by law. The arbitrator shall issue a written award and opinion. Nothing contained herein shall preclude you or the Company from seeking a temporary injunction or other provisional relief where appropriate. This provision is governed by the California arbitration statute, Code of Civil Procedure Section 1280 et seq.

13. Attorneys' Fees. If any action at law or in equity is brought to enforce the terms of this Agreement, the prevailing party shall be entitled to recover its reasonable attorneys' fees, costs and expenses from the other party, in addition to any other relief to which such prevailing party may be entitled.

14. Confidentiality. You agree to keep confidential the contents, terms and conditions of this Agreement, and shall not disclose the contents, terms and conditions of this Agreement except to your tax advisor, attorney, spouse, or pursuant to subpoena or court order. Any breach of this confidentiality provision shall be deemed a material breach of this Agreement.

15. No Admission of Liability. This Agreement is not and shall not be construed or contended by you or Company to be an admission or evidence of any wrongdoing or liability on your part or the part of the Company, its representatives, heirs, executors, attorneys, agents, partners, officers, shareholders, directors, employees, subsidiaries, affiliates, divisions, successors or assigns. This Agreement shall be afforded the maximum protection allowable under California Evidence Code Section 1152 and/or any other state or Federal provisions of similar effect.

16. Entire Agreement. This Agreement constitutes the entire agreement between you and the Company with respect to the subject matter hereof and supersedes all prior negotiations and agreements, whether written or oral, relating to such subject matter. You acknowledge that neither the Company nor its agents or attorneys, have made any promise, representation or warranty whatsoever, either express or implied, written or oral, which is not contained in this Agreement for the purpose of

inducing you to execute the Agreement, and you acknowledge that you have executed this Agreement in reliance only upon such promises, representations and warranties as are contained herein.

17. Modification. It is expressly agreed that this Agreement may not be altered, amended, modified, or otherwise changed in any respect except by another written agreement that specifically refers to this Agreement, duly executed by authorized representatives of each of the Parties hereto.

18. Governing Law. This Agreement is governed by, and is to be interpreted according to, the laws of the State of California. If any term of this Agreement or application thereof is deemed invalid or unenforceable, the remainder of the Agreement shall remain in full force and effect.

If this letter accurately sets forth the terms of your separation from the Company, please sign the attached copy and return it to the undersigned.

Very truly yours,

Intuit Inc.

By: /s/ STEPHEN M. BENNETT

Stephen M. Bennett
President and Chief Executive Officer

READ, UNDERSTOOD AND AGREED

/s/ JAMES J. HEEGER Date: 5/1/9/2000

James J. Heeger

EXHIBIT 10.03

COMMERCIAL LEASE

LEASE SUMMARY

The following information is set forth for convenience only and shall not supersede or modify the terms of the attached Lease.

LANDLORD: Broderick Way Partners, LLC.

TENANT: Intuit Inc.

LEASED PREMISES: The entirety of the Property described below, which consists of approximately 28,500 rentable square feet.

PROPERTY: That certain real property situated in the City of Mountain View, County of Santa Clara, State of California as presently improved with one building, which real property is described on Exhibit A, and is commonly known as 2700 Broderick Way, Mountain View, California.

TERM: Ten (10) years.

OPTION TO RENEW: A five (5) year option to extend the lease term upon twelve (12) months notice at fair market value.

COMMENCEMENT DATE: The later of July 15, 2000 or sixty (60) days after Landlord makes the Building available to Tenant.

BASE MONTHLY RENTAL: Three and 65/100 Dollars ($3.65) per rentable square foot per month (i.e., $104,025 per month as of the Commencement Date), and starting on the second anniversary date of the Commencement Date and each year thereafter through the fifth anniversary, Base Monthly Rental shall increase by eleven cents ($.11) per rentable square foot (i.e., $3,135 per year); and each year thereafter Base Monthly Rental shall increase twelve cents ($.12) per rentable square foot (i.e., $3,420 per year). Tenant shall deliver the initial month of Base Monthly Rental upon execution of the Lease.

OPERATING EXPENSES: Tenant shall pay one hundred percent (100%) of the Operating Expenses of Landlord related to the Property, however, Tenant is expected to pay directly all utilities and janitorial services.

TAXES: Tenant shall pay one hundred percent (100%) of the Real Property Taxes on the Property unless and until Tenant leases less than the entire Building. Tenant shall pay all taxes on its personal property and fixtures.

INSURANCE:

Landlord: Landlord shall maintain property insurance providing protection against fire, extended coverage, vandalism, malicious mischief and special extended perils (all risk), excluding earthquake.

Tenant: Tenant shall maintain a policy or policies of comprehensive general liability insurance, including property damage, with combined single limit coverage of not less than

Three Million Dollars ($3,000,000) and an all-risk policy of insurance insuring Tenant's alterations, trade fixtures and personal property on the Property against loss or damage by fire and extended coverage hazards, for full replacement value, subject to reasonable deductibles described below.

UTILITIES: Tenant shall pay for utilities associated with the Leased Premises.

MAINTENANCE:

Landlord. Maintains at its own expense footings, foundations, load-bearing posts and beams, the roof structure, concrete floor and load bearing walls. Landlord will also maintain, at Tenant's expense, non-structural portions of the roof.

Tenant. Maintains at its expense, all plumbing and sewage facilities, HVAC for its Leased Premises, all electrical facilities and equipment, including without limitation, lighting fixtures, lamps, fans, exhaust equipment and systems, automatic fire extinguisher equipment, electrical motors and all other electrical equipment and appliances of every kind within the

premises, windows, doors, elevators, entrances, plate glass, skylights and showcases.

IMPROVEMENTS: Landlord shall deliver the Leased Premises "as is" subject to Landlord's obligations under Section 2.2. All improvements, if any, will be performed by and be the responsibility of Tenant. Any improvements by Tenant, including plans, construction drawings and contractors, are subject to Landlord's prior approval, which shall not be unreasonably withheld or delayed.

SECURITY DEPOSIT: Cash in the amount of One Hundred Four Thousand Twenty-Five Dollars ($104,025), which Tenant shall deliver to Landlord upon execution of this Lease.

BUILDING: That certain Building within the Property in which the Leased Premises are located, commonly known as 2700 Broderick Way, Mountain View, CA.

TENANT's REPRESENTATIVE: Tony Lautmann, The Staubach Company.

TENANT's ADDRESSES FOR NOTICE:

Intuit Inc.
2550 Garcia Avenue, 2nd Floor
Mountain View, CA 94043
Attn.: Vice President for Finance and Administration

Intuit Inc.
2550 Garcia Avenue, 2nd Floor
Mountain View, CA 94043
Attn.: General Counsel

COMMERCIAL LEASE

This Lease, is made this 31st day of January, 2000 by and between Broderick Way Partners, LLC, a California limited liability company ("Landlord"), and Intuit Inc., a Delaware corporation ("Tenant").

SECTION 1
DEFINITIONS RELATED TO PREMISES

1.1 Property and Building. The term "Property" shall mean that certain real property with all improvements constructed thereon, consisting of one (1) commercial building (the "Building"), with a net leasable area of approximately Twenty-Eight Thousand Five Hundred (28,500) square feet, commonly known as 2700 Broderick Way, Mountain View, CA. A description of the Property and a map of the Building is attached as Exhibit A to this Lease.

1.2 Leased Premises. The term "Leased Premises" shall mean approximately Twenty-Eight Thousand Five Hundred (28,500) square feet of net leasable area of the Building, which constitutes the entirety of the Building. Any dimensions of the Leased Premises stated in this Lease are approximate and are for identification purposes only and are not representations as to actual square footage of the Leased Premises.

1.3 Common Area. The term "Common Area" shall mean all areas and facilities within the Property that are provided and designated for general use and convenience of the lessees and occupants of all or any part of the Property, which include only the parking lot, access roads, sidewalks and exterior landscaped areas.

1.4 Tenant's Pro Rata Share. "Tenant's Pro Rata Share" shall mean the square footage (described in Section 1.2) of the rentable area of the Leased Premises as a percentage of the square footage of the total rentable square footage of the Building (described in Section 1.2), i.e., 100% as of the Commencement Date.

1.5 Lease Term. "Lease Term" shall have the meaning set forth in Section 3.1.

1.6 Base Monthly Rental. The term "Base Monthly Rental" shall mean an amount equal to Three and 65/100 Dollars ($3.65) per square foot multiplied by the amount of the net leasable area (described in Section 1.2) leased by Tenant (i.e., $104,025 per month as of the Commencement Date), subject to the increases described in this Lease.

SECTION 2
LEASE AND ACCEPTANCE OF PREMISES

2.1 Lease of Leased Premises. Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord for Tenant's own use in the conduct of Tenant's business and not for any other purposes (including speculating in real

estate) for the Lease Term, upon the terms and conditions of this Lease, the Leased Premises. Tenant's lease of the Leased Premises shall be conditioned upon and subject to Tenant's continuing compliance with (a) all terms and conditions of the Lease, (b) all laws governing the use of the Leased Premises, the Building and the Property, and (c) all reasonable rules and regulations from time to time established by Landlord.

2.2 Delivery and Acceptance of Leased Premises. Landlord shall deliver to Tenant possession of the Leased Premises on the later of (a) July 15, 2000 or (b) sixty (60) days after Landlord makes the Building available to Tenant (the "Commencement Date"). The Leased Premises must be delivered to Tenant in broom clean condition, with all building, fire protection, HVAC, glazing, plumbing, electrical, elevators and roof systems serving the Leased Premises in good operating condition and repair. By taking possession of the Leased Premises, subject to the preceding sentence, Tenant accepts the Leased Premises in its "As Is" condition.

2.3 Tenant Improvements. Subject to Section 2.2 above, Landlord shall deliver the Premises "As Is" and will not perform any Improvements (defined below). Tenant is responsible for any Improvements of the Premises, which will be subject to Landlord's approval, not to be unreasonably withheld or delayed, prior to Tenant's commencement of construction. Any Improvements (including Specialized Improvements (defined in Section 2.4), and the Improvements described in Sections 5.2 and 14.16) shall be performed by Tenant in accordance with the plans and specifications approved by Landlord. Landlord will review and respond to Tenant's proposed plans and specifications within ten (10) business days of receipt, and will cooperate with Tenant to achieve final approved plans and specifications as soon as reasonably practicable. At such time as Tenant delivers to Landlord a request for approval of any Improvement, Tenant shall also request Landlord's determination as to whether such Improvement is a Standard Improvement, Reserved Improvement or Specialized Improvement (defined in Section 2.4). Landlord will not require the use of any specific general contractor or subcontractors (so long as they are reasonably acceptable to Landlord). Landlord will not require any payment or performance bonds (unless at Landlord's sole expense). Further, Landlord will not charge a construction management fee, supervision charge or any plan review fees in conjunction with Tenant's improvements in the Leased Premises. Tenant shall have sole responsibility to arrange for and pay the costs of all items included as part of any Improvements. All construction work required or permitted by this Lease shall be done in a good and workmanlike manner, and in compliance with all applicable laws and ordinances, regulations, and orders of governmental authority and insurers of the Property, the Building and Leased Premises. Landlord may inspect the work of Tenant at reasonable times and shall give notice to Tenant of any observed defects. Tenant shall have reasonable access to the Leased Premises, subject to prior notice, prior to the date of delivery to Tenant, for space planning purposes. For purposes of this Lease, "Improvement" means any improvements to the Leased Premises, Building and Property, and includes all Standard Improvements, Reserved Improvements and Specialized Improvements.

2.4 Surrender of Possession. Immediately prior to the expiration or upon the sooner termination of this Lease, Tenant shall remove all of Tenant's signs from the exterior of the Building and shall remove all of Tenant's equipment, trade fixtures, furniture, supplies, wall decorations and other personal property from within the Leased Premises, the Building and the Property, and shall vacate and surrender the Leased Premises, the Building and the Property to Landlord in the same condition, broom-cleaned, as existed on the date of completion of the Tenant's Improvements described in Section 2.3, together with such changes (including Standard Improvements) as are permitted to remain pursuant to this Lease, reasonable wear and tear excepted. Tenant shall repair all damage to the Leased Premises, the exterior of the Building and to the Property caused by Tenant's removal of Tenant's property. Tenant shall patch and refinish, to Landlord's reasonable satisfaction, all penetrations made by Tenant or its employees to the floor, walls or ceiling of the Leased Premises and Building, whether such penetrations were made with Landlord's approval or not. Tenant shall repair or replace all stained or damaged ceiling tiles, wall coverings and floor coverings to the reasonable satisfaction of Landlord. Tenant shall repair all damage caused by Tenant to the exterior surface of the Building and the paved surfaces of the Property and, where necessary, replace or resurface the same. Notwithstanding the foregoing, Landlord reserves the right to require Tenant to remove at the end of the Lease Term any Specialized Improvements installed in the Building or on the Property as part of initial or subsequent Tenant improvements, including, but not limited to, raised floor computer areas,

vaults, and other improvements of such a nature as not likely to be generally usable (in Landlord's reasonable determination) by likely future tenants of the Building (collectively, the "Specialized Improvements"); provided that if Tenant

shall request of Landlord, in writing, at the time of approval of Tenant's plans for Tenant's improvements or alterations whether such improvements or alterations constitute Specialized Improvements for purposes of this Section 2.4, Landlord shall use good faith efforts to promptly determine at that time, if reasonably possible, whether such improvements or alterations constitute Specialized Improvements, Reserved Improvements or Standard Improvements. If Landlord determines, in good faith, that it cannot make such "Specialized Improvement" determination at such time, then Landlord may reserve such determination until the expiration or termination of the Lease (each, a "Reserved Improvement"). If Landlord subsequently requires removal of the Reserved Improvement, Tenant shall, upon expiration or termination of the Lease, remove any such Reserved Improvements and repair all damage caused by such removal. (If after receiving a request from Tenant for a classification of certain Improvement Landlord determines that such improvements are not Specialized Improvements or Reserved Improvements, then such improvement shall be a standard improvement that Tenant is not required to remove (each, a "Standard Improvement"). Tenant shall be liable to Landlord for all costs incurred by Landlord in returning the Leased Premises, the Building and the Property to the required condition, together with interest (at the maximum rate allowed by law) on all costs so incurred from the date paid by Landlord until paid by Tenant. Tenant shall pay to Landlord the amount of all costs so incurred plus such interest thereon within ten (10) days after Landlord's delivery to Tenant of a bill for the same. Tenant shall indemnify Landlord against loss or liability resulting from delay by Tenant in surrendering the Leased Premises, Building, and Property, including, without limitation, any claims made by any succeeding tenant or any losses to Landlord with respect to lost opportunities to lease to succeeding tenants.

SECTION 3
TERM OF THE LEASE

3.1 Lease Term. The term "Initial Lease Term" shall mean the term of this Lease, which shall be for a period of One Hundred Twenty (120) full calendar months (plus the partial month, if any, immediately following the Commencement Date), commencing on the Commencement Date and ending at midnight on the last day of the One Hundred Twentieth (120th) full calendar month thereafter, unless this Lease is extended or sooner terminated according to its terms or by mutual agreement. The term "Lease Term" shall mean the Initial Lease Term and any extensions thereof.

3.2 Postponement. If, for any reason, Landlord is unable to deliver possession of the Premises to Tenant on the Commencement Date, the commencement of the Lease Term will be postponed, without liability to either party or affecting the validity of this Lease, and the term shall begin on such date as Landlord is able to deliver possession of the Leased Premises to Tenant; provided, that Tenant shall have the right to terminate this Lease without further liability of Landlord or Tenant if Landlord is unable to deliver possession of the Leased Premises within one hundred twenty (120) days after the scheduled Commencement Date of July 15, 2000.

3.3 Lease Extension.

(a) Extension. Tenant may, at its option (if it is not then in default under the Lease beyond any applicable notice and cure period), extend the Initial Lease Term for an additional sixty (60) month period commencing at the end of the Initial Lease Term (the "Extended Term"). This option shall be exercised, if at all, by Tenant's written notice (the "Option Notice") to Landlord stating Tenant's exercise of its option, delivered not less than one (1) year (nor more

than 15 months) prior to the end of the Initial Lease Term. The Extended Term shall be upon all terms and conditions of this Lease (but with no further option to extend) other than the Base Monthly Rental, which shall be the then fair rental value of the Premises as determined in accordance with Section 3.3(b) and adjusted in accordance with this Section 3.3(a). The Base Monthly Rental determined in accordance with Section 3.3(b) shall be increased on the first day of the second year of the Extended Term and each anniversary thereafter during the Extended Term by three percent (3%).

(b) Extended Monthly Rent. If within thirty (30) days after the Landlord receives the Option Notice the parties agree to what the fair rental value is, they shall immediately execute an Addendum to this Lease stating the Base Monthly Rental during the Extended Term. If the parties are unable to agree on the minimum monthly rent for the Extended Term within such 30-day period, then within fifteen (15) days after the expiration of that period each party, at its cost and by giving notice to the other party, shall appoint a commercial real estate broker ("Appraiser") with at least five years full time commercial appraisal or brokerage in the Mountain View, California area to appraise and set the minimum monthly rent for the Extended Term. Each Appraiser shall deliver their appraisal within thirty (30) days after expiration of the selection of the Appraisers. If the higher appraisal of rental value is not more than 105% of the lowest as to the fair rental value, then the average of their appraised value

shall be adopted by the parties. If the higher appraisal is greater than 105% of the lower then the two Appraisers shall appoint a third Appraiser with similar qualifications who has not previously represented either party, and who shall appraise the Leased Premises to determine its fair rental value, and the two closest in dollar terms of the three offered values shall be averaged and adopted by the parties as the fair rental value for the purposes of determining the Base Monthly Rental during the Extended Term. The parties shall equally share the costs and expenses of the third Appraiser.

SECTION 4
RENT

4.1 Base Monthly Rental/Prepaid Rent. Subject to the increases described in Section 4.2, Tenant shall pay Landlord One Hundred Four Thousand Twenty-Five Dollars ($104,025) as "Base Monthly Rental", in advance, on the first (1st) day of each calendar month commencing on the Commencement Date and continuing throughout the Lease Term. The Base Monthly Rental is based on an amount equal to Three and 65/100 Dollars ($3.65) per square foot multiplied by the Leased Premises (i.e., initially, agreed and deemed to be 28,500 square feet). Upon execution of the Lease, Tenant shall deliver to Landlord a check in the amount of the Base Monthly Rental which Landlord shall apply towards Tenant's prepayment of the first payment of Base Monthly Rental. For purposes of the calculation of the Base Monthly Rental (and other amounts under this Lease), Landlord and Tenant acknowledge and agree that the approximate square footage of the Leased Premises set forth in Section 1.2 is deemed to be the actual square footage of the Leased Premises.

4.2 Annual Adjustment/Adjustment Of Base Monthly Rental. The Base Monthly Rental shall be increased during the Initial Lease Term as follows: (a) on the first day of the second year of the Initial Lease Term and each anniversary thereafter through the fifth year of the Initial Lease Term, Eleven Cents ($.11) per rentable square foot per year (i.e., $3,135); and (b) on the first day of the sixth year of the Initial Lease Term and each anniversary thereafter during the Initial lease Term, Twelve Cents ($.12) per rentable square foot per year (i.e., $3,420).

4.3 Additional Rent. In addition to the Base Monthly Rental, Tenant shall pay to Landlord as additional rent ("Additional Rent") the amounts described in Sections 4.3, 4.4, 4.5 and 4.6.

(a) Billing. Tenant shall pay, as Rent, Tenant's Pro Rata Share of Operating Expenses. At Landlord's election, Tenant shall pay Operating Expenses by one or more of the following methods: (i) paying the invoice for such expenses submitted to Tenant by Landlord; (ii) Landlord may bill Tenant on a periodic basis, and Tenant shall pay such bill within thirty (30) days after receipt thereof; and/or (iii) Landlord may deliver to Tenant a written estimate of any such expenses which Landlord anticipates will be paid or incurred for the ensuing calendar or fiscal year, and Tenant shall pay such estimated expenses in equal monthly installments along with the payment of installments of Base Monthly Rent. Landlord may change the billing method from time to time in Landlord's sole discretion on not less than thirty (30) days' notice.

(b) Operating Expenses. The term "Operating Expenses" shall mean: (i) all of Landlord's reasonable costs and expenses of operation, repair and maintenance of the Property (including the Common Area) as determined by Landlord in accordance with generally accepted accounting principles or other recognized accounting principles, consistently applied, including, without limitation, (1) maintenance and other services, (2) power, water, waste disposal and other utilities (to the extent not paid directly by Tenant), (3) materials and supplies, (4) maintenance and repairs (including, but not limited to, non-structural repairs and maintenance of the roof), and (5) the cost of all insurance (excluding earthquake), which Landlord or Landlord's lender deems necessary for the Property and any deductible portion of an insured loss; (ii) costs, or a portion thereof, properly allocable to the Building of any capital improvements made to the Property by Landlord which comprise labor-saving devices or other equipment intended to improve the operating efficiency of any system within the Building (such as an energy management computer system), which costs shall be amortized over the useful life thereof without interest; and (iii) costs properly allocable to the Property of any capital improvements made to the Property by Landlord that are required under any governmental law or regulation that was not applicable to the Property at the time of the Commencement Date, or that are reasonably required for the health and safety of tenants in the Building, the costs, or allocable portion thereof, to be amortized over the useful life thereof (as determined by generally accepted accounting principles), together with interest upon the unamortized balance at the prime rate as announced from time to time by the Wall Street Journal at the commencement of such capital improvement plus one (1) basis point or such higher rate as may have been paid by Landlord on funds borrowed for the purpose of constructing the capital improvements; and (iv) the management fee described in Section 4.5. Operating Expenses shall not include any of the following items: depreciation on the Property, including personal property; costs of tenant improvements; real estate brokers' commissions; professional and administrative fees (excluding fees to the extent arising from the acts or omissions of

Tenant); and work other than that caused by the acts or omissions of Tenant or Tenant's agents, employees or contractors, and capital items other than those referred to in clauses (ii) and (iii) above. For purposes of this Lease, "capital items" shall mean those items which would be capitalized pursuant to generally accepted accounting principles.

(c) Estimated Operating Expenses. During December of each calendar year during the Term, or as soon thereafter as practicable, Landlord may give Tenant written notice of Landlord's good faith estimate of the Tenant's Pro Rata Share of Operating Expenses for the ensuing calendar year. On or before the first day of each month during the ensuing calendar year, Tenant shall pay to Landlord one-twelfth (1/12) of the estimated amount; provided, that if notice is not given in December, Tenant shall continue to pay on the basis of the then applicable Rent until the month after the notice is given. If at any time it appears to Landlord that the increased amount payable for the current calendar year will vary from Landlord's estimate by more than five percent (5%), Landlord may give notice to Tenant of Landlord's revised estimate for the year, and subsequent payments by Tenant for the year shall be based on the revised estimate; provided, that Landlord shall not give notice of a revised estimate for any year more frequently than once a calendar quarter.

(d) Adjustments To Operating Expenses. Within one hundred twenty (120) days after the close of each calendar year of the Lease Term, or as soon after the one hundred twenty (120) day period as practicable, Landlord shall deliver to Tenant a statement of the adjustment to the Operating Expenses for the prior calendar year. If, on the basis of the statement, Tenant owes an amount that is less than the estimated payments for the calendar year previously made by Tenant, Landlord shall apply the excess to the next payment of Tenant's Pro Rata Share of Operating Expenses due (or refund such excess to Tenant within thirty (30) days if the Lease has terminated). If, on the basis of the statement, Tenant owes an amount that is more than the estimated payments for the calendar year previously made by the Tenant, Tenant shall pay the deficiency to Landlord within thirty (30) days after delivery of the statement. The statement of the Tenant's Pro Rata Share of Operating Expenses shall be presumed correct and shall be deemed final and binding upon Tenant unless (i) Tenant in good faith objects in writing thereto within sixty (60) days after delivery of the statement to Tenant (which writing shall state, in reasonable detail, all of the reasons for the objection); and (ii) Tenant pays in full, within thirty (30) days after delivery of the statement to Tenant, any amount owed by Tenant with respect to the statement which is not in dispute. Landlord shall provide Tenant with such supporting information as Tenant may reasonably request in connection with such statement, at Tenant's sole cost. If Tenant objects to Landlord's allocation to this Property of the cost of self-insurance or blanket insurance, such allocation shall nonetheless be presumed correct and shall be deemed final and binding upon Tenant unless Tenant's timely written objection includes credible evidence that Landlord could have obtained substantially comparable insurance coverage for this Property alone at lower cost. If the Tenant objects in good faith, then such dispute shall be resolved by accountants selected by the procedure set forth in Section 3.3(b), except that three accountants selected shall (i) be certified public accountants with at least five (5) years experience in the commercial real estate industry and (ii) determine by majority vote whether the Landlord's or Tenant's statement is deemed correct.

4.4 Additional Rent/Real Property Taxes. Tenant shall pay, as Rent, the Tenant's Pro Rata Share of Real Property Taxes in accordance with Section 6, which Tenant's Pro Rata Share is initially agreed to be One Hundred Percent (100%) unless and until Tenant leases less than 100% of the Building. Tenant shall also pay as Additional Rent to Landlord an amount equal to Landlord's share of consideration received by Tenant for assignments and sublettings, legal fees and costs that Tenant is obligated to pay or reimburse to Landlord, and any other reimbursement items under this Lease.

4.5 Property Management Fee. Landlord shall provide property management services, including management of the Common Area (if any), supervision of Operating Expenses and general management and administrative services. In consideration for Landlord's property management services, Tenant shall pay Landlord a property management fee equal to three and one-half percent (3.5%) of the Base Monthly Rental (the "Property Management Fee"). The Property Management Fee shall be paid in accordance with Section 4.8.

4.6 Late Payment. Any sum of Base Monthly Rental or Additional Rent payable under this Lease by Tenant that is not paid on or before the fifth (5th) day of the month shall be subject to a late charge equal to five percent (5%) of the late payment; provided that Landlord shall provide Tenant with one (1) written notice of nonpayment per calendar year before imposing the late charge, which charge shall be applied on the fifth (5th) day after the date of such written notice.

4.7 Security Deposit. Upon the execution of this Lease, Tenant shall deliver to Landlord as a security deposit One Hundred Four Thousand Twenty-Five Dollars ($104,025) (the "Security Deposit"). Landlord shall hold the Security Deposit as security for Tenant's faithful performance of all the terms of this Lease by it to be observed and performed. Tenant shall not mortgage, assign,

transfer, or encumber the Security Deposit without Landlord's prior written consent. Any of these acts by Tenant shall be without effect and shall not be binding upon

Landlord. If Tenant is in default pursuant to Section 12 of this Lease beyond the applicable notice and cure period, then Landlord may, at Landlord's option and without prejudice to any other remedy, appropriate and apply the entire Security Deposit or so much of it as may be necessary to remedy such default or to compensate Landlord for loss or damage sustained by Landlord as a result of such default. Under such circumstances, Landlord may require Tenant to restore the Security Deposit to its original amount. If Tenant complies with all of the terms and promptly pays all amounts when due under the Lease, the Security Deposit, shall be returned in full to Tenant within thirty (30) days after the end of the Lease Term. If bankruptcy or other debtor-creditor proceedings against Tenant occur, the Security Deposit shall be offset against any unpaid amounts due under this Lease. Landlord shall not be deemed a trustee of the Security Deposit, and Landlord may use the Security Deposit in Landlord's ordinary business and shall not be required to segregate it from general accounts. Tenant shall not be entitled to any interest on the Security Deposit. If Landlord transfers the Building and/or Property during the Lease Term, Landlord shall pay the Security Deposit to Landlord's successor in interest in accordance with Civil Code Sec. 1950.7 or any successor statute, in which event the transferring Landlord shall be released from all liability for the return of the Security Deposit.

4.8 Payment of Rent. All rent and Property Management Fees required to be paid in monthly installments shall be paid in advance on the first (1st) day of each calendar month during the Lease Term. All rent shall be paid in lawful money of the United States, without any abatement, deduction or offset whatsoever, except to the extent expressly permitted hereunder and without any prior demand therefor. Tenant's failure to timely pay Additional Rent shall be treated the same as the failure to timely pay Base Monthly Rent, and Landlord shall have the same rights and remedies as Landlord would have for failure to pay Base Monthly Rent when due. All rent shall be paid by check delivered to Landlord at 105 South Drive, Suite 200, Mountain View, California 94040 or at such other place as Landlord may designate from time to time. Tenant's obligation to pay rent shall be prorated at the commencement and expiration of the Lease Term.

SECTION 5
USE AND UTILITIES

5.1 Common Area Use. Tenant and its employees, invitees and customers may, together with other tenants in the Building, if any, make reasonable use of any Common Area (if any). This right shall terminate upon the termination of this Lease. Landlord reserves the right to, from time to time, make changes to the shape, size, location, extent and amount of Common Area (if any); provided that such changes shall not materially decrease Tenant's available parking area or otherwise materially adversely affect Tenant's occupancy. Tenant and its employees and customers shall comply with all regulations reasonably promulgated by Landlord for use of the Common Area (if any), and such regulations shall become a part of this Lease when received by Tenant. The rules and regulations shall be binding upon Tenant upon delivery to Tenant of a copy of such rules, and Tenant shall observe and abide by such rules. Such rules may be reasonably amended by Landlord from time to time, with or without advance notice, and all amendments shall be effective upon delivery to Tenant. Tenant shall have the exclusive use of one hundred percent (100%) of the parking spaces on the Property. Tenant shall not abandon, and shall not permit to be abandoned, any inoperative vehicles or equipment on any portion of the Property. Tenant shall make no alterations, improvements or additions to the Common Area (if any) without Landlord's prior written consent. No portion of the Property outside of the Leased Premises may be used by Tenant for storage of any materials without Landlord's prior written consent.

5.2 Use of Leased Premises. Tenant shall use the Premises for general office purposes, including research and development, and for no other purposes except as permitted by applicable law and not otherwise inconsistent with the first class nature of the Building. Without

regard to such business use, Tenant shall permit no activity on the Premises that would increase the premium on any fire or casualty insurance policy carried by Landlord, create or constitute a nuisance or be incompatible with the general usage of the Property. Tenant shall not conduct, or allow to be conducted on the Property, any auction, insolvency or bankruptcy sale without Landlord's prior consent. Tenant acknowledges that Landlord has made no representations with respect to the Leased Premises, Property or the Building regarding suitability for the conduct of Tenant's business. All noise generated by Tenant shall be confined or muffled so as not to annoy users or occupants of adjacent properties. All dust, fumes, odors and other emissions generated by Tenant shall

be dissipated in accordance with sound environmental practices so as not to annoy or interfere with users of adjacent properties. Tenant shall not do or permit anything to be done in or about the Leased Premises, the Building, or the Property which does or could (a) jeopardize the structural integrity of the Building or (b) cause damage to any part of the Leased Premises, the Building, or the Property. Tenant shall not operate any equipment within the Leased Premises which does or could (i) injure, vibrate or shake the Leased Premises or the Building, (ii) damage, overload or impair the efficient operation of any electrical, plumbing, heating, ventilation or air conditioning system within or servicing the Leased Premises or the Building, or (iii) damage or impair the efficient operation of the sprinkler system (if any) within or servicing the Leased Premises, the Building or the Property. Tenant shall not install any equipment or antennas on or make any penetrations of the exterior walls or roof of the Building without Landlord's prior written approval, which will not be unreasonably withheld. However, the parties acknowledge and agree that Landlord shall cooperate with Tenant to facilitate any required use of the Building's roof for the installation (at Tenant's cost) of antennas or satellite dishes, such use to be at no additional charge to Tenant. Tenant hereby acknowledges and agrees that, notwithstanding the provisions contained in Section 2.4 or elsewhere in this Lease, Tenant is required to remove such improvements/alterations at the expiration or termination of this Lease and to restore the Building to Landlord's complete satisfaction, as determined in Landlord's sole discretion. In all events, Tenant shall, after removal of such items at the end of the Lease Term, fully restore the applicable portions of the roof or exterior walls of the Building, without exception for reasonable wear and tear. Tenant shall not fix any equipment to or make any penetrations or cuts in the floor, ceilings, walls, or roof of the Leased Premises. Tenant shall not place any loads upon the floors, walls, ceiling or roof system which could endanger the structural integrity of the Building or damage its floors, foundations or supporting structural components. Tenant shall not place any explosive, flammable or harmful fluids or other waste materials in the drainage system of the Leased Premises, the Building, or the Property. Tenant shall not drain or discharge any fluids in the landscaped areas or cross the paved areas of the Property. Tenant shall not use any of the Property for the storage of its materials, supplies, inventory or equipment and all such materials, supplies, inventory or equipment shall at all times be stored within the Leased Premises. Tenant shall not commit nor permit to be committed any waste in or about the Leased Premises, the Building or the Property.

5.3 Utilities. Tenant shall arrange, at its sole cost and in its own name, for the supply of gas and electricity to the Leased Premises. Landlord shall maintain water meter(s) in its own name; provided that Landlord may cause Tenant to put the water service in Tenant's name at Tenant's cost. Tenant shall be responsible for insuring that the utilities are adequate for Tenant's needs. Tenant shall promptly pay as they become due, all charges for the utility services consisting of gas, electricity, telephone, and water service for the Leased Premises.

5.4 Utility Requirements. Landlord shall comply with all rules, regulations and requirements promulgated by national, state or local governmental agencies or utility suppliers concerning the use of utility services, including any rationing, limitation or other control. Tenant shall not be entitled to terminate this Lease or to any abatement in rent by reason of such compliance or for any other interruption in the service or supply of such utilities.

5.5 Janitorial Services. Tenant shall provide janitorial services for the Leased Premises which shall include providing trash bins and removing trash, vacuuming carpets, and cleaning restrooms. All trash, garbage and waste temporarily stored in the Leased Premises or Building or on the Property shall be stored in a manner so that it is not visible to the public, and subject to the foregoing, Tenant shall cause the Property to be kept in a neat, clean and safe condition, free and clear of trash, garbage, boxes, containers, etc. at all times.

5.6 Access. Tenant shall have access to and use of the Leased Premises twenty-four (24) hours per day, three hundred sixty-five (365) days per year.

SECTION 6
REAL PROPERTY TAXES

6.1 Real Property Taxes Defined. The term "Real Property Taxes", as used in this Lease, shall mean: (i) all taxes, assessments, levies and other charges of any kind or nature whatsoever, general and special, foreseen and unforeseen (including all installments of principal and interest required to pay any general or special assessments for public improvements and any increases resulting from reassessments caused by any change in ownership) now or hereafter imposed by any governmental or quasi-governmental authority or special district having the direct or indirect power to tax or levy assessments, which are levied or assessed against, or with respect to the value, occupancy or use of all, or

any portion of the Property (as now constructed or as may at any time hereafter be constructed, altered or otherwise changed), or Landlord's interest therein; the fixtures, equipment and other property of Landlord, real or personal, that are an integral part of and located on the Property; the gross receipts, income or rentals from the Property; or the use of parking areas, public utilities or energy within the Property and (ii) all charges, levies or fees imposed by reason of environmental regulation or other governmental control of the Property. If any Real Property Tax is based upon property or rents unrelated to the Property, then only that part of such Real Property Tax that is fairly allocable to the Property shall be included within the meaning of the term "Real Property Taxes". Notwithstanding the foregoing, the term "Real Property Taxes" shall not include estate, inheritance, transfer, gift or franchise taxes of Landlord, or the federal or state net income tax imposed on Landlord's income from all sources.

6.2 Payment of Real Property Taxes by Tenant.

(a) Tenant shall pay, as Rent, the Tenant's Pro Rata Share of Real Property Taxes.

(b) Landlord may cause Tenant to pay Real Property Taxes in accordance with any of the methods set forth in Section 4.4, or at Landlord's election, as provided in this Section 6.2. During December of each calendar year during the Lease Term, or as soon thereafter as practicable, Landlord may give Tenant written notice of the amount of Real Property Taxes for the ensuing calendar year. On or before the first day of each month during the ensuing calendar year, Tenant shall pay to Landlord one-twelfth (1/12) of the estimated amount; provided, that if notice is not given in December, Tenant shall continue to pay on the basis of the then applicable Rent until the month after the notice is given. If at any time it appears to Landlord that the increased amount payable for the current calendar year will vary from Landlord's estimate by more than five percent (5%), Landlord may give notice to Tenant of Landlord's revised estimate for the year, and subsequent payments by Tenant for the year shall be based on the revised estimate; provided, that Landlord shall not give notice of a revised estimate for any year more frequently than once a calendar quarter.

(c) Within one hundred twenty (120) days after the close of each calendar year of the Lease Term, or as soon after the one hundred twenty (120) day period as practicable, Landlord may deliver to Tenant a statement of the adjustment to the Real Property Taxes for the prior calendar year; the statement shall be final and binding upon Landlord and Tenant. If, on the basis of the statement, Tenant owes an amount that is less than the estimated payments for the calendar year previously made by Tenant, Landlord may apply the excess to the next payment of increased Real Property Taxes due (or refund such excess to Tenant within thirty (30) days if the Lease has terminated). If, on the basis of the statement, Tenant owes an amount that is more than the estimated payments for the calendar year previously made by Tenant, Tenant shall pay the deficiency to Landlord within thirty (30) days after delivery of the statement.

(d) Notwithstanding any other provision hereof, Tenant shall pay the full amount of any Real Property Taxes during the Lease Term resulting from any and all alterations and tenant improvements of any kind whatsoever placed in, on or about the Property for the benefit of, at the request of, or by Tenant. Tenant shall pay, prior to delinquency, all taxes assessed or levied against Tenant's personal property in, on or about the Property. When possible, Tenant shall cause its personal property to be assessed and billed separately from the real or personal property of Landlord.

(e) Upon request by Tenant, Landlord shall provide Tenant with a copy of the most recent tax bill for the Property. Tenant shall have the right to contest the validity or amount of any Real Property Taxes payable for the Property by appropriate proceeding diligently conducted in good faith. Under no circumstances shall Tenant join Landlord as a party to such proceedings. If Tenant undertakes any such contest, Tenant may withhold or defer payment or pay under protest; provided, that upon the request of the Landlord, prior to delinquency of the Real Property Taxes in question Tenant shall obtain and deliver to Landlord a good and sufficient surety bond or other assurance of payment protecting Landlord and the Property from any lien, claim, demand, loss, cost, liability or expense which Landlord or the Property might suffer or incur as a consequence of the withheld or protested payment. Upon termination of any contest, Tenant shall pay the amount finally determined to be payable, together with all fines, interest, penalties or other charges incurred or payable as a result thereof. Landlord shall not be subject to any liability for the payment of any costs or expenses in connection with any such proceedings, and Tenant will indemnify, protect, defend by counsel reasonably satisfactory to Landlord and hold Landlord harmless from any such costs and expenses, reimbursing Landlord therefor upon demand unless Landlord has initiated the proceedings. Tenant shall be entitled to any refund of any Real Property Taxes and penalties or interest from any governmental authority to the extent the refund represents monies paid to the governmental authority by Tenant or paid by Landlord and fully reimbursed by Tenant. In addition, Tenant shall be entitled to recover from any Real Property Taxes the reasonable cost (but in no event greater than

the savings obtained) in obtaining such refund.

6.3 Taxes on Tenant's Property. Tenant shall pay, before delinquency, any and all taxes, assessments, license fees and public charges levied, assessed or imposed against Tenant or Tenant's estate in this Lease, or the property of Tenant situated within the Leased Premises, which become due during the Lease Term. On demand by Landlord, Tenant shall furnish Landlord with satisfactory evidence of these payments.

SECTION 7
INSURANCE, SUBROGATION AND INDEMNIFICATION

7.1 Tenant's Insurance. Tenant shall maintain in full force and effect during the Lease Term the following insurance:

(a) A policy or policies of comprehensive general liability insurance, including property damage, against liability for personal injury, bodily injury, death and damage to property occurring in or about, or resulting from an occurrence in or about the Leased Premises or resulting from Tenant's use or occupancy of the Leased Premises, with combined single limit coverage of not less than Three Million Dollars ($3,000,000).

(b) A policy or policies of fire and property damage insurance in so called "fire and extended coverage" form with a sprinkler leakage endorsement (if the Building contains fire sprinklers) insuring its personal property, inventory, trade fixtures and leasehold improvements within the Leased Premises for the full replacement value thereof. The proceeds from any of such policies shall be used for the repair or replacement of such items so insured; provided that if the Lease shall terminate as a result of such insured loss, the proceeds shall be the property of Tenant.

(c) (intentionally omitted].

(d) Workers' compensation and any other employee benefit insurance sufficient to comply with all laws.

(e) Landlord, and such others it designates, shall be named as additional insured on the policies of insurance described in this Section 7.1 (a) and (b). All insurance required by this Section 7.1 shall: (i) as to the liability insurance only, be primary insurance which provides that the insurer shall be liable for the full amount of the loss, up to and including the total amount of liability set forth in the declarations without the right of contribution from any other insurance coverage of Landlord; (ii) provide that such policies shall not be subject to cancellation or change, except after at least thirty (30) days prior written notice to Landlord; and (iii) not have a "deductible" in excess of Fifty Thousand Dollars ($50,000) on property insurance and Twenty-Five Thousand Dollars ($25,000) on liability insurance per occurrence. Each such policy shall also contain a waiver of any right of subrogation against Landlord. Copies of such policy or policies, or duly executed certificates for them, together with satisfactory evidence of the payment of the premium thereon, shall be deposited with Landlord prior to the time Tenant enters into possession of the Leased Premises, and upon renewal of such policies, but not less than thirty (30) days prior to the expiration of the term of such coverage.

(f) Any insurance coverage required of Tenant in this Section 7.1 may be satisfied by a blanket policy or policies of insurance, provided that the total amounts of insurance available with respect to the Property and Tenant's liability under this Lease shall be at least the equivalent of separate policies carried in the amounts required in this Lease.

7.2 Landlord's Insurance.

(a) Landlord shall maintain, as the minimum coverage required of it by this Lease, a policy or policies of fire and property damage insurance, in so-called "fire and extended coverage" form, insuring Landlord (and such others as Landlord may designate) from physical damage to the Building including the leasehold improvements made thereto at the commencement of the Lease Term, with coverage of not less than one hundred percent (100%) of the full replacement value thereof; provided, that such insurance may have a deductible in a commercially reasonable amount. Landlord may so insure the Building separately, or may insure the Building with other buildings and improvements within the Property which Landlord elects to insure together under the same policy or policies. Landlord shall not be required to cause such insurance to cover any trade fixtures, leasehold improvements (except as provided above) or any inventory or other personal property of Tenant.

(b) Landlord shall maintain, as minimum coverage, comprehensive

general liability insurance, including property damage, against liability for personal injury, bodily injury, death and damage occurring in or about, or resulting from, an occurrence in or about the Leased Premises, with combined single-limit coverage of not less than Three Million Dollars ($3,000,000).

7.3 Release and Waiver of Subrogation: Notwithstanding anything to the contrary in this Lease, the parties hereto release each other, and their respective agents, employees and contractors, from any claims for injury to any persons or damage to property that are caused by or result from risks insured against under any insurance policies carried by the parties and in force at the time of such damage, but only to the extent such claims are covered by such insurance. This release shall be in effect only so long as the applicable insurance policies contain a clause to the effect that this release shall not affect the right of the insured to recover under such policies. Each party shall cause each insurance policy obtained by it to provide that the insurance company waives all rights of recovery by way of subrogation against either party in connection with any damage covered by such policy, so long as such waiver is available without unreasonable, additional cost. In the event any party is unable to so obtain such waiver, such party shall notify the other, in writing, and the other party may, if it so desires, obtain such waiver by payment of any additional premium therefor.

7.4 Limitation on Landlord's Liability and Indemnity. Except to the extent of Landlord's active neglect or greater culpability, Landlord shall not be liable to Tenant for, and Tenant hereby releases Landlord and its members, managers, officers, employees, agents and representatives from any liability for (a) any injury to or damage suffered by Tenant, Tenant's agents, representatives, employees, contractors or invitees; (b) any damage to Tenant's property or business due to any reason whatsoever, including, but not limited to, the failure or destruction of any utilities such gas, electrical, water, mechanical systems (e.g., HVAC), etc.; and (c) the failure to provide security or the blockage of the Property. Tenant hereby waives the application of Civil Code Section 1542, which provides that:

> "A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which, if known by him, must have materially affected his settlement with the debtor."

Commencing upon Tenant's entry on the Leased Premises, Tenant shall indemnify Landlord and its officers, members, agents, representatives and employees, and hold them harmless from all losses, claims, liabilities, costs, expenses (including, but not limited to, attorneys' fees and costs) and damages (collectively, "Losses" or, separately, a "Loss") arising out of the use, occupancy or enjoyment of the Leased Premises by Tenant or any licensee, invitee, employee, contractor, representative, or agent of Tenant, except that which is caused by the active neglect or greater culpability of Landlord, or arising out of Tenant's failure to perform any of its obligations under this Lease. Tenant waives any right to recover from Landlord for any such Loss to any person or property, including loss of income; it being Tenant's right and obligation to insure against such Loss, by reason of the use, occupancy or enjoyment of the Premises by Tenant, or any licensee, invitee, agent or employee of Tenant. This indemnity shall survive the termination or expiration of this Lease.

SECTION 8
REPAIR AND MAINTENANCE

Except in the case of damage or destruction of the Leased Premises, Building or Property caused by an act of God or other peril, in which case Section 10 shall control, the parties shall have the repair and maintenance obligations set forth in this Section 8.

8.1 "As-Is Condition. Tenant accepts the Property "As-Is", subject to the qualifications set forth in Section 2.2 above.

8.2 Landlord's Obligations. Landlord shall repair and keep in good condition the structural components, concrete floor and load bearing walls of the Building at Landlord's sole cost (unless damaged by Tenant). The term "structural components" shall be defined as follows: footings, foundations, load-bearing posts and beams, floor slabs and the roof structure. Tenant shall be responsible for maintaining and repairing the roof, including damage resulting in leaks. This Section shall in no way limit Landlord's right to charge Tenant the costs of such repairs as Additional Rent. Landlord shall maintain the Common Areas (if any) in good condition at all times. The manner in which the Common Area shall be maintained and the expenditures for such maintenance shall be at the reasonable discretion of Landlord, consistent with other first class office building in the same geographic area. Landlord shall have the right to establish and enforce reasonable rules and regulations applicable to all tenants concerning maintenance, management, use, and operation of the Common Areas; and to close temporarily any of the Common Areas for maintenance purposes. Landlord shall bill Tenant for Tenant's share of Operating

Expenses for the Common Area as provided in Section 4.3. Landlord shall not be liable for any failure to make any such repairs or to perform any maintenance unless such failure shall persist for an unreasonable time after receipt of notice of the need of such repairs.

8.3 Tenant's Obligations. Tenant shall have the following obligations with respect to the Leased Premises:

(a) Except as provided in Section 8.2 of this Lease, Tenant shall, at its sole cost, repair, regularly clean and continuously keep and maintain in good order the Leased Premises and the Building including, without limitation: (i) all interior walls, floors and ceilings; (ii) all windows, doors, door hardware, and skylights; (iii) all plumbing (including sinks, toilets, faucets and drains); (iv) sewage facilities; (v) all electrical facilities and equipment, including without limitation, lighting fixtures, lamps, fans, exhaust equipment and systems, automatic fire extinguisher equipment, electrical motors and all other electrical equipment and appliances of every kind within the premises (including conduits and connectors); (vi) the walls and partitions, entrances, plate glass, showcases; (vii) heating, ventilation and air conditioning systems and equipment; and (viii) landscaping. Tenant shall promptly replace and pay for any broken glass, both exterior and interior, with the same kind, size, and quality of glass, but only to the extent that the damage was caused by the acts or omissions of Tenant, its agents, employees or visitors. "Repair" includes replacement and/or renewals where necessary, as well as painting.

(b) Tenant shall promptly repair all damage or injury to the Leased Premises or the Property caused by the act or negligence of Tenant, its employees, agents, licensees or visitors, and shall make such repairs in accordance with the reasonable specifications established by Landlord.

(c) Tenant shall repair any damage to the Property caused by installation. or removal of any machinery, equipment, trade fixtures, movable partitions, furniture or articles of personal property including, without limitation, repairing the floor and patching and painting the walls.

(d) Tenant shall obtain and pay for a heating, ventilating and air conditioning system maintenance contract with quarterly service and which shall provide for and include replacement of filters, oiling and lubricating of machinery, replacement parts, adjustment of drive belts, oil changes and other preventive maintenance. Tenant shall have the benefit of all warranties available to Landlord regarding the equipment and such systems. Tenant shall provide Landlord with a copy of such service contract and all periodic service reports. At Landlord's request, Tenant, at Tenant's sole cost, shall hire a licensed contractor to regularly and periodically inspect and perform maintenance on the HVAC, or Landlord may contract for such services itself and charge such costs to Tenant as Additional Rent.

(e) Tenant waives all rights to make repairs at the expense of the Landlord and to deduct the cost of such repairs from the Rent and specifically waives all rights under Sections 1941 and 1942 of the California Civil Code or any similar law regarding a Tenant's right to make repairs and deduct the cost of such repairs from the Rent. (Without in any way limiting the effect of the foregoing waiver, the parties acknowledge and agree that in the case of an emergency, Tenant may make a repair that Landlord is otherwise required to make and Landlord shall reimburse Tenant for the reasonable costs thereof. In the absence of an "emergency", Tenant shall not be reimbursed. For purposes of this Section 83(e), "emergency" shall mean (i) material damage to the Leased Premises (not caused by Tenant) which results in an immediate threat to life, serious bodily injury or material damage to a substantial portion of Tenant's personal property or fixtures and (ii) Tenant has made repeated and reasonable, but unsuccessful, attempts to notify Landlord. However, if Tenant successfully notifies Landlord, then Landlord shall, in good faith, determine whether an emergency exists. For purposes of an emergency under this Section 83(e), notice shall be deemed proper if notice is given by telephone and promptly confirmed in writing by fax by an authorized officer.) There shall be no allowance to Tenant for diminution of rental value, and no liability on the part of Landlord by reason of inconvenience, annoyance or injury to business arising from the making of or the failure to make, any repairs, alterations, decorations, additions or improvements in or to any portion of the Leased Premises or the Building or Common Area (or any of the areas used in connection with the operation thereof, or in or to any fixtures, appurtenances or equipment), or by reason of the negligence of Tenant or any other tenant or occupant of the Property. In no event shall Landlord be responsible for any consequential damages arising or alleged to have arisen from any of the foregoing matters. Tenant hereby agrees that Landlord shall not be liable for injury to Tenant's business or any loss of income therefrom or for damage to the goods, wares, merchandise or other property of Tenant, Tenant's employees, invitees, customers, or any other person in or about the Leased Premises, the Building, or the Common Area, nor shall Landlord be liable for injury to the person of Tenant, Tenant's employees, agents or contractors whether such damage or injury is caused by or results from fire, steam, electricity, gas, water or

rain, or from the breakage, leakage, obstruction or other defects of pipes, sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures, or from any other cause, whether such damage or injury results from any other cause, whether such damage or injury results from conditions arising upon the Property or upon other portions of the Building, or from other sources or places and regardless of whether the cause of such damage or injury or the means of repairing the same is inaccessible to Tenant, except to the extent any of the foregoing arises from the gross negligence of Landlord. Landlord shall not be liable for any damages arising from any act or neglect of any other tenant, if any, of the Building or the Property.

(f) Tenant shall obtain and pay for all permits required for Tenant's occupancy of the Property, other than permits relating to the physical condition of the Property, and shall take all actions necessary to comply with all applicable statutes, ordinances, rules, regulations, orders and requirements regulating the use by Tenant of the Property, including any occupational safety and health laws, provided that Tenant shall not be obligated to make any physical changes in, or improvements to, the Property unless such changes or improvements are required solely by reason of the unique nature of Tenant's use of the Property (as opposed to standard office and research and development usage).

(g) Tenant will cause all exposed plumbing, heating, ventilating, air conditioning and electrical equipment within the Leased Premises to be operated in accordance with the manufacturers' recommendations and specifications.

(h) At the end of the Lease Term or any extension period, Tenant shall surrender to Landlord the Leased Premises broom clean, in the same condition as they existed on the date of completion of the Tenant Improvements described in Section 2.3, together with such changes as are permitted to remain pursuant to this Lease, excepting only such ordinary wear and tear as could not have been avoided by routine maintenance.

(i) It is the intention of Landlord and Tenant that, at all times during the Term, Tenant shall maintain the Property in an attractive first class and fully operative condition. Tenant's repair obligation is unconditional and does not depend on whether the repairs are necessitated by Tenant's use or whether the means of repair or item needing repair is readily accessible to Tenant. If Tenant fails to perform proper maintenance or repair, including preventative maintenance where appropriate, Landlord may, after seven (7) days written notice to Tenant (or without notice for emergency repairs), cause the same to be performed, and the cost thereof will promptly be paid by Tenant upon receipt of a statement from Landlord setting forth the amount due. Any such amount shall be deemed additional rent.

Landlord shall have no maintenance or repair obligations whatsoever with respect to the Leased Premises except as expressly provided in Section 8.2. Tenant shall, upon Landlord's request, provide Landlord with copies of all maintenance and service reports and records, including, but not limited to, electrical and HVAC reports.

8.4 Hazardous Materials.

(a) Except in accordance with the relevant statutes and regulations, Tenant shall not cause or permit to be discharged from or about the Property or the Building, any hazardous, toxic, or radioactive materials, including, but not limited to, those materials (i) identified in Section 66680 or within the criteria set forth in Section 66693 et seq. of Title 22 of the California Code of Regulations, Division 4, Chapter 30, (ii) defined as a "hazardous waste" pursuant to Section 1004 of the Federal Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq. (42 U.S.C. Section 6903), or (iii) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601 et seq. (42 U.S.C. Section 9601) as amended from time to time, or petroleum distillates (collectively, "Hazardous Materials"). Tenant shall at its sole expense comply with all applicable governmental rules, regulations, codes, ordinances, statutes and other requirements respecting Hazardous Materials in connection with Tenant's activities on or about the Property or the Building. Tenant shall at its sole cost perform all clean-up and remedial actions which may be required of Tenant by any governmental authority pertaining to any storage, handling use, generation or discharge of Hazardous Materials by Tenant.

(b) Tenant shall indemnify, defend and hold harmless Landlord and its members, officers, employees, agents and representatives, from and against all Losses relating to the illegal storage handling, use, generation or discharge of Hazardous Materials by Tenant on or about the Property or the Building. Tenant shall reimburse Landlord for (i) losses in or reductions to rental income resulting from Tenant's storage, handling, use, generation or discharge of Hazardous Materials; (ii) all costs of clean-up or other alterations to the Property necessitated by Tenant's storage, handling, use,

generation or discharge of Hazardous Materials; and (iii) any diminution in the fair market value of the Building caused by Tenant's use, storage, handling, generation or discharge of Hazardous Materials. The obligations of Tenant under this Section shall survive the expiration of the Lease Term.

(c) Landlord shall indemnify, defend and hold harmless Tenant and its officers, employees, agents and representatives, from and against all Losses relating to the illegal storage, handling, use, generation or discharge of Hazardous Materials on or about the Property or the Building, except as provided in Section 8.4(b) above. Landlord shall reimburse Tenant for (i) losses in or reductions to rental income resulting from such storage, handling, use, generation or discharge of Hazardous Materials; (ii) all costs of clean-up or other alterations to the Property necessitated by such storage, handling, use, generation or discharge of Hazardous Materials; and (iii) any diminution in the fair market value of the Building caused by such use, storage, handling, generation or discharge of Hazardous Materials. The obligations of Landlord under this Section shall survive the expiration of the Lease Term.

SECTION 9
TRADE FIXTURES AND LEASEHOLD IMPROVEMENTS

9.1 Trade Fixtures and Leasehold Improvements. Tenant shall not construct any leasehold improvements or additions or otherwise alter the Leased Premises without Landlord's prior written approval, which approval may be withheld in Landlord's reasonable discretion; provided that Tenant may make non-structural improvements of up to Twenty-Five Thousand Dollars ($25,000) to the Leased Premises without Landlord's consent, if Tenant has provided Landlord with (a) copies of all such plans and specifications and (b) a certificate of an authorized officer of Tenant certifying that all permits, consents and required approvals for such Improvements have been obtained and do not violate any laws or this Lease. In no event shall Tenant make any alterations to the Leased Premises which could affect the structural integrity or the design of the Building without Landlord's prior consent. All such approved leasehold Improvements shall be installed by Tenant at Tenant's expense using a licensed contractor. All construction done by Tenant shall be done in accordance with all laws (including valid building permits issued by the appropriate governmental authority) and in a good and workmanlike manner, using new materials of good quality. All leasehold Improvements shall remain the property of Tenant during the Lease Term. At the termination of this Lease, the alterations, additions and improvements made by Tenant shall remain on the Leased Premises and become the property of Landlord, except that at Landlord's option, Specialized Improvements and Reserved Improvements (as described in Section 2.4), shall be removed by Tenant at Tenant's sole cost and expense, and Tenant shall restore the portions of the Leased Premises affected by such Reserved Improvements and/or Specialized Improvements to their prior condition. (Tenant and Landlord acknowledge and agree that the items described in Sections 5.2 and 14.16 shall be removed and the Leased Premises, Building and Property shall be restored to Landlord's complete satisfaction, determined in Landlord's sole discretion.) Without limiting the generality of the foregoing, all heating, lighting, electrical (including all wiring, conduit, outlets, drops, buss, ducts, main and subpanels), air conditioning, partitioning, drapery, and carpet installations made by Tenant regardless of how affixed to the Leased Premises, together with all other additions, alterations and improvements that have become an integral part of the Building, shall be and become the property of the Landlord upon termination of the Lease, and shall not be deemed trade fixtures, and shall remain upon and be surrendered with the Leased Premises at the termination of this Lease. If during the Lease Term, any alteration, addition or change to the Common Area is required by law, regulation, ordinance or order of any public agency, Landlord shall make the same and the costs of such alteration, addition or change shall be a Common Area charge and Tenant shall pay its share of its costs as provided in Section 4.3 above. Landlord may require Tenant to post a payment and performance bond for one and one-half (1.5) times the estimated cost of all work prior to commencement of any work by Tenant on the Leased Premises, provided Tenant shall not be required to post such a bond if Tenant has a net worth in excess of $11,000,000 or otherwise provides adequate assurance that Tenant's share of any improvement costs will be timely paid.

9.2 Landlord's Improvements. All fixtures, improvements or equipment which are installed, constructed on or attached to the Property by Landlord, at its expense, shall become a part of the realty and belong to Landlord.

9.3 Liens. Tenant shall keep the Leased Premises and the Property free from any liens and shall pay when due all bills arising out of any work performed, materials furnished, or obligations incurred by Tenant, its agents, employees or contractors relating to the Leased Premises. If any claim of lien is recorded, Tenant shall bond against or discharge the same within ten (10) days after the same has been recorded against the Leased Premises and/or the Property. Tenant shall indemnify, defend, protect and hold Landlord and the Property harmless and free from any liens, claims, liabilities, demands,

encumbrances, or judgments created or suffered by reason of any labor or services performed for, materials used by or furnished to, Tenant or any contractor employed by Tenant with respect to the Property. Tenant shall give notice to Landlord in writing five (5) days prior to employing any laborer or contractor to perform services related to, or receiving materials for use upon the Property. Tenant shall permit Landlord to post a notice of non-responsibility in accordance with the statutes or requirements of California Civil Code Section 3094 or any amendment thereof.

9.4 Signs. Tenant may, at Tenant's sole cost and expense, install and maintain on the Property during the Lease Term a monument and building facade sign with Tenant's name and logo, subject to compliance with the requirements of the City of Mountain View and Landlord's consent, which consent will not be unreasonably withheld. Tenant will not install any exterior signs except in conformance with Landlord's reasonable rules and regulations. Signs installed by Tenant not conforming to Landlord's rules and regulations may be removed and/or replaced by Landlord at Tenant's cost.

SECTION 10
DAMAGE TO LEASED PREMISES

10.1 Landlord's Duty to Restore. If the Leased Premises and Building are damaged by any peril after the Commencement Date of this Lease, Landlord shall restore the same to a similar condition as existed prior to such damage, unless the Lease is terminated by Landlord pursuant to Section 10.2, or by Tenant, pursuant to Section 10.3. All insurance proceeds available from the fire and property damage insurance carried by Landlord pursuant to Section 7.2, shall be paid to and become the property of Landlord. If this Lease is not terminated, then upon receipt of the insurance proceeds (if the loss is covered by insurance) and the issuance of all necessary governmental permits, Landlord shall commence and diligently proceed to complete the restoration of the Leased Premises and/or Building, to the extent then allowed by law, to substantially the same condition in which the Leased Premises and/or Building were immediately prior to such damage. Landlord's obligation to restore shall be limited to the Leased Premises and/or Building approved as they existed as of the Commencement Date, leasehold improvements, trade fixtures and/or personal property constructed or installed by Tenant in the Leased Premises; provided that Landlord shall restore such leasehold improvements, trade fixtures and/or personal property to the extent covered by the insurance policies described in Section 7.2. Tenant shall forthwith replace or fully repair all leasehold improvements and trade fixtures installed by Tenant and existing at the time of such damage or destruction, to the extent not covered by Landlord as described in the preceding sentence.

10.2 Landlord's Right to Terminate. Landlord shall have the option to terminate this Lease in the event any of the following occurs, which option may be exercised only by

delivery to Tenant of a written notice of election to terminate within thirty (30) days after the date of discovery of such damage:

(a) The Building is damaged by any peril to such an extent that the estimated cost to restore the Building exceeds the lesser of (i) the insurance proceeds available from insurance actually carried by Landlord (unless Tenant, at its option, agrees to pay the differential) or (ii) fifty percent (50%) of the then replacement value thereof.

(b) The Building is damaged by any peril both (i) not covered by the type of insurance Landlord is required to carry pursuant to Section 7.2 and (ii) not covered by valid and collectible insurance actually carried by Landlord and in force at the time of such damage or destruction.

(c) The Leased Premises are materially damaged by any peril within six (6) months of the last day of the Lease Term. For purposes of this Section 10.2(c), "material" means that the damage, based on Landlord's good faith estimate, cannot be completely repaired within sixty (60) days after the date such damage occurs.

(d) The Building is damaged by any peril and, because of the laws then in force, the Building: (i) may not be restored at reasonable cost to substantially the same condition in which it was prior to such damage (unless Tenant, at its option, agrees to pay the differential); or (ii) may not be used for the same use being made thereof before such damage, whether or not restored as required by this Section 10.2.

10.3 Tenant's Right to Terminate. If the Leased Premises are damaged by any peril, and Landlord does not elect to terminate this Lease, or is not entitled to terminate this Lease pursuant to Section 10.2, then as soon as reasonably practicable (using good faith efforts to expedite the matter), Landlord shall furnish Tenant with the written opinion of Landlord's architect or construction consultant as to when the restoration work required of Landlord may be completed. Tenant shall have the option to terminate this Lease in the

event any of the following occurs, which option may be exercised only by delivery to Landlord of a written notice of election to terminate within thirty (30) days after Tenant receives from Landlord the estimate of the time needed to complete such restoration:

(a) The Leased Premises are damaged by any peril and, in the reasonable opinion of Landlord's architect or construction consultant, the restoration of the Leased Premises cannot be substantially completed within one hundred eighty (180) days after the date of such damage.

(b) The Leased Premises are materially damaged by any peril within six (6) months of the last day of the Lease Term. For purposes of this Section 10.3(b), "material" shall have the same meaning as set forth in Section 10.2(c) above.

10.4 Abatement of Rent. In the event of damage to the Leased Premises which does not result in the termination of this Lease, the Base Monthly Rental and Additional Rent as then adjusted shall be temporarily abated during the period of restoration in proportion to the degree to which Tenant's use of the Leased Premises is impaired by such damage. Tenant shall not be entitled to any compensation or damages from Landlord for loss of Tenant's property or any inconvenience or annoyance caused by such damage or restoration; provided that Landlord shall use commercially reasonable efforts to minimize the disruption to the operation of Tenant's business in the Leased Premises. Landlord and Tenant hereby waive the provisions of Section 1932, Subdivision 2, and Section 1933, Subdivision 2, and Section 1933, Subdivision 4, of the California Civil Code and the provisions of similar laws hereinafter enacted.

SECTION 11
EMINENT DOMAIN

If a public authority acquires all or any portion of the Premises through eminent domain, or under threat thereof, and if Tenant's business may not reasonably be continued on the portion of the Leased Premises not taken, then this Lease shall terminate as of the date that the public authority becomes entitled to possession of the property taken. In such event, Tenant shall be entitled to receive such portion of the condemnation award as is designated by the public authority as compensation for Tenant's trade fixtures, moving expenses or loss of goodwill, and the balance of the condemnation award shall be paid to Landlord.

SECTION 12
DEFAULT AND REMEDIES

12.1 Tenant's Default and Landlord's Remedies. The following breaches by Tenant shall constitute material defaults entitling Landlord to the remedies described in this Section:

(i) abandonment of the Leased Premises;

(ii) failure to pay rental or any other sum due Landlord within five (5) business days after written notice by Landlord that such sum is past due;

(iii) a general assignment by Tenant for the benefit of creditors or the commencement of any proceedings by or against Tenant under the federal bankruptcy Code; or

(iv) failure by Tenant to cure its breach of any other term, condition or covenant of this Lease within a period of thirty (30) days after the date of Landlord's written notice to Tenant of such breach is given; provided if such default shall not be curable within such thirty (30) day period, Tenant shall not be in default if Tenant shall have, within such thirty (30)-day period, commenced cure of such default and shall thereafter pursue such cure to completion. Upon any such default, Landlord may elect to terminate this Lease and Tenant's right to possession of the Leased Premises, whereupon Landlord may recover from Tenant: (a) the worth at the time of award of the unpaid rent that had been earned at the time of termination; (b) the worth at the time of award of the amount by which the unpaid rent, which would have been earned after termination until the time of award, exceeds the amount of such rental loss that Tenant proves could have reasonably been avoided; (c) the worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss that Tenant proves could reasonably be avoided; computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award, plus one percent (1%); or (d) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under the Lease, or which, in the ordinary course of things, would be likely to result therefrom. If Landlord does not specifically elect, in writing, to terminate Tenant's right to possession after Tenant has defaulted, Landlord may enforce all its rights and remedies under the Lease, including the right to recover the rent as it comes due.

12.2 Landlord's Default and Tenant's Remedies. If Landlord fails to perform its obligations under this Lease, Landlord shall nevertheless not be in default under the terms of this Lease until such time as Tenant shall have first given Landlord written notice specifying the nature of such failure to perform its obligations, and then only after Landlord shall have had thirty (30) days after its receipt of such notice within which to perform such obligations; provided that, if

longer than thirty (30) days is reasonably required in order to perform such obligations, Landlord shall have such longer period as is reasonably necessary so long as Landlord makes a good faith effort to commence such cure within such thirty (30) day period and diligently pursue the cure to completion thereafter. In the event of Landlord's default as described above, then, and only then, Tenant may then proceed in equity or at law to compel Landlord to perform its obligations and/or to recover damages approximately caused by such failure to perform (except as and to the extent Tenant has waived its right to damages as provided in this Lease). Tenant's recourse shall be limited to Landlord's interest in the property.

12.3 Waiver. One party's consent to or approval of any act by the other party requiring consent or approval shall not be deemed to waive or render unnecessary the other party's consent to or approval of any subsequent similar act. No delay or omission in the exercise of any right or remedy accruing to either party upon any breach by the other party under this Lease shall impair such right or remedy or be construed as a waiver of any such breach theretofore, or hereafter occurring. The waiver by either party of any breach of any provision of this Lease shall not be deemed to be a waiver of any subsequent breach of the same or any other provisions herein contained.

12.4 Holding Over. The Lease shall terminate and become null and void without notice upon the expiration of the Lease Term. If Tenant holds over for any period after the Lease Term, Landlord may, at its option, treat Tenant as a tenant from month-to-month commencing on the first day after the Lease Term, subject to the conditions in the Lease at a rental amount of one hundred and fifty percent (150%) of the last Base Monthly Rental, plus all other charges (if any). If Tenant fails to surrender the Property, Tenant shall indemnify, defend and hold harmless Landlord from and against any and all losses, claims and liabilities resulting therefrom or thereafter.

SECTION 13
ASSIGNMENT AND SUBLETTING, SUBORDINATION

13.1 Assignment and Subletting. Tenant shall not perform any of the following acts without Landlord's prior written consent, which consent shall not be unreasonably withheld: (a) assign or sublet all or any portion of Tenant's interest in this Lease or in the Leased Premises; (b) pledge, mortgage or hypothecate its interest in the Leased Premises; and (c) perform or suffer any other act whereby any right of Tenant under this Lease is transferred (which act shall be deemed to be an assignment for the purposes of this Section 13.1). Notwithstanding the foregoing, Tenant may, without Landlord's consent, assign this Lease or sublet all or any portion of the Premises to an Affiliate of Tenant if Tenant guarantees the obligations of such Affiliate's performance of this Lease (in a form of guaranty reasonably acceptable to Landlord and Tenant) or remains primarily liable under this Lease, at Landlord's option. A change in control of Tenant shall be deemed an assignment subject to Landlord's consent. For purposes of this Lease, "change in control" shall mean the sale or transfer of substantially all of Tenants assets to an entity which has a net worth less than the net worth of Tenant as of the Commencement Date; provided that Tenant shall have the burden of establishing the net worth of the proposed assignee. "Affiliate" means any entity directly or indirectly controlled by Tenant with the power to direct the policies and management of such entity (including, but not limited to, subsidiaries) or the surviving entity after the merger of Tenant with or into another entity. Landlord's consent to any one assignment, subletting, or other transfer shall not constitute consent to any subsequent transfer. Any attempted subletting or assignment without Landlord's prior written consent, at Landlord's election, shall constitute a default by Tenant under the terms of this Lease. The acceptance of rent by Landlord from any person or entity other than Tenant, or the acceptance of rent by Landlord from Tenant with knowledge of a violation of this Section 13.1, shall not be deemed to be a waiver by Landlord

of any provision of this Section 13.1 of this Lease or to be a consent to any such subletting or assignment by Tenant. Without limiting the circumstances in which it may be reasonable for Landlord to withhold its consent to an assignment or subletting, Landlord and Tenant acknowledge that it shall be reasonable for Landlord to withhold its consent in the following instances:

(a) the proposed assignee or sublessee is a governmental agency;

(b) in Landlord's reasonable judgment, the use of the Leased Premises by the proposed assignee or sublessee will involve occupancy by other than primarily general office personnel, would entail any alterations which would lessen the value of the leasehold improvements in the Leased Premises, or would require increased services by Landlord;

(c) in Landlord's reasonable judgment, the proposed assignee does not meet the credit standards supplied by Landlord;

(d) the proposed assignee (or any other of its Affiliates) has been in material default under a lease, has been in litigation with a previous landlord, or in the ten (10) years prior to the assignment, has filed for bankruptcy protection or has otherwise been involved in an insolvency proceeding;

(e) Landlord has experienced a previous default by or is in litigation with the proposed assignee or sublessee;

(f) in Landlord's reasonable judgment, the Leased Premises will be used in a manner that will violate any negative covenant as to use contained in this Lease;

(g) the use of the Leased Premises will violate any applicable law;

(h) the proposed assignment or sublease fails to include all of the terms and provisions reasonably required to be included by the Landlord;

(i) Tenant is then in default of any obligation under this Lease beyond the applicable notice and cure period, or Tenant has defaulted under this Lease on three (3) or more occasions beyond the applicable notice and cure period during the twelve (12) months preceding the date that Tenant requests such consent; or

(j) in the case of a subletting of less than the entire Leased Premises, if the subletting will require improvements to be made which are unacceptable to Landlord, in Landlord's reasonable discretion.

13.2 Additional Rent. If Tenant assigns this Lease or subleases the Premises, Tenant shall, in consideration therefor, pay to Landlord, as additional rent:

(a) In the case of an assignment (excluding an assignment to an Affiliate), an amount equal to fifty percent (50%0) of all sums and other consideration paid to Tenant by the assignee for, or by reason of, such assignment (including, without limiting the generality of the foregoing, all sums paid for the sale of Tenant's fixtures or leasehold improvements, less the then net unamortized or undepreciated cost thereof determined on the basis of Tenant's Federal income tax returns) less the costs actually incurred by Tenant for commissions (at fair market rates) and reasonable attorneys' fees; and

(b) In the case of a sublease (excluding subleases to Affiliates), fifty percent (50%) of any rents, additional charges, or other consideration payable under the sublease by the subtenant to Tenant that are in excess of the rent and expenses accruing during the term of

the sublease in respect of the subleased space (at the rate per square foot payable by Tenant under this lease) pursuant to the terms hereof (including, without limiting the generality of the foregoing, all sums paid for the sale or rental of Tenant's fixtures or leasehold improvements, less, in the case of the sale thereof, the then net unamortized or undepreciated cost thereof determined on the basis of Tenant's federal income tax returns) less the costs actually incurred by Tenant for commissions (at fair market rates) and reasonable attorneys' fees, all such costs to be amortized without interest over the length of the sublease term.

The sums payable under Section 13.2(a) above shall be paid to Landlord as and when received by Tenant. The sums payable under Section 13.2(b) above shall be paid to Landlord as and when paid by the sublessee to Tenant. Within thirty (30) days after written request therefor by Landlord, Tenant shall at any time and from time to time furnish evidence to Landlord of the amount of all such sums or other consideration received or expected to be received.

13.3 Assignment By Landlord. Landlord and its successors in interest shall have the right to transfer their interest in the Leased Premises and the Property at any time and to any person or entity. In the event of any such transfer, but only in the event the transferee, in writing, delivered to Tenant, shall have assumed all liability of Landlord hereunder, the Landlord originally named herein (and in the case of any subsequent transfer, the transferor) from the date of such transfer, shall be automatically relieved, without any further act by any person or entity, of all liability for the performance of the

obligations of Landlord hereunder which may accrue after the date of such transfer.

13.4 Subordination. This Lease is subject and subordinate to all mortgages and deeds of trust which affect the Property and are of public record as of the date of this Lease, and to all renewals, modifications, consolidations, replacements and extensions thereof. However, if any lender holding such mortgage or deed of trust shall advise Landlord that it desires or requires this Lease to be prior and superior thereto, then, upon written request of Landlord to Tenant, Tenant shall promptly execute, acknowledge and deliver any and all documents or instruments which Landlord or such Lender reasonably deems necessary to make this Lease prior thereto (provided no such document shall alter, amend or modify any provision of this Lease). At Landlord's election, this Lease shall become and thereafter remain subject and subordinate to any and all future mortgages or deeds of trust affecting the Property which may hereafter be executed and placed on public record after the effective date of this Lease, or any renewals, modifications, consolidations, replacements or extensions thereof, for the full amount of all advances made or to be made thereunder and without regard to the time or character of such advances, so long as the Lender holding the mortgage or deed of trust to which this Lease is to be subordinated agrees in writing that it will recognize Tenant's rights under this Lease and not disturb its quiet possession of the Leased Premises so long as Tenant is not in default hereunder. Tenant will, within fifteen (15) days after Landlord's written request therefor, execute, acknowledge and deliver upon request of Landlord any and all documents or instruments as described above. Landlord shall use its best efforts to provide Tenant current lender information and a nondisturbance and attornment agreement.

13.5 Landlord's Recapture Right. Despite any other provision of this Section 13, Landlord has the option, by written notice to Tenant (the "Recapture Notice") within thirty (30) days after receiving notice of Tenant's desire to sublet fifty percent (50%) or more of the Premises for a term in excess of three (3) years, to recapture the Premises by terminating this Lease or taking an assignment or sublease of the Premises from Tenant. A timely Recapture Notice terminates this Lease or creates an assignment or a sublease for the Premises for the same term as proposed by Tenant, effective as of the date specified in Tenant's notice. If Landlord declines or fails to timely deliver a Recapture Notice, Landlord shall have no further right under this Section 13.5 unless and until Tenant's subsequent attempt to sublet such Premises. Notwithstanding anything to the contrary in this Lease, this Section 13.5 shall not apply to a transfer to an Affiliate.

SECTION 14
GENERAL PROVISIONS

14.1 Landlord's Right to Enter. Landlord and its agents may enter the Leased Premises at any reasonable time, but only upon twenty-four (24) hours prior notice delivered during regular business hours, for the purpose of: (a) inspecting the same; (b) posting notices of non-responsibility; (c) supplying any service to be provided by Landlord to Tenant; (d) showing the Leased Premises to prospective purchasers, mortgagees or, during the last nine (9) months of the Lease Term, tenants; (e) making necessary alterations, additions or repairs; (f) performing Tenant's obligation when Tenant has failed to do so after written notice from Landlord; and for (g) placing upon the Leased Premises ordinary "for lease" or "for sale" signs during the last nine (9) months of the Lease Term. In case of an emergency, Landlord may enter the Leased Premises without prior written notice, but shall notify Tenant as soon as possible and shall take reasonable precautions to protect the security of Tenant's Premises.

14.2 Surrender of the Leased Premises. Immediately prior to the expiration, or upon the sooner termination of this Lease, Tenant shall vacate and surrender the Leased Premises to Landlord in the condition required pursuant to Section 2.4 above.

14.3 Estoppel Certificates. At all times during the Lease Term, Tenant will, following any request by Landlord, promptly execute and deliver to Landlord an Estoppel Certificate: (a) certifying that this Lease is unmodified and in full force and effect, or, if modified, stating the nature of such modification and certifying that this Lease, as so modified, is in full force and effect; (b) stating the date to which the rent and other charges are paid in advance, if any; (c) acknowledging that there are not, to Tenant's knowledge, any uncured defaults on the part of Landlord hereunder, or if there are uncured defaults on the part of Landlord, stating the nature of such uncured defaults; (d) the amount of Base Monthly Rent then in effect; and (e) certifying such other information about the Lease as may be reasonably required by Landlord. Tenant's failure to deliver an Estoppel Certificate within fifteen (15) days after delivery of Landlord's request therefore shall be a conclusive admission by Tenant that, as of the date of the request for such statement: (i) this Lease is unmodified, except as may be represented by Landlord in such request and is in full force and effect; (ii) there are no uncured defaults in Landlord's performance; and (iii) no rent has been paid in advance.

14.4 Notices. Any notice required or desired to be given regarding this Lease shall be in writing and shall be personally served, or in lieu of personal service, may be given by nationally recognized overnight courier service or by certified mail addressed to the other party at the following address:

If to Tenant:	Intuit Inc. 2550 Garcia Avenue, 2nd Floor Mountain View, CA 94043 Attn.: Vice President for Finance and Administration
with a copy to:	Intuit Inc. 2550 Garcia Avenue, 2nd Floor Mountain View, CA 94043 Attn.: General Counsel

If to Landlord:	Broderick Way Partners, LLC c/o California Bavarian Corporation 105 S. Drive, Suite 200 Mountain View, CA 94040 Attn.: Mark D. Mordell, President
with a copy to:	Doty Sundheim & Gilmore 260 Sheridan Ave., Suite 200 Palo Alto, CA 94306 Attn.: Rodney C. Gilmore, Esq.

If served by mail, such notice shall be deemed to have been given: (i) on the third (3rd) business day after mailing if such notice was deposited in the United States mail, certified and postage prepaid, addressed to the party to be served at its address first above set forth; and (ii) in all other cases when actually received. Either party may change its address by giving notice of same in accordance with this Section 14.4.

14.5 Attorneys' Fees. In the event either party brings any action or legal proceeding (including arbitration) for an alleged breach of any provision of this Lease, to recover rent, to terminate this Lease or to otherwise enforce, protect or establish any term or covenant of this Lease, or right of either party, the prevailing party shall be entitled to recover as a part of such action or proceedings, or in a separate action brought for that purpose, reasonable attorneys' fees and court costs as may be fixed by the court or arbitration. The prevailing party shall be determined by the court or arbitrator, as the case may be.

14.6 Prevention of Performance. If either party to this Lease is prevented in any way from performing its responsibilities under the Lease because of intervening circumstances substantively beyond its control -- such as labor relations actions, failures of transmission of supplies or utilities, physical governmental or military preemptions, civil disturbances, or the like - -- such performance will be excused for the period during which the interruption takes place, but must be resumed immediately after the end of the intervening period. To the extent that such interruption does not physically prevent the payment of any sums falling due and owing during such period, making of such payments will not be excused. If any governmental body or agency imposes structural improvement or other requirements which substantially increase the cost of maintaining the Building in compliance with applicable laws and regulations, Landlord may terminate this Lease upon sixty (60) days notice to Tenant, unless Tenant, at its option, elects to pay that portion of the cost which is in excess of what Landlord would be willing to pay.

14.7 Tenant's Remedy. If, as a consequence of a default by Landlord under this Lease, Tenant recovers a money judgment against Landlord, such judgment shall be satisfied only out of the proceeds of sale received upon execution of such judgment and levied thereon against the right, title and interest of Landlord in the Building and out of Rent or other income from the Building received by Landlord or out of consideration received by Landlord from the sale of other disposition of all or any part of Landlord's right, title or interest in the Building, and neither Landlord nor its members, partners, owners, representatives or agents shall be liable for any deficiency.

14.8 Mortgagee Protection. If Landlord defaults under this Lease, Tenant will notify by registered or certified mail to any beneficiary of a deed or trust or mortgagee covering the Building or the Property, of whom Tenant has been notified in writing, and offer such beneficiary or mortgagee a reasonable opportunity to cure the default, including time to obtain possession of the Building by power of sale or a judicial foreclosure, or control of the Building via appointment of a receiver if such should prove necessary to effect a cure.

14.9 Acceptance. Delivery of this Lease, duly executed by Tenant, constitutes an offer to lease the Leased Premises, and under no circumstances shall such delivery be deemed to create an option or reservation to lease the Leased Premises for the benefit of Tenant. This Lease shall only become effective and binding upon full execution hereof by Landlord and delivery of a signed copy to Tenant.

14.10 Recording. Neither party shall record this Lease.

14.11 Rules of Construction.

(a) Time is of the essence.

(b) The liability of multiple tenants or multiple landlords shall be joint and several.

(c) The rent payable under this Lease has been determined in light of all other provisions hereof. The parties have had an equal opportunity to review and comment upon the terms and provisions of this Lease; accordingly, neither party shall be deemed the draftsman of this Lease, and there shall be no presumption that it is to be interpreted for or against either party. Section headings do not define or limit the operative provisions hereof.

(d) This Lease, and its Exhibits, constitute the entire agreement between the parties and there have been no promises or understandings concerning the Leased Premises or the subject matter of this Lease that are not set forth herein.

(e) Acceptance by either party of late performance by the other shall not constitute a waiver of the right to demand timely performance in the future and Landlord's acceptance of rent does not waive any default by Tenant, other than a prior default in the payment of such rent.

(f) Each of the parties executing this Lease has authority to execute this Lease.

(g) This Lease shall be governed by the laws of the State of California.

14.12 Addendum. If an Addendum containing additional provisions is attached to this Lease it is incorporated herein and the provisions thereof supersede the provisions of this Lease to the extent they are inconsistent therewith.

14.13 Brokerage Commissions. Except for Tory Corporate Real Estate Advisors dba The Staubach Company, Tenant warrants that it has not had any dealing with any real estate brokers, leasing agents, or salespersons, or incurred any obligations for the payment of real estate brokerage commissions or finder's fees which would be earned or due and payable by reason of the execution of this Lease. Pursuant to the terms and conditions of that certain agreement between Cornish & Carey Commercial and Landlord, Landlord shall pay only the commissions specified in such agreement. Tenant shall indemnify and hold harmless Landlord from any claims for fees or commissions not covered by such agreement.

14.14 Financial Statements. Tenant will provide Landlord, within thirty (30) days after written request from Landlord, if Landlord reasonably requires such statements for purposes of sale or refinancing of the Property or similar purposes, but no more often than twice per year, Tenant's most recent audited 10-K statement and Tenant's most recent unaudited 10-Q statement (which latter statement will be accompanied by a certificate from Tenant's chief financial officer certifying that there has been no material change in Tenant's financials since the date of issuance of

the 10-Q. Landlord may disclose such information to its lender or any investor, prospective purchaser or investor, or any other person with an actual need to know. Any such financial information which is marked "confidential" will be confidential and shall not be disclosed to any third party except as set forth in this Section 14.14.

14.15 Indemnification. Each party and its successors and assigns, shall indemnify, defend and hold harmless the other party, its members, officers, employees, agents, representative, successors and assigns (collectively, "Indemnified Persons") from and against any and all losses (excluding special or consequential losses) which any one of the Indemnified Persons may sustain or incur as a result of, in connection with or arising out of the first party's breach of any covenant, obligation or representation of such party in this Lease.

14.16 Backup Generator. Tenant, at its sole cost, shall have the right to install, at a mutually acceptable location on the Property, a backup generator; provided that Tenant complies with all applicable laws.

Notwithstanding anything to the contrary in Section 2.4 or any other provision of this Agreement, Tenant hereby acknowledges and agrees that Tenant shall remove the backup generator upon the termination or expiration of the Lease Term, and shall restore the Property to the complete satisfaction of Landlord, determined in Landlord's sole discretion. Landlord shall be reasonable in participating in the determination of a mutually acceptable location.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease as of the date set forth on Page 1 of this Lease.

Landlord:

Broderick Way Partners, LLC, a California limited liability company

By: California Bavarian Corporation, its Manager

By:

Mark D. Mordell, President

Tenant:

Intuit Inc., a Delaware corporation

By:

Greg Santora, Chief Financial Officer and Senior Vice President

Exhibit A

REAL PROPERTY in the City of Mountain View, County of Santa Clara, State of California, described as follows:

A portion of Rancho Rincon de San Francisquito, described as follows:

Beginning at the intersection of the Easterly line of that 18 acre parcel of land conveyed to Herbert Kertz, et ux. by deed recorded April 27, 1954, Book 2862 of Official Records, page 109, and the Southerly line of Terminal Boulevard as established in the Deed to the City of Mountain View, a municipal corporation, recorded June 13, 1963 in Book 6062 Official Records, page 578; thence from said point of beginning along said Southerly line and along the Easterly line of Broderick Way and Northerly line of Casey Avenue, all as established by said deed to the City of Mountain View, the following courses and distances: N. 84" 00' 179 feet to a tangent curve to the left; thence along said curve with a radius of 20 feet, through a central angle of 90(degree) for an arc distance of 31.42 feet; thence S. 84" 00' E. 179 feet to the Easterly line of said 18 acre parcel of land; thence North 6" 00' E. along said Easterly line 420 feet to the point of beginning.

APN: 116-19-001
ARB: 116-02-047

EXHIBIT 10.04

OFFICE LEASE AGREEMENT

BETWEEN

KCD-TX I INVESTMENT LIMITED PARTNERSHIP

AS LANDLORD

AND

LACERTE SOFTWARE CORPORATION

AS TENANT

DATED: February 22, 2000

LEASE INDEX

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OFFICE LEASE AGREEMENT

THIS OFFICE LEASE AGREEMENT (this "LEASE"), dated to be effective as of this 22nd day of February, 2000, is made by and between KCD-TX I INVESTMENT LIMITED PARTNERSHIP, a Texas limited partnership ("LANDLORD OR KCD"), and LACERTE SOFTWARE CORPORATION, a Delaware corporation ("TENANT" or "LACERTE").

PRELIMINARY RECITALS

A. Electronic Data Systems Corporation ("EDS") is the owner of (i) a certain tract of unimproved real property containing approximately 10.7 acres located in the Legacy Park development in the City of Plano, Texas, which real property is generally described on Exhibit "A," attached hereto and made a part hereof, and which shall be used for Phase I of the Project (the "PHASE I PROPERTY"); and (ii) a tract containing approximately 8.8 acres of land which may be used for additional phases and/or expansions of the Project (the "FUTURE DEVELOPMENT PROPERTY") which is generally described on Exhibit "A-1" attached hereto (the Phase I Property and the Future Development Property are hereinafter collectively referred to as the "REAL PROPERTY").

B. Landlord warrants that it shall acquire those portions of the Real Property from EDS as necessary to satisfy the requirement to develop the Project and any Project Expansion as contemplated herein, in accordance with the terms of that certain Contract for the Purchase and Sale of Real Estate to be executed by Landlord and EDS (the "ACQUISITION CONTRACT"), and when so executed, a copy of which shall be attached hereto as Exhibit "A-2" in accordance with Section 1.01(b). Landlord also warrants that, so long as Lacerte has not committed an uncured Event of Default, Landlord will not amend the provisions of the Acquisition Contract without Lacerte's consent, which shall not be unreasonably withheld.

C. When Landlord acquires the Phase I Property, it shall construct on the Phase I Property an office building containing approximately 165,000 square feet of gross building area (the "BUILDING") as well as a minimum of seven hundred fifty (750) parking spaces, or such greater amount as may be necessary to satisfy applicable ordinances with respect to the parking required for the Building (the "PARKING") (the Building and Parking are collectively sometimes referred to herein as "PHASE I"). The Building, Parking and the Phase I Property, if and when constructed, are collectively hereinafter referred to as the "PROJECT"). The development of the Future Development Property shall be controlled by the provisions of Article 25 hereof, and upon the acquisition of any portion of the Future Development Property, such property shall become part of the Project for purposes of this Lease.

D. Tenant desires to lease the Project on the terms and conditions hereinafter provided.

E. To induce Landlord to execute this Lease, Tenant has caused, and Intuit Inc. (the "GUARANTOR" or "INTUIT") has agreed to execute, that certain guaranty agreement (the "INTUIT GUARANTY") attached hereto as Exhibit "D-1." For purposes of this Lease, the term "Guarantor" shall include any "Substitute Guarantor" as provided in the Intuit Guaranty, unless expressly stated to the contrary herein.

NOW, THEREFORE, for and consideration of the rent herein after reserved and the mutual covenants hereinafter contained, Landlord and Tenant agree as follows:

ARTICLE 1 - LEASE

SECTION 1.01 PROPERTY.

(a) Subject to Landlord's acquisition of the Phase I Property and completion of the Project in accordance with the terms of this Lease, Landlord hereby leases and demises the Project to Tenant and Tenant hereby hires, leases and accepts the Project from Landlord, for the Term (as defined in Section 4.01) and subject to the agreements, conditions and provisions contained herein.

(b) Title to the Real Property shall be burdened by certain title exceptions which exist as of the date hereof and which are required to be established by the Landlord in connection with the Acquisition Contract and the development of the Project. Upon receipt thereof by Landlord, Landlord shall deliver to Tenant (i) a commitment for title insurance covering the Real Property and legible copies of all exception documents shown therein for Tenant's review and approval, (ii) an on the ground boundary survey of the Real Property showing the location of any easements and other encumbrances to title, and (iii) the final form of Acquisition Contract to be executed-by Landlord and EDS. Tenant will receive an opportunity to review and approve the Supplemental Declaration referred to in Section 14.04(b) of the Acquisition Contract, the Option Supplemental Declaration referred to in Section 14.05, as well as any other restrictions or instruments that will be recorded pursuant to the terms of the Acquisition Contract, including the terms and provisions of the Special Warranty Deed. Within ten (10) business days following receipt by Tenant of all of the foregoing materials, Tenant shall either approve the Acquisition Contract, the exceptions to title shown in such title commitment, the additional title documents referenced above, and the survey (the "PERMITTED EXCEPTIONS"), or Tenant shall deliver written notice to Landlord terminating this Lease. If Tenant fails to deliver such notice, Tenant shall be deemed to have waived any objection to title to the Real Property and shall have accepted the Acquisition Contract and Permitted Exceptions. Upon approval of the Permitted Exceptions, Landlord and Tenant agree that same shall be described on Exhibit "I" to the Lease which shall be incorporated herein by reference for all purposes. Upon approval of the Acquisition Contract, a fully executed copy of same shall be attached to this Lease as Exhibit "A-2" which shall be incorporated herein by reference for all purposes. Landlord covenants that it shall not permit any additional easements and exceptions other than the Permitted Exceptions to title to be recorded against title to the Real Property except those easements and exceptions which are necessary in connection with the development of the Project, and in any event such additional exceptions and easements shall not impair Tenant's use of the Project. As soon as possible after the

Substantial completion of construction of the shell of the Building, Landlord's architect, HKS, Inc. ("ARCHITECT"), shall compute the Rentable Area (hereafter defined) contained in the Building. For purposes of calculating rentals due hereunder, the good faith calculations of Architect made in accordance with Section 1.02 hereof shall, subject to the review and approval thereof by Tenant and Landlord, determine the Rentable Area contained in the Building. If Tenant and Landlord are unable to agree on the Rentable Area contained in the Building, the President of the Dallas Chapter of the AIA shall be appointed (and compensated equally by Landlord and Tenant, unless the Architect's determination of the total square feet of area contained in the Building exceeds the amount of total square feet of area contained in the Building as determined by the President of the Dallas Chapter of the AIA by more than 5%, in which case such compensation shall be paid by Landlord) as the final arbiter of the Rentable Area in the Building.

SECTION 1.02 RENTABLE AREA. The measurement for the total square feet of gross building area contained in the Building (which shall, for purposes of this Lease, be referred to as "RENTABLE AREA") shall be made in accordance with the method of measuring gross building area of office space in a single tenant occupied building as specified in the Standard Method for Measuring Floor Area in Office Buildings published by the Building Owners and Managers Association International in ANSI Z 65.1-1996, revised and readopted June 7, 1996.

ARTICLE 2 - CONSTRUCTION OF THE BUILDING

SECTION 2.01 DEVELOPMENT SCHEDULE. Attached hereto as Exhibit "B" and incorporated herein by reference is a development schedule (the "DEVELOPMENT SCHEDULE") detailing the Project's construction process, responsibilities of Landlord and Tenant and the time periods within which each party's obligations are to be performed. Both parties acknowledge that strict adherence to the Development Schedule is essential for an orderly and timely completion of construction of the Project, including the Base Building Work (as hereinafter defined) and all Tenant Improvements (as hereinafter defined); provided, however, each construction period obligation which is to be performed shall be extended in the event of a delay in a prior date [whether caused by Landlord, Tenant, a third party, or Force Majeure (as hereinafter defined)] by the number of days of such delay. Phase I of the Project shall consist of the construction and occupancy of approximately 165,000 square feet of Rentable Area and shall contain a minimum of seven hundred fifty (750) parking spaces or such greater amount as may be required to satisfy Laws based upon a building which contains 165,000 square feet, as shown on the site plan attached hereto as Exhibit "C-1" (the "SITE PLAN"). Landlord and Tenant agree that construction of the Project may occur in multiple phases and such future phases and/or expansions of the

Project (each, a "PROJECT EXPANSION") may consist of the construction and occupancy of an additional amount of square feet of Rentable Area as described in Article 25 of this Lease. Any Project Expansion shall be constructed and occupied, and Base Rent shall commence to accrue thereon, all in accordance with the provisions of Article 25.

Section 2.02 BASE BUILDING WORK. Landlord and Tenant agree that the construction specifications attached hereto as Exhibit "C" (the "BASE BUILDING OUTLINE SPECIFICATIONS") constitute the outline specifications for the Landlord's work in the development of the Project. The

Base Building Outline Specifications shall be deemed to include such additional detail as may be necessary to satisfy the intent of the parties that such specifications are sufficient, as drafted, to permit the Architect to prepare the Base Building Final Plans and Specifications (as hereinafter defined) without the addition of substantive design elements not described therein (hereinafter referred to as "Additional Detail"). The Base Building Outline Specifications incorporate the Site Plan for the Project which is attached hereto as Exhibit "C-1," which Site Plan is hereby approved by Landlord and Tenant. Landlord and Tenant acknowledge that the Site Plan is merely illustrative of the conceptual layout of the Project and is not intended to provide the scope or detail which is shown in the Base Building Outline Specifications. Landlord shall provide all utilities and off-site improvements for the construction of the Building, and shall construct or cause the Project to be constructed: (i) substantially in accordance with the Base Building Final Plans and Specifications; (ii) in a good and workmanlike manner; and (iii) in a timely manner in accordance with the Development Schedule (subject to Force Majeure, as described in Section 2.15, and Tenant Delays, as described in Section 2.16) at no cost to Tenant, except for costs related to Tenant Changes as described in Section 2.14 and Tenant Delays. The scope of the physical improvements which constitute the Project excluding the Tenant Improvements shall be limited to the improvements described in the Base Building Outline Specifications. Landlord's undertakings described in this Section 2.02 shall be referred to collectively as the "BASE BUILDING WORK." Landlord shall solicit one (1) or more bids from, or may negotiate directly with one or more, general contractors unaffiliated with Landlord or Tenant and shall contract with (with Tenant's approval, which approval shall not be unreasonably withheld, conditioned or delayed) a general contractor to construct the Base Building Work (the "CONTRACTOR"), shall cause the Base Building Work to be constructed, and shall cause the Project to be constructed in accordance with Laws (as defined in Section 8.01) and Covenants (as defined in Section 13.02). The Tenant may, at its election, cause the Contractor to solicit bids from subcontractors to provide any of the work for the Project as required by the Tenant. Any cost increases attributable to any contractor selected by the Tenant, shall be considered a Tenant Change pursuant to Section 2.14. Any delay attributable to materials or finishes not timely installed or delivered by any contractor selected by the Tenant which is providing services directly to the Tenant or the Contractor shall be considered a Tenant Delay for purposes of this Lease. All preliminary plans and specifications for construction of the Base Building Work shall be prepared by Architect at Landlord's sole cost and expense in accordance with the budget established for the Project by the Landlord, shall be based upon the Base Building Outline Specifications and shall be completed in accordance with the terms of the Development Schedule. Preliminary and final drafts of the final plans shall be promptly submitted by Landlord to Tenant. If within fifteen (15) days after receipt by Tenant of any plans and specifications for the Project, Tenant informs Landlord, in writing, that such plans and specifications are not substantially in conformance with the Base Building Outline Specifications and how such plans and specifications deviate from the Base Building Outline Specifications, then Landlord shall promptly cause the plans and specifications to be modified so as to conform to the Base Building Outline Specifications. If Tenant has not so notified Landlord within fifteen (15) days after receipt by Tenant of any plans and specifications for the Project, such plans and specifications shall be deemed to be approved. Once the plans and specifications have been approved by Tenant, or deemed to have been approved by Tenant due to its non-response to any submission for approval, such set shall then become the final plans and

specifications ("BASE BUILDING FINAL PLANS AND SPECIFICATIONS"). It is agreed that the Base Building Final Plans and Specifications shall be deemed to include the Additional Detail, whether or not specifically identified therein, as such Base Building Outline Specifications may have been modified with Tenant's consent. It is expressly understood and agreed by Landlord and Tenant that the Base Building Final Plans and Specifications shall, when approved, supersede the Base Building Outline Specifications for purposes of the completion of the Base Building Work.

Section 2.03 TENANT IMPROVEMENTS. Prior to the date specified in the Development Schedule for preparation of the Tenant Improvements design work, as such date may be extended in accordance with the terms of this Lease, Landlord,

Tenant's representative and the architect retained by Tenant to design the Tenant Improvements, who may also be the Architect at Tenant's election (such architect providing design services in connection with the Tenant Improvements shall be referred to herein as the "TI ARCHITECT") shall meet to discuss the design and construction of those improvements to the Building desired by Tenant other than the Base Building Work (the "TENANT IMPROVEMENTS"). All improvements not part of the Base Building Work shall be considered Tenant Improvements. Tenant shall contract directly with the TI Architect to provide architectural services in connection with the design and installation of the Tenant Improvements. Such agreement with the TI Architect for the Tenant Improvements shall be in a form reasonably acceptable to the Landlord and shall name Landlord's representative as a party to whom all correspondence shall be copied under the terms of the such agreement and shall also entitle Landlord's representative to be present at all design and development meetings coordinating completion of the Tenant Improvements. Tenant shall deliver to TI Architect reasonably sufficient information and instructions to enable TI Architect to prepare preliminary plans and specifications for construction of the Tenant Improvements desired by Tenant. All fees and expenses charged by the TI Architect in connection with the Tenant Improvements shall be charged against the improvement Allowance described in Section 3.02. All preliminary and final plans and specifications for the Tenant Improvements shall be subject to Tenant's and Landlord's approval, which approval shall not be unreasonably withheld, conditioned or delayed. Tenant and TI Architect shall develop the final plans and specifications for the Tenant Improvements (the "TENANT IMPROVEMENTS FINAL PLANS AND SPECIFICATIONS"). Tenant and TI Architect shall use their best efforts to complete the plan preparation and approval process within the time periods shown on the Development Schedule. Failure by either Tenant or TI Architect to comply with the plan preparation and approval process within the time periods shown on the Development Schedule will constitute a Tenant Delay. Concurrently with preparation of the Tenant Improvements Final Plans and Specifications, the TI Contractor (hereinafter defined) shall prepare for Tenant's review and approval an estimated budget for the Tenant Improvements. Upon receipt of Tenant's written comments with respect to the estimated budget, the TI Contractor shall promptly modify the estimated budget and deliver a revised budget to Tenant for its approval. In addition, TI Architect shall promptly modify the Tenant Improvements Final Plans and Specifications to accommodate the requested changes to the estimated budget. From time to time during the design, bidding and construction stages, upon Tenant's request, Landlord, TI Architect and the TI Contractor shall make value engineering recommendations and shall otherwise advise Tenant with regard to methods of reducing the total cost of construction of the Tenant Improvements. Tenant shall have the sole option of whether to

accept or reject any value engineering recommendations. All costs involved in approving, drafting and preparing the Tenant Improvements Final Plans and Specifications shall be charged against the Improvement Allowance described in Section 3.02 hereof.

Section 2.04 BIDDING. After final, written approval by Tenant of the estimated budget for the Tenant Improvements and of the Tenant Improvements Final Plans and Specifications, the Landlord shall solicit at least three (3) bids (or as many as reasonably practical) from general contractors unaffiliated with Landlord or Tenant (some of whom may be recommended by Tenant) and shall contract (with Tenant's approval, which approval shall not be unreasonably withheld, conditioned or delayed) with a general contractor (the "TI CONTRACTOR"), which shall act as the general contractor for the Tenant Improvements work. Tenant shall be entitled to supply to Landlord, for use by the TI Contractor, a list of approved subcontractors to whom the Tenant wishes to be delivered bid packages in connection with certain components of the Tenant Improvements. All fees, supervision, costs and charges relating to the Tenant Improvements including, without limitation, all architectural and engineering fees and other "soft costs," shall be charged against the Improvement Allowance described in Section 3.02 hereof. TI Contractor, with the advice and consent of Landlord and Tenant, shall select the respective subcontractors within seven (7) days after its receipt of all of the bids for the respective work; however, if all of the subcontractors' bids received for any portion of the Tenant Improvements work exceed the estimated budget for such work, or if some or all of the bids which have been received are within the budget but are otherwise unsatisfactory to Landlord or Tenant, then Landlord or Tenant may, in writing, within seven (7) days after the receipt of the respective bids, either request modification of the plans and specifications for the subject portion of the Tenant Improvements or request that the TI Contractor solicit additional subcontractor bids. If such modifications or requests for solicitation of additional bids are made by Tenant and will result in delays in completion of construction of the Tenant Improvements, Landlord shall immediately notify Tenant, in writing, of the amount of anticipated delay, which shall be deemed a Tenant Delay (as hereinafter defined). If Landlord fails to notify Tenant of any delay which may result from such modifications or solicitation of additional bids within seven (7) days of Tenant's request therefor, then any delay resulting therefrom shall not be deemed a Tenant Delay.

SECTION 2.05 CONSTRUCTION. The Contractor shall construct the Base

Building Work promptly, and in accordance with the requirements of all Covenants and Laws and the standards expressed in Section 2.02. The TI Contractor shall construct the Tenant Improvements promptly, in a good and workmanlike manner and in substantial accordance with the Tenant Improvements Final Plans and Specifications. Landlord shall be responsible for causing the Contractor, TI Contractor and Architect (but not the TI Architect) to perform all of their respective obligations described in this Lease pursuant to written contracts, the terns of which shall be in accordance with the terns and provisions hereof and the requirements of all Covenants and Laws. In addition, an affiliate of Landlord, Koll Development Company, LLC ("KOLL") shall guarantee the Landlord's obligations under this Section 2.05 by execution of the Completion Guaranty attached hereto as Exhibit "D." Landlord shall use commercially reasonable efforts to work with the City of Plano, Texas to assist Tenant and Tenant's broker in acquiring the municipal incentives which may reduce the cost of Tenant's occupancy of the Project. Any municipal incentives which are achieved through

the efforts of Landlord, Tenant or Tenant's broker shall inure to the benefit of the Tenant, to the extent that the Tenant continues to occupy the Project.

Section 2.06 SUBSTANTIAL COMPLETION. The Base Building Work and Tenant Improvements shall be deemed substantially completed (hereinafter, "SUBSTANTIALLY COMPLETED" or "SUBSTANTIAL COMPLETION") upon the completion of the Base Building Work and the Tenant Improvements, such that only minor or insubstantial details of construction or mechanical adjustment remain to be performed, the existence of which do not materially interfere with Tenant's occupancy and use of the Building for the conduct of Tenant's business, and upon the issuance of a temporary or permanent certificate of occupancy by the governing local authority for the Building. A certificate furnished by Architect as to the date of Substantial Completion shall be conclusive and binding upon both parties. Notwithstanding the delivery of such certificate of Substantial Completion by the Architect, Substantial Completion shall be deemed not to have occurred with respect to the Base Building Work and Tenant Improvements until Landlord has provided Tenant prior written notice and at least sixty (60) days of reasonably unrestricted physical access to the Building for purposes of Tenant's installation of furniture, fixtures and equipment. Within ninety (90) days after the date of Substantial Completion, Tenant shall notify Landlord in writing of any remaining "punch list" or other corrective work to be completed by Landlord through the Contractor and TI Contractor. Such "punch list" or other corrective work shall be commenced by Landlord and completed within sixty (60) days following receipt of such notification from Tenant, or such longer period of time as is reasonably necessary to permit Landlord to complete such work in the event that the completion of same is not possible within such sixty (60) day period with the exercise of reasonable diligence. Upon completion of such "punch list" and other corrective work to Tenant's, TI Architect's and Architect's reasonable satisfaction, and upon Tenant's installation of its furniture, fixtures and equipment, Landlord shall obtain the issuance of a permanent certificate of occupancy, unless such certificate has previously been obtained. Landlord shall have no other obligation to perform other work except with regard to Landlord's obligations to correct construction defects and deficiencies as provided in Section 2.12 and to maintain certain structural and other elements of the Project as set forth in Section 15.02. Tenant shall reasonably cooperate with Landlord in obtaining the temporary and permanent certificates of occupancy.

SECTION 2.07 INSPECTION. Tenant may, at its election, perform on-site inspections of the Base Building Work and the Tenant Improvements from time to time, provided that such inspections do not interfere with the completion of the Project by the Landlord. The Tenant agrees to indemnify, defend and hold Landlord harmless from any loss, cost, liability or damage resulting from any (i) installation of furniture, fixtures and equipment pursuant to Section 2.06, and (ii) personal injury resulting from any inspection of the Project by the Tenant, its employees or agents prior to Substantial Completion, unless arising out of Landlord's negligence. Landlord shall be responsible for inspecting the construction work for the Base Building Work and the Tenant Improvements. In addition, Tenant and its designated agents and representatives shall, upon Landlord's request (which may occur at regular intervals), inspect a specifically identified element of the construction work of the Base Building Work or the Tenant Improvements and Landlord shall cooperate fully with Tenant and/or its designated agents and representatives during any such inspections. If Tenant's inspections

of a specific element of the Project requested by Landlord result in Tenant recognizing any occurrence of material deviations from the Base Building Final Plans and Specifications or from the Tenant Improvements Final Plans and Specifications approved by Tenant, Tenant shall notify Landlord in writing of such deviations within seven (7) days of such inspection, and Landlord shall, upon receipt of such written notice, either respond in writing to objections to the claim or correct such deviations promptly. However, if Tenant fails to

notify Landlord of any such material deviations within seven (7) days after an inspection specifically requested by Landlord, Tenant shall be deemed to have accepted all work relating to the item specifically inspected by Tenant which has been completed to the date of Tenant's inspection. Landlord shall not be obligated to uncover work already in place, except upon written request by Tenant in connection with an inspection of the Building by Tenant. If a material deviation from the plans and specifications is thereby uncovered, Landlord shall cause such deviation to be corrected and the costs of the tests, uncovering and correction, as well as delays caused thereby, shall be Landlord's sole responsibility. If no material deviation is found, all testing, uncovering and recovering costs, as well as any delays caused thereby, shall be Tenant's sole responsibility and sums due therefor shall be payable within twenty (20) days following written demand by Landlord. Tenant's failure to detect a deviation from plans or specifications shall not relieve Landlord from its obligation to cause the Project to be constructed free of design (as to the Base Building Work only) and construction defects (as to the Base Building Work and the Tenant Improvements) and in accordance with the approved final plans and specifications, and to correct any unsafe, illegal or latent defective conditions in accordance with Section 2.12.

SECTION 2.08 REPORTS. Landlord shall provide to Tenant periodic construction reports as the construction of the Project progresses, but no less frequently than once every thirty (30) days.

SECTION 2.09 COMPLIANCE WITH LAWS. The Building, including, but not limited to, the Base Building Work and the Tenant Improvements, shall be constructed in accordance with Laws (as defined in Section 8.01) and the Covenants (as defined in Section 13.02). After the Term Commencement Date (as defined in Section 4.01) for Phase I, and the Project Expansion Commencement Date for any Project Expansion (as such terms are defined in Article 25), Tenant shall have sole responsibility for ongoing compliance with all Laws and Covenants, except to the extent Landlord has responsibility for any such compliance as set forth in Sections 2.12 or 15.02, in which event Tenant shall have no responsibility therefor.

SECTION 2.10 INSURANCE AND RESTORATION. At Landlord's sole cost and expense and as part of the cost of construction Landlord shall procure or cause to be procured and maintained during the construction of the Project (including, without limitation, the construction of Tenant Improvements), builder's risk insurance insuring the Building and all other improvements constructed on the Real Property against fire, the perils insured under the standard form extended coverage endorsement, vandalism, and malicious mischief in the full amount of the cost of construction. In the event the Building or Tenant Improvements shall be damaged or destroyed by fire or other insured casualty, Landlord shall repair or restore the damaged Building, upon Tenant's reaffirmation of the Lease or giving of such other comfort to Landlord and Lender (as defined in Article 20) as may be reasonably

agreed to between Tenant, Landlord and Lender, which shall be subject to the conditions provided in this Section 2.10. Landlord shall promptly commence such repairs and this Lease shall be unaffected except that the Term Commencement Date (as hereinafter defined) and the Project Expansion Commencement Date for any Project Expansion shall be extended until the Building is Substantially Completed; provided, however, in the event (a) the damage is such that restoration and completion is not reasonably possible within nine (9) months after the date of the casualty in the opinion of the Third-Party Architect (as defined in Section 16.02), or (b) Landlord has not Substantially Completed the restoration of the Building in accordance with the terms hereunder, including, but not limited to, Tenant Improvements, within twelve (12) months after the date of the casualty (such time period being extended by up to six (6) additional months by Force Majeure), then Tenant shall have the right to terminate this Lease within thirty (30) days thereafter by giving written notice of such termination to Landlord and, upon such termination, the parties shall have no further obligations hereunder, one to the other, except for obligations arising under Section 2.11 hereof. In no event shall Landlord be responsible for any loss or damage to Tenant's personal property or to improvements installed or stored by Tenant other than as may be contained within the Tenant Improvements. The insurance coverage required in this Section 2.10 shall terminate on the Term Commencement Date for Phase I and the Project Expansion Commencement Date for any Project Expansion.

SECTION 2.11 INDEMNITY. Prior to the Term Commencement Date for Phase I, and the Project Expansion Commencement Date for any Project Expansion, Landlord shall indemnify, defend and hold Tenant, its officers, directors, agents, employees, contractors, licensees and invitees, harmless from and against any and all claims, losses, damages, injuries and liabilities (including the costs of audit or attorney's fees) arising (a) from the death or injury of any person or persons, including, but not limited to, the employees of Landlord, Architect or the Contractor or any subcontractor, and/or (b) from damage or destruction of any property or properties, where such injuries, death or .damage are caused by Landlord's sole negligence or the joint negligence of Landlord and any other person or entity (excluding the Tenant). In addition to the Tenant indemnity

provided in Section 2.07, Tenant shall indemnify, defend and hold Landlord harmless from and against any and all claims, losses, damages, injuries and liabilities (including the reasonable costs of suit and attorneys' fees) arising from (a) replacement of defective work relating to the TI Architect's design work in connection with the Tenant Improvements, in the event that the TI Architect fails to correct and/or replace such defective work at TI Architect's sole cost and expense in accordance with Section 2.12, and (b) any mechanic's lien or materialmen's lien filed as a result of Tenant's failure to pay sums due directly by Tenant to the TI Architect with respect to the Tenant Improvements and to any contractors or subcontractors, if any.

SECTION 2.12 CORRECTION OF CONSTRUCTION DEFECTS. Landlord, at its sole cost and expense, shall repair, or cause to be repaired, any deviations, defects or deficiencies, whether patent or latent, in the Project (as well as any Project Expansion) and/or Tenant Improvements (including, without limitation, air conditioning, plumbing, electrical and heating systems) installed by Landlord or its agents or contractors which are due to faulty design (except with respect to the design of the Tenant Improvements, for which Tenant shall be responsible to replace work necessitated by a defective

design of any of the Tenant Improvements, in the event that the TI Architect fails to replace work necessitated by its defective design in accordance with this provision), defective materials or workmanship in construction thereof for a period of one (1) year following the Term Commencement Date for Phase I and for a period of one (1) year following the Project Expansion Commencement Date for each Project Expansion. Tenant covenants that it shall use commercially reasonable efforts to cause the TI Architect, in such architect's agreement with Tenant, to indemnify and hold Landlord harmless from any defective design in the Tenant Improvements which causes any loss, damage, cost or liability to the Landlord in construction of the Project. The TI Architect's agreement shall identify the Landlord as a third-party beneficiary of such agreement to the extent of the indemnity contained therein. Landlord's primary recourse for design defects in the Tenant improvements shall be against the TI Architect. In the event that the architect's agreement with the TI Architect fails to contain the indemnity of Landlord described in this Section 2.12, or, in the event Landlord is unsuccessful in recovering all of its losses, costs, liability or damage from the TI Architect after exercising reasonable efforts, Tenant shall be responsible for the unrecovered costs of correcting any defective work resulting from errors in the Tenant Improvements Final Plans and Specifications caused by the TI Architect. Any and all rights of Landlord in and to any guaranties or warranties in effect on the first anniversary of the Term Commencement Date for items, the repair, replacement and/or maintenance of which Tenant has assumed responsibility under Section 15.01 hereof shall be assigned to Tenant. This Section shall not limit Landlord's repair requirements for so-called "punch list" items in accordance with Section 2.06 hereof or its obligation to maintain Structural Elements as provided in Section 15.02 hereof.

SECTION 2.13 SCHEDULE. Notwithstanding anything contained in this Article 2 to the contrary, the right of Tenant hereunder to any review, approval, or modification of plans, or additional bidding, shall comply with the Development Schedule [as may be extended for acts of third parties, Landlord Delays (as defined in Section 2.16) or by Force Majeure], and any delay in the Development Schedule resulting from Tenant's exercise of such rights in excess of any time periods specified in this Lease shall be deemed a Tenant Delay.

SECTION 2.14 CHANGE ORDERS.

(a) Net Increased Costs. All Net Increased Costs (hereinafter defined) associated with Change Orders (hereinafter defined) resulting from Tenant Changes in the Base Building Work or Tenant Improvements shall be Tenant's sole expense and any delays caused by such Change Orders shall be deemed to be Tenant Delays. For purposes of this Lease, the term "NET INCREASED COSTS" shall mean the aggregate positive difference expressed in dollars resulting from Change Orders approved by Tenant which result in an increase in the cost of the Base Building Work or Tenant Improvements. Any Change Orders initiated and approved by Tenant resulting in cost savings shall be credited against those changes resulting in cost increases for purposes of determining Net Increased Costs. For purpose of this Lease, the TERM "CHANGE ORDER" SHALL mean (i) a Tenant requested and approved modification in scope, quality or materials or a change in the Development Schedule to either the Base Building Work or the Tenant Improvements or (ii) corrections to the Base Building Final Plans or the Tenant Improvement Final Plans and Specifications necessitated

because of Tenant's errors, inconsistencies or omissions in its submissions to Landlord. Change Orders shall not include work due to changes in the Base Building Final Plans and Specifications resulting from Additional Detail, unless modifications to the Base Building Outline Specifications were necessitated because of Tenant's errors, inconsistencies or omissions or because the Base Building Outline Specifications were modified at Tenant's request. Net cost

savings in the Base Building Work or Tenant Improvements below the final bid price for the Base Building Work or Tenant Improvements due to Change Orders shall reduce the amount of Base Rent payable in accordance with Section 5.01(c). Change Orders to the Base Building Work or Tenant Improvements resulting from either of the events described in subsections (i) or (ii) above shall be referred to herein as "TENANT CHANGES."

(b) Base Building Work Tenant Changes. In the event of Net Increased Costs in the Base Building Work due to Tenant Changes, the actual costs of construction associated with Tenant Changes, including, but not limited to, (i) Landlord's overhead administration costs equal to five percent (5%) of the cost of Tenant Changes, and (ii) reasonable and actual associated soft costs of Tenant Changes including, but not limited to, title charges, financing costs and legal expenses, shall be Tenant's sole expense and payable by Tenant to Landlord within twenty (20) days after Substantial Completion and Tenant's receipt of an invoice therefor, and any delays caused by such Tenant Changes shall be deemed to be Tenant Delays. Notwithstanding the foregoing, Tenant may elect to cause Landlord to fund a certain amount of Net Increased Costs out of the Supplemental Allowance as set forth in Section 3.04.

(c) Tenant Improvements Tenant Changes. All Net Increased Costs associated with Change Orders resulting from Tenant Changes in the Tenant Improvements in excess of the Improvement Allowance shall be Tenant's sole expense and any delays caused by such Change Orders shall be Tenant Delays. In the event of Net Increased Costs in the Tenant Improvements due to Tenant Changes, the actual costs of such Tenant Changes, including, but not limited to, (i) Landlord's overhead administration costs equal to five percent (5%) of the cost of Tenant Changes, and (ii) reasonable and actual associated soft costs of Tenant Changes including, but not limited to, title charges, financing costs and legal expenses, shall be Tenant's sole expense and payable by Tenant to Landlord within twenty (20) days after Substantial Completion and Tenant's receipt of an invoice therefor, and any delays caused by such Tenant Changes shall be deemed to be Tenant Delays. Notwithstanding the foregoing, the Tenant may elect to either (i) cause Landlord to fund a certain amount of Net Increased Costs in excess of the Improvement Allowance out of the Supplemental Allowance as set forth in Section 3.04, or (ii) reallocate any items of costs allocated for Tenant Improvements in the Improvement Allowance to satisfy any increased costs for which the Tenant may be obligated to pay to Landlord hereunder.

(d) Classification. All Change Orders requested by Tenant shall be delivered to Landlord in writing and Architect and TI Architect shall determine the portion thereof that constitutes Base Building Work and the portion thereof that constitutes Tenant Improvements. Upon receipt of any

Change Order, Landlord shall, as soon as possible but within fourteen (14) days following receipt thereof. apprise the Tenant in writing of any Tenant Changes outlined therein, the cost associated with such Change Order and if and to the extent such Change Order will result in a Tenant Delay.

SECTION 2.15 FORCE MAJEURE. Whenever a period of time is herein prescribed for action to be taken by either party hereto, such party shall not be responsible for and there shall be excluded from the computation of any such period of time, any delays due to strikes, riots, act of God. inclement weather in excess of the days set forth in Exhibit "E." war, governmental laws, or regulations or restrictions ("FORCE MAJEURE"). Any claim of a "Force Majeure" must be made in writing, by the party making such claim delivered to the other party within thirty (30) days after the event causing such Force Majeure delay. In calculating the amount of Force Majeure delays, the parties agree that the total amount of Force Majeure delays shall include both the actual number of days resulting from the event and constituting the Force Majeure delays and the additional number of days resulting in the contractor being unable to recommence work on the site following the delay due to the fact that the Real Property is physically inaccessible. The parties further agree that in calculating delays due to weather, that they shall rely upon the attached Exhibit "E" to determine if the weather events in question are beyond the standard weather conditions expected for the site (herein the "WEATHER STANDARD"), and the weather events within the Weather Standard shall not constitute a Force Majeure delay hereunder. Force Majeure shall not apply to the payment of any debt or other sum of money then due or owing hereunder including Base Rent and Additional Rent.

SECTION 2.16 LANDLORD AND TENANT DELAY.

(a) The terms "LANDLORD DELAY," "Delays caused by Landlord," "TENANT DELAY" or "Delays caused by Tenant" shall mean delay in completion of construction of the Building, the Tenant Improvements and/or the Base Building Work caused by:

(i) Unless and to the extent due to the acts or omissions of the other party or such party's agents, employees or contractors, the respective party's failure to perform its construction period obligations by the dates or within the term periods shown in the Development Schedule; subject, however, to Force Majeure;

(ii) Any subsequent changes, modifications or alterations to the final plans and specifications for the Base Building Work and/or Tenant Improvements initiated by the respective party after final approval by Landlord and Tenant, except to the extent any such changes, modifications or alterations are required (a) by Laws enacted after the date of approval of the final plans and specifications for the Base Building Work and/or Tenant Improvements; or (b) for work resulting from Additional Detail.

(iii) Any other act required to be timely performed in accordance with the provisions of this Lease which is not timely performed by the respective party; and

(iv) Any other act or omission stated in this Lease to be a Landlord or Tenant Delay.

(b) For purposes of determining delay, the terms Landlord and Tenant shall include their respective contractors, agents and employees; and any delay caused by a contractor selected or hired by Landlord shall be considered a Landlord Delay, and any delay caused by a contractor selected and hired by Tenant pursuant to Section 2.04 shall be considered a Tenant Delay.

SECTION 2.17 BUILDING MATERIALS. Tenant shall use reasonable efforts not to request specially fabricated or exotic materials or equipment ("SPECIAL ORDER") which will delay Landlord's timely construction of the Base Building Work and the Tenant Improvements and any delay resulting therefrom shall be deemed to be a Tenant Delay. Within ten (10) days following receipt from Tenant of a request for a Special Order, Landlord shall give written notice to Tenant, prior to acceptance of a Special Order, specifying the approximate time of delay, and the parties shall negotiate in good faith to seek a mutual agreement as to whether such Special Order will be accepted.

SECTION 2.18 SIGNAGE. During the Term of this Lease, Tenant shall have the exclusive right to Tenant's corporation identification on the Building and monument signage (to the extent permitted by Laws and Covenants) located on the Real Property. To the extent installation of Tenant's signage adversely affects the structural integrity of the Project or any component thereof, such signage is subject to Landlord's consent, which consent shall not be unreasonably withheld. All such signage shall comply with Laws and Covenants.

SECTION 2.19 ACCESS. During the Term of this Lease, Tenant may use the roof of the Building to install communications equipment, and the roof and easements located within the Project to connect cabling under the Building for telecommunication equipment (including satellite disk, antenna, microwave dish and fiber optics), at Tenant's expense, provided such use complies with Laws and does not violate Covenants. Tenant shall be permitted to place communications equipment on the roof, as long as the equipment does not exceed the structural capacity of the roof, and is approved as to size and location by Landlord, which approval shall not be unreasonably withheld. Upon receipt of Tenant's request to place communications equipment on the roof of the Building, in the event Landlord fails to respond within thirty (30) days thereafter, such request of Tenant shall be deemed approved. Tenant shall be solely responsible for any damage caused by the placement of communications equipment on the roof. Any penetrations of the roof membrane necessitated by the installation of such equipment shall be made by the roofing contractor (including related maintenance, repair and replacement) who installed the roof system, or such other roofing contractor authorized by the manufacturer to perform warranty work on the roof system installed at the Project, and any damage or loss of warranty resulting therefrom shall be Tenant's responsibility, notwithstanding the provisions of Section 15.02.

ARTICLE 3 - COSTS OF CONSTRUCTION OF THE BUILDING AND THE TENANT IMPROVEMENTS

SECTION 3.01 BASE BUILDING WORK. All costs and expenses of construction of the Base Building Work (excluding costs related to Net Increased Costs of Tenant Changes and Tenant Delays and the cost of payment and performance bonds if requested by Tenant) shall be borne by Landlord. All preliminary and final cost estimates submitted for Tenant's approval by the Contractor, TI Contractor and/or Landlord shall specifically identify which costs constitute Tenant Improvements costs which shall be the subject of the Improvement Allowance provided in Section 3.02.

SECTION 3.02 TENANT IMPROVEMENT ALLOWANCES. Tenant shall bear the costs and expenses of planning and constructing the Tenant Improvements; provided, however, that Landlord shall provide Tenant with an improvement allowance of Thirty and No/100 Dollars ($30.00) per square foot of Rentable Area of the Building as determined pursuant to Section 1.02 (the "IMPROVEMENT ALLOWANCE").

Any portion of the Improvement Allowance which is not applied to Tenant Improvements construction or design costs shall, subject to finalization by Landlord and Tenant of invoices for all Tenant Improvements work, if Tenant is not then in default beyond applicable grace periods, be paid to Tenant within thirty (30) days of Tenant's written request therefor, or in Tenant's sole discretion, may be applied by Tenant to other costs in connection herewith; provided, however, Tenant agrees to reimburse Landlord for any additional bills that are subsequently received by Landlord within ninety (90) days following Substantial Completion for Tenant Improvements work. Such reimbursement shall be made by Tenant within twenty (20) days after receipt of Landlord's written request therefor accompanied by a certified invoice from Landlord accompanied by applicable bills received. Construction costs on Tenant Improvements in excess of the Improvement Allowance shall be paid for by Tenant in accordance with Section 2.14(c) and Section 3.03. Landlord shall provide Tenant with an accounting (unaudited), certified by an officer of the general partner of Landlord, together with copies of applicable invoices for the construction costs of the Tenant Improvements within ninety (90) days after Substantial Completion of the Project and each Project Expansion. Notwithstanding anything herein to the contrary, if performance or payment bonds are required by Tenant in connection with the Tenant Improvements, such bonds shall be at Tenant's expense, and such expense shall be charged against the Improvement Allowance. Notwithstanding anything contained herein to the contrary, the following amounts shall not be charged against the Improvement Allowance:

(i) payment for any work which is a portion of the Base Building Work, including all soft costs related to same;

(ii) utility costs expended by Landlord during the installation of the Tenant Improvements and any work associated with hazardous substances not introduced by Tenant;

(iii) any TI Contractor costs and claimed damages resulting from Landlord Delays;

(iv) demolition and removal of non-conforming work installed by the TI Contractor including but not limited to replacement of defective materials and workmanship (unless necessitated by an error or omission of the TI Architect, in which event the provisions of Section 2.12 shall control payment of the costs incurred in replacement of defective materials and workmanship);

(v) expediting and overtime costs specifically due to Landlord's or TI Contractor's negligence or Landlord Delays;

(vi) Landlord's overhead administration costs, title charges, financing costs and legal expenses (except costs relating to Change Orders, Tenant Delays or costs in excess of the Improvement Allowance);

(vii) use and reasonable access to vertical transportation;

(viii) repair or correction to Building equipment systems unless caused by Tenant;

(ix) removal of debris or stored materials from the Project except in connection with Tenant Improvements work;

(x) performance and payment bonds if required by Landlord;

(xi) builders risk insurance; and

(xii) premiums associated with liquidated damage requirements of Landlord.

SECTION 3.03 PAYMENT. Payments of amounts up to but not in excess of the Improvement Allowance shall be made and disbursed by Landlord to (i) the TI Contractor in accordance with the provisions of the contract with the TI Contractor or (ii) to Tenant or to any subcontractor directly contracting with Tenant which has been approved by Landlord. Prior to the Term Commencement Date and the Project Expansion Commencement Date for any Project Expansion, if applicable, Tenant shall not be entitled to draw more than twenty percent (20%) of the Improvement Allowance for items which are not shown in the Tenant Improvements Final Plans and Specifications. Disbursements of the Improvement Allowance to any party, including the TI Contractor or to any subcontractor who contracts directly with the Tenant, shall be made thirty (30) days following delivery of a draw request and supporting documentation and must satisfy any documentation requirements reasonably imposed by the Lender, including, but not limited to, partial and/or final lien waivers and releases. Landlord shall provide Tenant the right and opportunity, upon reasonable request, to review Landlord's records and accounting for disbursements of amounts paid or payable under the Improvement Allowance and shall report to Tenant, in a form reasonably acceptable to Tenant, the amounts expended during the course of completion of

the Tenant Improvements. Within thirty (30) days of receipt of a certified invoice therefor from Landlord together with copies of applicable bills, Tenant shall pay those costs of construction of the Tenant Improvements in excess

of the Improvement Allowance, if any. If Tenant fails to pay the invoiced costs within such thirty (30) day period, then interest shall commence accruing on the thirty-first (31st) day and shall continue until paid at the lesser of (i) two percent (2%) per annum in excess of the prime rate of interest of Bank One, Texas, N.A. or (ii) the maximum rate of nonusurious interest permitted by Texas law (the "SPECIFIED RATE"). All invoiced costs and accrued interest shall be deemed Additional Rent (as defined in Section 5.04) for purposes of this Lease.

SECTION 3.04 SUPPLEMENTAL ALLOWANCE. Upon the election of Tenant (which may only be exercised with respect to Phase I and must be done prior to the Term Commencement Date), and written verification from the Guarantor that it consents to such election by Tenant and Guarantor agrees to be bound thereby, Landlord shall provide a supplementary improvement allowance (the "SUPPLEMENTAL ALLOWANCE") of up to Two Million and No/100 Dollars ($2,000,000.00) to cover Change Orders or Tenant Changes in the Base Building Work or the Tenant Improvements. The Tenant may not elect to receive such money directly in cash. In addition, the Supplemental Allowance may be used for payment of, without limitation, architectural and engineering fees and other third party payments for professional services incurred in connection with the completion of the Project. All fundings of the Supplemental Allowance will include Landlord's overhead administration costs equal to five percent (5%) of the amount of Supplemental Allowance expended, and additional reasonable costs actually incurred by Landlord as a result of Tenant's utilization of the Supplemental Allowance, such as incremental costs of borrowing (e.g., interest carry incurred by Landlord from the time of such draw of the applicable portion of the Supplemental Allowance until the commencement of the payment of increase in the Base Rent related thereto, additional title premiums, legal expenses and similar costs relating to additional borrowings). In the event Tenant elects to receive the Supplemental Allowance, the Base Rent shall increase as provided in Section 5.01(c).

ARTICLE 4 - TERM AND RENEWALS

SECTION 4.01 TERM. The term of this Lease (the "TERM") shall be for a period often (10) years commencing on the earliest to occur of (a) the date of Tenant's occupancy of all or any part of the Phase I Building for the conduct of its business; (b) ten (10) days after the date the Base Building Work and the Tenant Improvements for Phase I are Substantially Completed; or (c) the date the Base Building Work and the Tenant Improvements for Phase I would have been Substantially Completed but for Tenant Delays (the "TERM COMMENCEMENT DATE"). The Term shall be extended by the exercise by the Tenant of its rights under Sections 4.02 and 25.03(e). Base Rent, Additional Rent, and other costs described herein for Phase I which are associated with the use of the Building shall commence on the Term Commencement Date, but in no event earlier than June 1, 2001. Tenant shall have the right for a period of sixty (60) days prior to Substantial Completion, or earlier if in Landlord's reasonable judgment such entry and installation would not interfere with the progress of construction, to enter the Building and install Tenant's furniture, equipment, communications cabling and fixtures, and may equip completed portions of the Project at an earlier date if any of such activity

Would not unreasonably interfere with remaining construction activities. Landlord shall use its best efforts to give Tenant twenty (20) days advance written notice of the date on which Tenant may commence installation of its furniture and equipment. Once the Term Commencement Date is ascertained, Landlord and Tenant shall promptly execute a letter specifying such date.

SECTION 4.02 RENEWAL OPTIONS.

(a) Tenant, at its option, may, if it has not committed an uncured Event of Default (as defined in Article 21), either at the time it gives its notice hereunder to Landlord or at the time of commencement of the respective extended term, extend the Term of this Lease for the Project for up to two (2) additional five (5) year terms. Notwithstanding anything in this Lease to the contrary, if the Term of this Lease, as extended by the provisions of this Section 4.02 or Section 25.03(e), shall exceed twenty (20) years, Base Rent payable for each year of this Lease beyond such twenty (20) year period shall increase by two percent (2%) per annum. A schedule of Base Rent per square foot of Rentable Area for the maximum permissible Term of this Lease, including periods beyond such twenty (20) year period, is attached hereto as Exhibit "H." This Lease shall be extended effective upon (i) the expiration of the previous respective term, and (ii) Landlord's receipt of written verification that the Guarantor agrees to the exercise of such renewal options and that the Guarantor shall guarantee the obligations of the Tenant with respect thereto. Within thirty (30) days after the receipt by Landlord of Tenant's notice and Guarantor's verification,

Landlord and Tenant covenant that they shall execute an agreement memorializing the exercise of the First Renewal Term or Second Renewal Term. The first such extended term (the "FIRST RENEWAL TERM") shall commence upon the expiration date of the initial term of this Lease, expire upon the fifth (5th) anniversary of said date, and be upon the same terms, covenants and conditions as provided in this Lease for the initial term, except that the Base Rent payable during the First Renewal Term for Phase I and each Project Expansion, if any, shall be calculated in accordance with Exhibit "H." as modified by Section 5.01 (c) and Article 25. The second such extended term (the "SECOND RENEWAL TERM"), if exercised by Tenant and conditioned upon Tenant's exercise of its first option to extend, shall commence upon the expiration date of the First Renewal Term of this Lease and expire upon the fifth (5th) anniversary of said date, and be upon the same terms, covenants and conditions as provided in this Lease for the initial term, except that the Base Rent payable during the Second Renewal Term for Phase I and each Project Expansion, if any, shall be calculated in accordance with Exhibit "H." as modified by Section 5.01(c)and Article 25.

(b) In order to exercise such renewal options, Tenant shall advise Landlord in writing at least twelve (12) months prior to the end of the initial term, or First Renewal Term, as the case may be, that Tenant intends to exercise its option to renew this Lease.

(c) Payment of all Additional Rent and other payments required to be made by Tenant as provided in this Lease for the initial term shall continue to be made during such extended term. Any termination of this Lease during the initial term shall terminate all rights of extension hereunder.

SECTION 4.03 REFURBISHMENT ALLOWANCE. Provided Tenant has not committed an uncured Event of Default at the time it gives notice hereunder. upon the election of the Tenant (which may only be exercised with respect to Phase I and which must be elected simultaneously with the delivery of the renewal notice for the First Renewal Term with respect to the Project), Landlord shall provide to Tenant, within thirty (30) days following the execution by Landlord and Tenant of an agreement memorializing the exercise of the First Renewal Term, and written verification from the Guarantor that it consents to such election by Tenant and Guarantor agrees to be bound thereby, a refurbishment allowance (the "REFURBISHMENT ALLOWANCE") of up to Ten and No/100 Dollars ($10.00) per square foot of Rentable Area in Phase I, which may be used by Tenant for cleaning, replacements, renovations, repairs and upgrades to the Project in accordance with Tenant's discretion. Upon the funding of the Refurbishment Allowance, Base Rent shall increase as provided in Section 5.01(c). Notwithstanding anything contained herein to the contrary, the Refurbishment Allowance may only be used by the Tenant to improve, renovate and/or redecorate the Project and Tenant may not elect to receive such money directly in cash.

ARTICLE 5 - RENT

SECTION 5.01 RENT.

(a) Tenant covenants and agrees to pay to Landlord at its address for notice, in lawful money of the United States, without demand, abatement, offset or deduction, except as expressly permitted by the terms of this Lease, base annual rentals for Phase I (the "BASE RENT") equal to the product of Fourteen and 81/100 Dollars ($14.81) times the Rentable Area of the Building for years 1 through 5 ("LEASE PERIOD 1"); and the product of Sixteen and 29/100 Dollars ($16.29) times the Rentable Area for years 6 through 10 ("LEASE PERIOD 2"). Such Base Rent shall be payable in advance in equal monthly installments during the initial term of this Lease commencing on the Term Commencement Date. Any partial month's Base Rent shall be prorated based on the actual number of days in the partial month Base Rent is payable. Upon final measurement of Phase I, as provided for in Section 1.01, Landlord and Tenant shall promptly execute amendments to this Lease specifically setting forth the aggregate amounts of Base Rent payable hereunder.

(b) Base Rent for any Project Expansion shall be calculated in accordance with Article 25 of this Lease.

(c) (i) In the event that Tenant elects to utilize the Supplemental Allowance for payment of any of the Change Orders or Tenant Changes associated with Base Building Work or the Tenant Improvements (as described in Section 3.04), the Base Rent shall increase in Lease Period 1 by the amount of Ten Cents (10(cent)) per square foot of Rentable Area per year for each One Dollar ($1.00) per square foot of Supplemental Allowance utilized, Eleven Cents (11(cent)) per square foot of Rentable Area per year for Lease Period 2, Twelve Cents (12(cent)) per square foot of Rentable Area per year for the First Renewal Term and Thirteen Cents (13(cent)) per square foot of Rentable Area

per year for the Second Renewal Term. In other words, if Tenant elects to

receive a Supplemental Allowance of Three Dollars and No/100 Dollars ($3.00) per square foot of Rentable Area. the initial Base Rent shall increase by the amount of Thirty Cents (30(cent)) per square foot of Rentable Area per year for Lease Period 1, and shall increase correspondingly for Lease Period 2, the First Renewal Term and Second Renewal Term.

(ii) In the event that the Tenant elects to utilize the Refurbishment Allowance for renovation of any of the Project (as defined in Section 4.03), the Base Rent shall increase during the First Renewal Term by the amount of Twelve Cents ($0.12) per square foot of Rentable Area per year for each One and No/100 Dollars ($1.00) per square foot of Refurbishment Allowance utilized and Thirteen Cents ($0.13) per square foot of Rentable Area per year for the Second Renewal Term.

(iii) In the event that any of the Tenant approved Change Orders reduce the cost of the Base Building Work below the final bid price approved by Landlord and Tenant or the final funded amount of the Improvement Allowance is less than Thirty and No/100 Dollars ($30.00) per square foot of Rentable Area, the Base Rent shall be reduced during the Term by the amount of Ten Cents ($0.10) per square foot of Rentable Area per year for each One Dollar and No/100 Dollars ($1.00) per square foot that (i) the final bid price for the Base Building Work is reduced by Tenant approved Change Orders or (ii) the funded Improvement Allowance is less than Thirty and No/100 Dollars ($30.00) per square foot of Rentable Area.

SECTION 5.02 LATE CHARGE. If Tenant fails to pay when due any installment of Base Rent or Additional Rent within ten (10) days after the date the payment is due, Tenant shall pay a late charge equal to five percent (5%) of the delinquent rent payment. For the first occurrence of a late payment of Base Rent or Additional Rent. in any lease year during the Term of this Lease and provided Tenant is not otherwise in default of its obligations under this Lease, Landlord agrees it will waive receipt of such late charge and such late charge payment will be made by Tenant for the second and any subsequent late payments of Base Rent or Additional Rent. Such late charge shall be paid with the next accruing rental installment and shall be deemed rent for purposes of this Lease. Base Rent that is more than fifteen (15) days past due shall also accrue interest at the Specified Rate (as defined in Section 3.03).

SECTION 5.03 NET LEASE. It is the intention of Landlord and Tenant that, except for the obligations, costs and expenses expressly assumed by Landlord in this Lease, including but not limited to the requirements of Section 15.02, all rentals paid to Landlord in accordance with the terms of this Lease shall be absolutely net; that is, except as specifically provided for herein to the contrary, all costs, expenses and obligations of every kind relating directly or indirectly in any way, foreseen or unforeseen, to Tenant's use, occupancy and possession of the Project, which may arise or become due during the Term shall be paid by Tenant and Landlord shall be indemnified by Tenant therefrom, including, without limitation, all taxes, assessments, excises, levies and other charges by any public authority which are general or special, ordinary or extraordinary, foreseen or unforeseen, of any kind and nature whatsoever, except as expressly set forth to the contrary in Section 9.02, and

which shall or may, during or in respect to the Term, be assessed levied, charged, confirmed or enforced upon, or become due and payable out of, or become a lien on the Project, or appurtenances or facilities used in connection with the Project.

SECTION 5.04 ADDITIONAL RENT. Any and all payments of any kind (including, without limitation. taxes, insurance premiums, maintenance obligations and utilities) required to be made by Tenant under this Lease, other than Base Rent, shall be classified as additional rent due and owing hereunder ("ADDITIONAL RENT"), and failure to pay Additional Rent when due shall constitute an Event of Default. Landlord shall provide to Tenant written notice of the requirement of payment of amounts deemed Additional Rent hereunder and failure of Tenant to pay such amounts within thirty (30} days following receipt of such notice from Landlord shall constitute an Event of Default.

ARTICLE 6 - HOLDING OVER

SECTION 6.01 HOLDING OVER. Any holding over by Tenant after the expiration of the Term, or any extension thereof, shall be construed as a tenancy from month-to-month upon the same terms and conditions as set forth herein, except that monthly installments of Base Rent shall be equal to one hundred twenty-five (125%) percent of the monthly installments of Base Rent in effect during the last calendar month prior to the expiration of the Term or any extension, as appropriate, for the first six (6) months following expiration of the Term, with such amount then increasing to one hundred fifty (150%) percent of the monthly installments of Base Rent in effect during the last calendar month prior to expiration of the Term or extension, as appropriate. Either Landlord or Tenant may terminate such month-to-month tenancy upon thirty (30) days written notice to the other.

ARTICLE 7 - QUIET POSSESSION

SECTION 7.01 QUIET POSSESSION. Provided Tenant is not then in default beyond applicable cure periods, Landlord covenants and agrees, subject to the Permitted Exceptions, to keep Tenant in quiet possession and enjoyment of the Project during the Term and any extensions thereof and warrants that it has full power and authority to lease the Project to Tenant for the Term and any extensions thereof.

ARTICLE 8 - USE OF BUILDING

SECTION 8.01 USE. Tenant shall specifically have the right to use the Building only for any lawful business purposes in accordance with applicable laws, statutes, ordinances, codes, rules and regulations of all governmental bodies (state, federal and municipal) (collectively, the "LAWS"), the Permitted Exceptions and permitted by the Covenants (as defined in Section 13.02) affecting the Building. Landlord hereby represents as of the date hereof that the Laws and Covenants would not prohibit the use of the Building for general office purposes. Landlord represents and covenants that, as of the date hereof and throughout the Term of this Lease, it shall not file, cause to be filed, or

consent to the filing of, any additional Covenants which restrict Tenant's use of the Building or the Project, or otherwise increase or affect Tenant's rights hereunder without Tenant's prior written consent, which consent may be withheld in Tenant's sole discretion.

SECTION 8.02 MAINTENANCE.

(a) Tenant shall use the Project in a careful, safe, and proper manner; and Tenant covenants, except as provided herein to the contrary, to keep, maintain and be responsible for routine maintenance and repair and replacement of all elements (except Structural Elements, as defined in Section 15.02) of the Project and to keep such elements in reasonably good condition and repair, including, without limitation, HVAC, plumbing, mechanical and electrical; and, with respect to Tenant's use of the Project, the Building and appurtenances, Tenant covenants to comply with all applicable Covenants and Laws, including, without limitation, the Americans with Disabilities Act of 1990, and any and all Environmental Laws (as defined in Section 24.01(a)(ii)). After Substantial Completion, Tenant, at its cost, shall manage all aspects of the Project (it being understood that Landlord shall have no management responsibility hereunder) and shall maintain the Project in compliance with all Covenants and Laws; provided, that alterations to the Project required by Covenants and Laws which involve Structural Elements shall be Landlord's cost and responsibility, unless such modification to a Structural Element is necessitated by Tenant's special or unique use of the Project, or Tenant's change in use of the Project which requires alterations to the Project or any part thereof. Tenant shall be liable for and shall promptly cause the repair of any damage to the Project to the extent caused by Tenant, its employees, contractors, agents or invitees, unless such damage is specifically required herein to be repaired by Landlord and, to the extent that Landlord, its employees, contractors, agents or invitees have caused the damage, Landlord shall cause it to be repaired. Tenant shall not commit waste or suffer or permit waste to be committed or to allow or permit any nuisance in the Project. Tenant shall not use the Building or allow or permit the Building to be used for any purposes which may render the Building uninsurable at normal rates by responsible insurance carriers authorized to do business in the State of Texas unless Tenant shall pay the extra cost thereof, or which may render void or voidable any insurance on the Building. Except as provided herein, Tenant shall not erect, place, allow to be placed any sign, advertising matter, stand, booth, or showcase in or upon the doorsteps, vestibules, doors, exterior walls, windows, or pavement of the Building without the prior written consent of Landlord, which consent shall not be unreasonably withheld, or which may violate any of the Covenants. Tenant covenants and agrees that it shall not overload the floors or surpass the utility specifications of the Building, as reasonably determined by Landlord.

(b) Notwithstanding anything contained above to the contrary, if Tenant is required to make a capital improvement in satisfaction of its obligations hereunder to any item that is described in the Base Building Final Plans and Specifications, and if the useful life of such capital improvement as provided by the Internal Revenue Code and Regulations cannot be fully amortized over the remainder of the Term, Tenant shall so notify Landlord. Upon receipt of such notice, Landlord shall either (i) direct Tenant that Landlord elects not to cause Tenant to make such capital expenditure and Tenant shall thereby be relieved of any liability for such replacement obligation,

in which event Tenant may repair such item without, except as hereinafter provided in subsection (ii) hereof, reimbursement from Landlord and satisfy its obligations under this Lease, or (ii) direct Tenant to make such capital expenditure, in which event Tenant shall be reimbursed by Landlord (unless

Tenant caused such damage to occur, in which event Tenant shall not be reimbursed by Landlord) at the end of the Term for that portion of the replacement cost that is represented by the extent to which the useful life (determined in accordance with the Internal Revenue Code and Regulations) thereof extends beyond the expiration of the Term, which portion shall be determined by dividing the number of months of useful life of the replacement that extend beyond the expiration of the Term by the total number months of useful life of the replacement and multiplying the resultant percentage calculation against the total cost of the replacement. If the cost of repairing any item described in the Base Building Final Plans and Specifications by Tenant as required under this Section 8.02(b) (i) is so extensive that the cost would, in the opinion of the Third Party Architect (as defined in Section 16.02), exceed seventy-five percent (75%) of the cost to replace such item, then Tenant shall replace such item and the provisions of subsection (ii) herein shall apply with respect to said replacement costs.

ARTICLE 9 - TAXES

SECTION 9.01 PERSONAL PROPERTY TAXES. Tenant shall pay before delinquency all taxes and assessments, special or otherwise, of any nature that become payable during the Term and/or any extension thereof which are levied or assessed upon Tenant's equipment, furniture, fixtures and Tenant's other personal property installed or located in or on the Project.

SECTION 9.02 AD VALOREM TAXES. All ad valorem taxes, assessments, business taxes, impact fees, rental taxes ("RENTAL TAXES") or other similar rates and taxes levied or imposed upon the Project, or any part thereof, shall be paid by Tenant, and shall be considered Additional Rent hereunder. Tenant's sole obligation to pay Rental Taxes shall arise only in the event such taxes are imposed upon the gross income of the Project and are not denominated as an "income tax" or other tax imposed on the net income of the Landlord, giving credit for deduction, depreciation and other reductions to the gross income attributable to the Project. Nothing contained in this Lease shall require Tenant to pay any local, county, municipal, state or federal income, franchise, corporate, estate, inheritance, succession or transfer tax of Landlord. Upon receipt by Landlord from any association, governmental agency or authority of statements for ad valorem taxes and assessments against the Project during the Term and any extension thereof, Landlord shall promptly submit to Tenant an invoice for such taxes and assessments, together with copies of the original statements from each taxing authority. Tenant shall pay such invoice to Landlord no later than twenty (20) days prior to the delinquency date as shown on each tax statement, but in no event shall it be required to pay the invoice earlier than thirty (30) days after its receipt; provided, however, Tenant may, in good faith, contest the assessed valuation of such taxes or assessments, and, receive a refund from the appropriate governmental authority, if successful, provided that Tenant shall pay all taxes and amounts due and owing hereunder in accordance with all applicable laws. Landlord shall reasonably

cooperate with Tenant, at no cost to Landlord, in Tenant's appeal. If the Term Commencement Date or the Project Expansion Commencement Date is on a date other than January 1, the taxes, assessments, fees or other rates for the first and last year of the Term shall be prorated. Any and all property tax refunds accruing to the project shall, during the Term, belong exclusively to Tenant.

SECTION 9.03 DELINQUENCY OF PAYMENT. If Tenant fails to pay any real or personal property taxes or assessments in accordance with the terms of this Article, Landlord shall have the right, after providing thirty (30) days written notice to Tenant of such failure, to thereafter pay any or all of such taxes and assessments and Tenant shall reimburse Landlord, within thirty (30) days of receipt of Landlord's invoice for the amount of such real and personal property taxes and assessments paid by Landlord together with interest on the amount paid by Landlord from the date advanced until reimbursed at the Specified Rate. Such sums shall become rent for the purposes hereof and shall be payable with the next monthly installment of Base Rent.

ARTICLE 10 - INSURANCE

SECTION 10.01 TENANT'S INSURANCE. Tenant covenants and agrees that from and after the Term Commencement Date for Phase I and the Project Expansion Commencement Date for any Project Expansion, Tenant will carry and maintain, at its sole cost and expense, the following types of insurance, in the amounts specified and in the forms hereinafter provided for:

(a) Liability insurance in the Commercial General Liability form (or reasonable equivalent thereto) covering the Project and Tenant's use thereof against claims for bodily injury or death, third party property damage and product liability occurring upon, in or about the Project, such insurance to be written on an occurrence basis (not a claims made basis), to be in combined single limit amounts not less than $5,000,000 and to have general aggregate limits of not less than $10,000,000 for each policy year. The insurance coverage required under this Section 10.01 shall, in addition, extend to any liability of Tenant arising out of the indemnities provided for in Section 11.01 and, if

necessary, the policy shall contain a contractual endorsement to that effect; and

(b) Insurance covering all of the Tenant's items located in the Building, including, but not limited to, furniture, fixtures and equipment from time to time in, on or upon the Project, in an amount not less than one hundred percent (100%) of their full replacement value from time to time during the Term, providing protection against perils included within the standard form of "all-risk" property insurance policy, together with insurance against vandalism and malicious mischief. Any policy proceeds from such insurance relating to the Building shall be used solely for the repair, construction and restoration or replacement of such property damaged or destroyed unless this Lease shall cease and terminate under the provisions of Article 16.

SECTION 10.02 POLICY REQUIREMENTS. All policies of the insurance provided for in Section 10.01 shall be issued in form and content reasonably acceptable to Landlord by insurance companies with a rating of not less than "A-" and financial size of not less than Class VII, in the most current available "Best's Insurance Reports," and licensed to do business in Texas. Tenant shall

provide Landlord with a certificate for each such policy of insurance required by this Lease. Any insurance coverage required of the Tenant hereunder may be provided by the Guarantor, as long as such coverage otherwise satisfies the provisions of this Article 10. Each and every such policy (as evidenced by the certificate):

(i) shall name Landlord as well as Lender, as defined in Article 20, and any other party reasonably designated by Landlord, who has an insurable interest, as an additional insured. In addition, the coverage described in Section 10.01(b) relating to the Building shall also name Landlord as loss payee;

(ii) shall be delivered to Landlord prior to the Term Commencement Date and the Project Expansion Commencement Date for any Project Expansion and thereafter within ten (10) days prior to the scheduled expiration date of each such policy, within, and, as often as any such policy shall expire or terminate. Renewal or additional policies shall be procured and maintained by Tenant in like manner and to like extent;

(iii) shall contain a provision that the insurer will give to Landlord and such other parties in interest at least thirty (30) days notice in writing in advance of any material change, cancellation, termination or lapse, or the effective date of any reduction in the amounts of insurance; and

(iv) shall be written as a primary policy which does not contribute to and is not in excess of coverage which Landlord may carry;

(v) Landlord and Tenant hereby waive any rights each may have against the other on account of any loss or damage occasioned to Landlord or Tenant, as the case may be, their respective property, the Project, its contents or to the other portions of the Building, arising from any risk covered by "all risk" property coverage insurance and commercial general liability of the type and amount required to be carried hereunder, provided that such waiver does not invalidate such policies or prohibit recovery thereunder and is applicable only to the extent of receipt of the insurance proceeds. The parties hereto each agree to use reasonable efforts to cause their respective insurance companies insuring the property of either Landlord or Tenant against any such loss, to waive any right of subrogation that such insurers may have against Landlord or Tenant, as the case may be.

(vi) Neither Landlord nor Tenant shall take any action that will cause the premiums for insurance coverage to rise.

(vii) Any insurance coverage enumerated above may be satisfied by a blanket policy or policies of insurance or under so-called "all risk" or "Multi-peril" insurance policies provided that the total amounts of insurance available with respect to the Project and Tenant's liability hereunder shall be at least the equivalent of separate policies in the amount herein required, and provided further that in all other respects any such policy or policies shall comply with the provisions of this Section 10.02. Tenant shall not, unless expressly set forth herein to the contrary, have the right to, self-insure against any of the risks recited herein, except for the amount of any commercially

reasonable deductible (for purposes of this Lease, a deductible amount of $100,000 shall be deemed to be reasonable). An increased coverage or "umbrella"

policy may be provided and utilized by other parties to increase the coverage provided by individual or blanket policies in lower amounts and the aggregate coverage provided by all such policies with respect to the limits required herein shall be satisfactory, provided that such policies shall otherwise comply with the provisions of this Section 10.02.

(viii) Upon receipt of the Landlord's and its Lender's consent, which consent shall not be unreasonably withheld, conditioned or delayed, the Tenant may self-insure against any of the risks or portions thereof set forth in this Section 10.02, provided that the Tenant or Guarantor has an Investment Grade Credit Rating (as defined in Section 19.01(a)). Landlord and Lender may not withhold their consent in the event that the Tenant or Guarantor satisfy the net worth requirements set forth herein and have provided to Landlord and Lender evidence of a program of self insurance which has been properly adopted and implemented by the Tenant or Guarantor and which satisfies prudent risk underwriting practices.

SECTION 10.03 LANDLORD'S INSURANCE.

(a) During the Term, Landlord shall maintain, at its sole expense, liability insurance in the Commercial General Liability form (or reasonable equivalent thereto) covering the Project and Landlord's use thereof against claims for bodily injury or death, third party property damage and product liability occurring upon, in or about the Project, such insurance to be written on an occurrence basis (not a claims made basis), to be in combined single limit amounts not less than $3,000,000 and to have general aggregate limits of not less than $5,000,000 for each policy year. The insurance coverage required under this Section 10.03 shall, in addition, extend to any liability of Landlord arising out of the indemnities provided for in Section 11.01 and, if necessary, the policy shall contain a contractual endorsement to that effect.

(b) During the Term Landlord shall keep the Project insured against loss or damage by fire and the perils covered under standard "all-risk," "special form" coverage in the amount of the full replacement cost of the Building, exclusive of excavation, footings and foundation, with a commercially reasonable deductible for which Tenant shall be fully responsible (for purposes of this Lease, a deductible amount of $100,000 shall be deemed to be reasonable). Lender and Tenant shall be named in such policy or policies as additional insureds as their respective interests may appear. All cost of such insurance and payment of any deductible under such coverage shall be Tenant's expense and shall be deemed to be Additional Rent under this Lease. Landlord's insurance coverage required hereunder shall comply with the provisions of Section 10.02 above.

(c) Upon prior written notice to Landlord and Lender, Lacerte or Intuit may provide the casualty coverage required by the provisions of Section 10.03(b), at their sole cost and expense. Landlord and its Lender shall be named as loss payees under the provisions of such coverage and such coverage must otherwise satisfy the requirements of this Article 10. Neither Lacerte nor Intuit may self insure against the risks described in Section 10.03(c).

ARTICLE 11 -INDEMNIFICATION

Section 11.01 Tenant's and Landlord's Indemnities. Tenant shall defend, indemnify and hold harmless landlord, its agents, employees, officers, directors, partners and shareholders from and against any and all liabilities, judgments, demands, causes of action, claims, losses, damages, costs and expenses, including reasonable attorneys' fees and costs, arising out of the acts, willful misconduct or negligence of tenant, its officers, contractors, licensees, agents, servants or employees, in or about the building and/or the project. This indemnification shall survive the expiration or earlier termination of this lease, and shall inure to the benefit of landlord and landlord's successors and assigns. This provision shall not be construed to make tenant responsible for and landlord hereby agrees to defend, indemnify and hold tenant, its agents, employees, officers, directors, partners and shareholders harmless from and against any and all liabilities, judgments, demands, causes of action, claims, losses, damages, costs and expenses, including reasonable attorneys' fees and costs arising out of the acts, negligence or willful misconduct of landlord or its officers, contractors, licensees, agents, servants or employees. The indemnities contained in this Article 11 shall begin on the date of execution of this lease, and shall continue after the expiration of the term or earlier termination of this lease. this indemnification shall survive the expiration or earlier termination of this lease, and shall inure to the benefit of tenant and tenant's successors and assigns.

ARTICLE 12 - LANDLORD'S LIABILITY

SECTION 12.01 LIMITED LIABILITY. Except as provided herein with respect to Koll, neither Landlord nor any officer, director, shareholder, attorney, agent, partner or principal of Landlord, whether disclosed or undisclosed, shall be under any personal liability with respect to any of the provisions of this Lease, except for Landlord's failure to apply insurance proceeds or condemnation awards as herein required in the Lease. In the event Landlord is in breach or default with respect to Landlord's obligations or otherwise under this Lease, except for Landlord's failure to apply insurance proceeds or condemnation awards

as herein required in the Lease, Tenant shall look solely to the equity of Landlord in the Project and all rents, revenues and profits arising from the Project for the satisfaction of Tenant's remedies. Notwithstanding Koll's liability under the Completion Guaranty, it is expressly understood and agreed that Landlord's liability under the terms, covenants, conditions, warranties and obligations of this Lease shall in no event exceed the loss of Landlord's equity

interest, rents, revenues and profits in the Project. Nothing contained herein shall be construed to limit Koll's liability under the Completion Guaranty. Koll's liability thereunder shall be strictly construed in accordance with the provisions of the Completion Guaranty.

ARTICLE 13 - UTILITIES AND SERVICES

SECTION 13.01 UTILITIES AND SERVICES. From and after the Term Commencement Date and the Project Expansion Commencement Date for any Project Expansion, Tenant shall pay the costs and all deposits for all telephone, water, gas, electricity, sewage, garbage and other services required by Tenant or supplied to the Project (collectively, the "UTILITY BILLS"). Landlord, at no expense to Landlord, shall cooperate fully with Tenant in the manner and to the extent reasonably required by Tenant in obtaining such services for the Project during the Term. Following the Term Commencement Date and the Project Expansion Commencement Date for any Project Expansion, Tenant shall have the right to select the entities which will provide utility services, to the extent applicable, in its reasonable discretion. If Tenant fails to pay any Utility Bills when due, Landlord shall have the right, after giving Tenant thirty (30) days written notice of its failure to pay such Utility Bills, to thereafter pay such delinquent Utility Bills. Tenant shall reimburse Landlord, within twenty (20) days of receipt of Landlord's invoice, for the amount of such delinquent Utility Bills paid by Landlord together with interest on the sums advanced at the Specified Rate. Such sums shall be considered Additional Rent.

SECTION 13.02 ASSOCIATION FEES. From and after the Term Commencement Date and the Project Expansion Commencement Date for any Project Expansion, Tenant shall pay, prior to delinquency, any assessments and fees assessed against the Project during the Term and any extension thereof pursuant to that certain Declaration of Covenants, Conditions and Restrictions dated October 16, 1986, affecting the Project, as recorded in Volume 2481, Page 784 of the real property records of Collin County, Texas, as well as all additional amendments thereto and additional covenants which affect the Real Property (collectively, the "COVENANTS"). If invoices issued by the applicable association are delivered to Landlord as owner of the Project, Landlord shall, within thirty (30) days following receipt thereof, promptly deliver same to Tenant.

ARTICLE 14 - ALTERATIONS

SECTION 14.01 ALTERATIONS. From and after the Term Commencement Date and the Project Expansion Commencement Date for any Project Expansion, Tenant shall have the right to make non-structural alterations to the interior of any of the Building, in order to conduct Tenant's business in the Building, provided such alterations are of a quality which is equal to or greater than the Base Building Work, and provided further that Tenant shall make no alterations, other than as provided below, to the electrical, plumbing or HVAC systems, nor shall any such alterations require drilling through the Building's slab floors or foundation or penetrating their roofs without Landlord's consent, such consent not to be unreasonably withheld. Tenant's request to make alterations to the Building shall be made in writing and shall describe in sufficient detail the nature of such proposed alterations and Tenant shall provide Landlord with a complete set of plans for any proposed structural

alterations for its review and approval. Tenant shall not make or suffer to be made any structural alterations of any kind, on or to the Project, or any part thereof, without the prior written consent of Landlord, which consent shall not be unreasonably withheld. Landlord shall, within thirty (30) days following Tenant's notice of proposed alterations to the Building, either approve such alterations to the Building or state the reasons for any disapproval with such additional modifications, which, if remedied by Tenant, shall result in the Landlord's approval of such proposed alterations. If the Landlord fails to respond to such notice delivered by Tenant within thirty (30) days following receipt thereof, Landlord shall be deemed to have approved Tenant's proposed alterations to the Building. Tenant shall furnish Landlord with plans and specifications for all alterations, additions or improvements which require Landlord's consent. All alterations, additions, or improvements constructed by Tenant shall be constructed in compliance with all Laws and Covenants. Tenant shall keep the Project free from any liens arising out of any work performed, materials furnished or obligations incurred by Tenant in connection with such alterations and, prior to the commencement of any such structural alterations, in the event the Intuit Guaranty is not in full force and effect, Tenant must furnish Landlord with payment and performance bonds for Tenant's contractor(s)

in amounts reasonably satisfactory to Landlord, from sureties reasonably acceptable to Landlord. Tenant may, in good faith, contest the validity of any mechanic's or materialman's lien and, pending the conclusion of such contest, Tenant shall not be deemed in default hereunder unless it fails to either pay the sums due on the lien as determined by the contest or it fails to provide to Landlord a bond or other acceptable security such that the lien is, by law, removed from the Project. Landlord shall have the right, but not the obligation, to post and keep posted on the Project any notice which Landlord may reasonably deem proper for the protection of Landlord and the Project from such liens.

ARTICLE 15 - REPAIR AND MAINTENANCE

SECTION 15.01 TENANT'S OBLIGATIONS. Except as otherwise specifically contained within this Lease, including, but not limited to, Section 8.02 hereof, and in addition to the payment of its monthly installments of Base Rent, Tenant, at its sole cost and expense, shall cause to be performed all repairs (other than repairs required herein to be made by Landlord), maintenance, replacements and, except with respect to Structural Elements (as defined in Section 15.02) for which Landlord has responsibility, required capital improvements of every kind, nature or description now or hereafter needed in, on or about the Project and each part thereof (including, but not limited to, repairs, replacements and maintenance of the major building systems), whether inside or outside, foreseen or unforeseen, and Tenant shall keep and maintain both the inside and outside of the Building and the Project in a first class condition, ordinary wear and tear and insured casualty excepted. There shall be no abatement, diminution or reduction of the fixed monthly rental because of any inconvenience, interruption, cessation or loss of business caused directly or indirectly by Tenant's obligations hereunder unless Tenant's inability to meet such obligations is caused by the acts, omissions or negligence of Landlord, its agents, contractors or employees. In addition to the foregoing, the Landlord shall be obligated to enforce all contractors' warranties and to pursue all rights and remedies which the Landlord may have against contractors for work performed by such contractors, even though pursuit of such warranty obligations may include a maintenance obligation of the Tenant under this Lease.

SECTION 15.02 LANDLORD'S OBLIGATIONS. Landlord, at its sole cost and expense, shall maintain in good condition the structural elements of the Building and shall make all structural repairs and replacements to the Building, including the structural elements of any parking deck constructed by Landlord as a portion of the Base Building Work, the roof structure (excluding the roof membrane), structural elements of the building facade, and the foundation and load bearing walls (as well as any building and utility systems, including, without limitation, plumbing, electrical and water systems located beneath or within the foundation or which are imbedded in any load bearing walls) (collectively referred to herein as the "STRUCTURAL ELEMENTS"), as Landlord's sole maintenance, repair or replacement obligation under this Lease (except as expressly set forth in Section 2.12 to the contrary), unless any such maintenance, repairs or replacements are necessitated by the acts, omissions or negligence of Tenant or its agents, contractors or invitees, in which case such obligations shall be satisfied by Tenant. Landlord shall be obligated to satisfy all Laws and Covenants with respect to the Structural Elements of the Project, unless compliance with such Laws and Covenants is Tenant's obligation, as described in Section 8.02. To the extent that the cause of any of the Landlord's maintenance, repair or replacement obligations set forth in Section 15.02 also causes any damage to related portions of the Building which would otherwise be maintained by Tenant (for example, in the event that the failure of a Structural Element necessitates a building system repair which would otherwise be the obligation of the Tenant), then such related damage shall be the obligation of the Landlord.

SECTION 15.03 REMOVAL OF FIXTURES. So long as Tenant is not in default beyond applicable grace periods, Tenant shall have the right at its option to remove any trade fixtures, machinery, equipment and tenant improvements installed by Tenant, at its cost (and not those charged against the Supplemental Allowance or the Improvement Allowance), in the Building at any time during the Term or when vacating the Building. Tenant shall not remove any Tenant Improvements unless agreed to in writing by both Landlord and Tenant, which agreement of Landlord shall not be unreasonably withheld. Tenant shall repair any damage caused to the Building by reason of the removal of such trade fixtures, machinery, equipment and tenant improvements. Any trade fixtures, machinery, equipment or tenant improvements not removed by Tenant shall be deemed the property of Landlord.

ARTICLE 16 - DAMAGE AND DESTRUCTION

SECTION 16.01 FIRE AND OTHER CASUALTY. In the event that any Building is damaged by fire or other casualty, Landlord agrees to promptly restore and repair the Building, including the Tenant Improvements, at Landlord's expense, but only to the extent Landlord actually receives sufficient insurance proceeds therefor, from the insurance required to be carried by Landlord and Tenant hereunder. Tenant agrees to immediately make available to Landlord all proceeds of any insurance policies covering the Project, excluding that portion of

insurance proceeds applicable to Tenant's personal property and Tenant shall also be obligated to pay to any insurer providing coverage the amount of any deductible, retained risk or self insurance amount. Notwithstanding the foregoing, in the event that the Building is (i) in the reasonable opinion of Third-Party Architect (as hereinafter defined), so destroyed that it cannot be repaired or rebuilt within three hundred sixty-five (365) days

after the date of such damage (subject to Force Majeure and Tenant Delays); (ii) destroyed by a casualty which is not covered by insurance, the proceeds of which are made available to Landlord in accordance with this Section 16.01, or if such casualty is covered by insurance but such proceeds are insufficient for restoration of the Project, and only if the Project is thus rendered untenantable, as determined in the reasonable discretion of Landlord and Tenant; or (iii) damaged by a casualty event during the last year of the Term which destroys more than twenty-five percent (25%) of the Rentable Area, and upon receipt by Landlord of the deductible amount and all insurance proceeds under the coverages to be provided for casualty damage under Article 10, then Landlord or Tenant may terminate and cancel this Lease effective as of the date of such casualty by giving written notice to the other party within thirty (30) days of the date of such casualty. Upon the giving of such notice, all obligations hereunder with respect to periods from and after the effective date of termination shall thereupon cease and terminate except as expressly provided to the contrary in this Lease. Tenant may obviate Landlord's right to terminate this Lease in accordance with the provisions of Section 16.01 (iii) in the event that the Tenant properly exercises a right to renew the Term expressly granted in accordance with the terms of this Lease. If no such notice is given, Landlord shall, to the extent of the available insurance proceeds, make such repair or restoration of the Building to substantially the same condition existing prior to such casualty, promptly and in such manner as not to unreasonably interfere with Tenant's use and occupancy of the Project (if Tenant is still occupying the Project). Base Rent and all Additional Rent and other charges shall abate during the time that the Building or any part thereof is unusable by reason of any such damage thereto (and for sixty (60) days following completion of restoration for the purpose of Tenant refixturing), but only to the extent of any proceeds of rental loss insurance received by Landlord on account thereof. Tenant shall not be entitled to any compensation or damages for loss of use of the whole or any part of the Project and/or any inconvenience or annoyance caused by such damage, repair or restoration. Notwithstanding anything to the contrary contained herein, proceeds of any rental loss insurance policies shall be paid to Landlord, and Tenant shall have no claim therefor.

SECTION 16.02 THIRD-PARTY ARCHITECT. For purposes of this Lease, the term "THIRD-PARTY ARCHITECT" shall mean an AIA designated architect licensed in the State of Texas selected reasonably in good faith by Landlord and Tenant solely for the purpose of determining certain time periods for restoration or costs in question under this Lease including, but not limited to, the provisions of this Article 16. The cost of such Third-Party Architect shall be shared equally by Landlord and Tenant. In the event that the Landlord and Tenant cannot agree upon the identity of the Third-Party Architect within fifteen (15) days following a request for determination by the Third-Party Architect issued by either Landlord or Tenant, then, upon request of either Landlord or Tenant, the president of the local chapter of the AIA representative board shall appoint the Third-Party Architect who shall not be affiliated with either Landlord or Tenant and shall be experienced in commercial construction for purposes of determining the cost or period of time required for such restoration or replacement, which appointment shall be binding upon Landlord and Tenant. The Third-Party Architect shall be directed, upon request to determine any period of time or cost hereunder to make such determination within fifteen (15) days following receipt of such request for a determination by Landlord or Tenant. Any decision rendered by the Third-Party Architect requested in accordance with this Lease shall be binding upon the Landlord and Tenant.

ARTICLE 17 - CONDEMNATION

SECTION 17.01 TAKINGS.

(a) If all of the Project is taken or condemned for a public or quasi-public use, or if a material portion (defined as twenty percent (20%) or more of the Project and/or the parking area) of the Project is taken or condemned for a public or quasi-public use and the remaining portion thereof is not usable by Tenant in the reasonable opinion of Landlord and Tenant, this Lease shall terminate on the sixtieth (60th) day following such taking. In such event, the Base Rent herein reserved and all additional rent and other sums payable hereunder shall be apportioned and paid in full by Tenant to Landlord to that date and all Base Rent, additional rent and other sums payable hereunder prepaid for periods beyond that date shall forthwith be repaid by Landlord to Tenant, and neither party shall thereafter have any liability hereunder, except that any obligation or liability of either party, actual or contingent, under this Lease which has accrued on or prior to such termination date shall survive.

(b) If less than twenty percent (20%) of the Project and/or the Parking is taken or condemned for a public or quasi-public use and this Lease does not terminate pursuant to Section 17.01 (a) and Tenant can occupy and reasonably use for its intended purposes the remaining portion of the Project, Landlord, to the extent of the award it receives, shall restore the Project to a condition and to a size as nearly comparable as reasonably possible to the condition and size thereof immediately prior to the taking, and there shall be a proportionate reduction to the Base Rent according to the size of the Project before and after the taking.

(c) Landlord shall be entitled to receive the entire award in any proceeding with respect to any taking provided for in this Section 17.01, without deduction therefrom for any estate vested in Tenant by this Lease, and Tenant shall receive no part of such award, except any part of the award specifically designed to compensate Tenant's costs of moving and business interruption. Nothing herein contained shall be deemed to prohibit Tenant from making a separate claim, against the condemnor, to the extent permitted by law, for Tenant's moveable trade fixtures, machinery and moving expenses, provided that the making of such claim shall not and does not adversely affect or diminish Landlord's award.

(d) Landlord has no actual or constructive knowledge of any pending or threatened condemnation proceeding.

ARTICLE 18 - ENTRY BY LANDLORD

SECTION 18.01 REASONABLE ACCESS. Subject to Tenant's reasonable security procedures, Tenant agrees to permit Landlord and the authorized representatives of Landlord and of Lender to enter upon the Project during normal business hours (except in the event of emergency) for the purposes of inspecting the Project and Tenant's compliance with this Lease, and making any necessary repairs thereto; provided that, except in the case of an emergency, Landlord shall give

Tenant twenty-four (24) hours prior written notice of Landlord's intended entry upon the Project. Nothing herein shall imply any duty upon the part of Landlord to do any work required of Tenant hereunder, and the performance thereof by Landlord shall not constitute a waiver of Tenant's default in failing to perform it. Except in the event of negligence by Landlord, its agents, employees or contractors, Landlord shall not be liable for inconvenience, annoyance, disturbance or other damage to Tenant by reason of making such repairs or the performance of such work in the Project or on account of bringing materials, supplies and equipment into or through the Project during the course thereof, and the obligations of Tenant under this Lease shall not thereby be affected; provided, however that Landlord shall use reasonable efforts not to annoy, disturb or otherwise interfere with Tenant's operations in the Building in making such repairs or performing such work. Landlord also shall have the right to enter the Project at all reasonable times to exhibit the Project to any prospective purchaser or lender thereof, after reasonable prior written notice to Tenant.

ARTICLE 19 - ASSIGNMENT AND SUBLETTING

SECTION 19.01 ASSIGNMENT AND SUBLETTING.

(a) Upon the receipt of Landlord's consent which shall not be unreasonably withheld, Tenant shall have the right to assign or sublet all or any part of the Project provided that such assignee assumes in writing the obligations of Tenant under this Lease, or in the event of a sublease, the sublessee agrees to subordinate to and be subject to the terms of this Lease. Tenant shall provide Landlord written notice of any proposed assignment or subletting, with sufficient detail to apprise Landlord of the material terms of such assignment of subletting transaction. Within thirty (30) days following receipt of such written notice, Landlord shall either disapprove or approve such proposed assignment or subletting transaction, which approval shall not be unreasonably withheld. In the event that Landlord fails to respond to such notice delivered by the Tenant within thirty (30) days following receipt of such written notice, Landlord shall be deemed to have approved the proposed assignment or subletting transaction proposed by the Tenant. Notwithstanding any assignment or subletting hereunder, unless expressly set forth in this Article 19 to the contrary, Lacerte and Intuit shall remain liable for the performance of all of the obligations of Tenant hereunder. Such right of assignment or subletting by Tenant may also be exercised by any subtenant or assignee of Tenant which has been previously approved by the Landlord, provided at the time of exercise of such assignment or subletting Guarantor has an "Investment Grade Credit Rating." For purpose of this Lease the term "INVESTMENT GRADE CREDIT RATING" shall mean a credit rating, either on corporate credit or issuances of indebtedness, for the four (4) most recent fiscal year quarters, as issued by (i) Standard & Poor's Rating Services equal to or greater than BBB or (ii) Moody's Investors Services, Inc. equal to or greater than Baa.

(b) Notwithstanding the foregoing, Tenant shall have the right to assign this Lease or sublet all or any part of the Project to any entity which

controls, is controlled by, or is in common control of, Lacerte or Intuit (hereinafter referred to as a "Related Party"). Any assignment or subletting to such Related Party shall not require consent of the Landlord, but Tenant shall be obligated to supply Landlord with written notice of such assignment or subletting, and evidence of the assumption of Tenant's obligations under this Lease. Such Related Party assignment or

subletting shall not relieve Lacerte or Intuit, or their legal successor or acquiring company, of any liability or obligations under this Lease. If, at any time during the Term of this Lease, Intuit ceases to exist, Landlord shall have the right to approve any assignment or subletting transaction entered into thereafter unless the Guarantor has an Investment Grade Credit Rating, in which event no approval by Landlord is required. Any purported assignment or subletting which requires Landlord's consent shall be null and void if made without such consent.

SECTION 19.02 ASSIGNMENT BY LANDLORD. Landlord covenants that it shall not sell or assign its interest in the Project prior to Substantial Completion, except for any collateral assignment to the Lender. Upon Substantial Completion, Landlord shall have the right to sell, transfer or assign its interest hereunder without the prior consent of Tenant, provided that such purchaser, transferee or assignee assumes, in writing, Landlord's obligations and liabilities, including any then unfulfilled financial obligation of Landlord to Tenant hereunder. After such sale, transfer or assignment, Tenant shall attorn to the new landlord and KCD and Koll shall be released from all obligations hereunder accruing after the date of such sale, transfer or assignment.

SECTION 19.03 NO RIGHT TO RIGHT OF ASSIGNMENT/SUBLEASE INDEPENDENT OF LEASE. Tenant's (or any subtenant's or assignee's) right to sublease or assign the Lease shall not be conveyed independently of an assignment or sublease without the consent of Landlord.

SECTION 19.04 NO RIGHT TO SEEK EXTENSION UNDER 11 U.S.C. Section 365(d). Tenant agrees not to seek any extension of time to assume or reject the Lease in the event of Tenant's (or any subtenant's or assignee's) bankruptcy proceeding without the consent of Landlord greater than sixty (60) days from the date of filing any bankruptcy petition.

ARTICLE 20 - SUBORDINATION AND LENDER AGREEMENTS.

SECTION 20.01 LENDER AND MORTGAGES.

(a) For purposes of this Lease:

(i) "LENDER" as used herein means the current holder of a Mortgage;

(ii) "MORTGAGE" as used herein means any or all mortgages, deeds to secure debt, deeds of trust or other instruments in the nature thereof which may now or hereafter affect or encumber Landlord's title to the Project, and any amendments, modifications, extensions or renewals thereof.

(b) This Lease and all rights of Tenant hereunder are and shall be subject and subordinate to the lien and security interest of any Mortgage. Tenant recognizes and acknowledges the right of Lender to foreclose or exercise the power of sale against the Project under any Mortgage, provided that Tenant's right of quiet enjoyment shall not be disturbed unless and until an Event of Default occurs under this Lease. As a condition of such subordination, Landlord shall cause Lender (and all

future lenders) to execute a subordination and nondisturbance agreement (the "SNDA") in substantially the form attached hereto as Exhibit "F" (or in such other form as is mutually acceptable to Lender, Landlord and Tenant), and shall cause Lender to deliver a fully executed counterpart to Tenant. The SNDA shall contain provisions acceptable to Lender and Tenant covering rights and obligations of Lender and Tenant in the event of a foreclosure of Landlord's interest in the Project.

(c) Tenant shall, in confirmation of the subordination set forth in Section 20.01(6) and notwithstanding the fact that such subordination is self-operative, and no further instrument or subordination shall be necessary, within a reasonable period from receipt of written notice, at any time or times, execute, acknowledge, and deliver to Landlord or to Lender reasonable instruments mutually agreed upon by Landlord, Tenant and Lender to evidence such subordination.

(d) Tenant shall, upon reasonable request, at any time or times, execute, acknowledge, and deliver to Lender and all future lenders, a subordination and nondisturbance agreement in substantially the form attached hereto as Exhibit "F." contingent upon Landlord's and Lender's simultaneous execution of same.

(e) If Lender (or Lender's nominee, or other purchaser at foreclosure) shall hereafter succeed to the rights of Landlord under this Lease, whether through possession or foreclosure action or delivery of a new lease, Tenant shall, if requested by such successor, attorn to and recognize such successor as Tenant's landlord under this Lease without change in the terms and provisions of this Lease, provided that such successor shall not be bound by any payment of Base Rent for more than one month in advance, except prepayments in the nature of security for the performance by Tenant of its obligations under this Lease, and then only if such prepayments have been deposited with and are under the control of such successor. Tenant shall promptly execute and deliver any reasonable instrument that may be necessary to evidence such attornment.

SECTION 20.02 ESTOPPEL. Tenant and Landlord agree, at any time, and from time to time, within twenty (20) days after written request of the other, to execute, acknowledge and deliver a statement in writing ("ESTOPPEL CERTIFICATE") in recordable form to the other party and/or its designee in form and content mutually satisfactory to Tenant, Lender and Landlord (or successor owner, if any), certifying that: (i) if such should be the case, this Lease is unmodified and in full force and effect (or, if there have been modifications, that the same is in full force and effect, as modified if such be the case), (ii) the dates to which Base Rent, and other charges have been paid, (iii) whether or not, to the best knowledge of the signer of such certificate, there exists any failure by the requesting party to perform any term, covenant or condition contained in this Lease, and, if so, specifying each such failure of which the signer may have knowledge, (iv) (if such be the case) Tenant has accepted the Project and is conducting its business therein, and (v) as to such additional matters as may be reasonably requested, and being in fact true, it being intended that any such statement delivered pursuant hereto may be relied upon by Landlord, Tenant and Tenant's successors and by any purchaser of title to the Project or by any mortgagee or any assignee thereof or any party to any sale-leaseback of the Project, or the landlord under a ground lease affecting the Project.

ARTICLE 21 - DEFAULT AND REMEDIES

SECTION 21.01 DEFAULTS.

(a) The occurrence of any one or more of the following events shall constitute an "Event of Default" of Tenant under this Lease:

(i) if Tenant fails to pay Base Rent, Additional Rent or any other sum due hereunder as and when such rent or other sum becomes due and such failure shall continue for more than ten (10) days after receipt of written notice from Landlord of such failure;

(ii) if Tenant permits to be done anything which creates a lien upon the Project and fails to discharge such lien, bond such lien or post security with Landlord reasonably acceptable to Landlord within thirty (30) days after receipt by Tenant of written notice thereof;

(iii) if Tenant fails to maintain in force all policies of insurance required by this Lease and such failure shall continue for more than ten (10) days after Landlord gives Tenant written notice of such failure;

(iv) if any petition is filed by or against Tenant or Guarantor under any present or future section or chapter of the Bankruptcy Code, or under any similar law or statute of the United States or any state thereof (which, in the case of an involuntary proceeding, is not permanently discharged, dismissed, stayed, or vacated, as the case may be, within ninety (90) days of commencement), or if any order for relief shall be entered against Tenant or the Guarantor in any such proceedings;

(v) if Tenant or Guarantor becomes insolvent or makes a transfer in fraud of creditors or makes an assignment for the benefit of creditors;

(vi) if a receiver, custodian, or trustee is appointed for Tenant's interest in the Project or for all or substantially all of the assets of Tenant or Guarantor, which appointment is not vacated within ninety (90) days following the date of such appointment;

(vii) if Tenant fails to perform or observe any other term of this Lease and such failure shall continue for more than thirty (30) days after Landlord gives Tenant written notice of such failure, or, if such failure cannot be corrected within such thirty (30) day period, if Tenant does not commence to correct such default within said thirty (30) day period and thereafter diligently prosecute the correction of

same to completion within a reasonable time;

(viii) if Guarantor fails to perform or observe any other term or provision of this Lease and such failure shall continue for more than thirty (30) days after Landlord gives Guarantor written notice of such failure, or, if such failure cannot be corrected within such thirty (30) day period, if Guarantor does not commence to correct such default within said thirty (30) day period and thereafter diligently prosecutes the correction of same to completion within a reasonable time;

(ix) if Tenant notifies Landlord in writing that it does not intend to occupy the Project and/or will not commence payment of Base Rent; or

(x) if Guarantor fails to execute the Intuit Guaranty simultaneously with the execution of this Lease, or if the Guarantor fails to perform or observe any term or provision of the Intuit Guaranty and such failure shall continue for more than thirty (30) days after Landlord gives Guarantor written notice of such failure, or, if such failure cannot be corrected within such thirty (30) day period, if Guarantor does not commence to cure such default within said thirty (30) day period and thereafter does not prosecute the correction of same to completion within a reasonable amount of time.

Landlord agrees that it shall accept a cure by the Guarantor of any default by the Tenant hereunder prior to the date such default has become an Event of Default.

SECTION 21.02 REMEDIES.

(a) Upon the occurrence of any one or more Events of Default, Landlord may, at Landlord's option, without any demand or notice whatsoever (except as expressly required in this Section 21.02):

(i) Continue this Lease in full force and effect, and Landlord shall have the right to collect Base Rent and other sums when due; or

(ii) Terminate Tenant's right to possession of the Project at any time by giving written notice to that effect, and relet the Project or any part thereof. On the giving of the notice, all of Tenant's rights in the Project shall terminate. Upon such termination, Tenant shall surrender and vacate the Project in good condition, ordinary wear and tear excepted, within sixty (60) days of the date of the notice, and Landlord may re-enter and take possession of the Project in accordance with applicable law. Any termination under this Section 21.02 shall not release Tenant from the payment of any sum then due Landlord or from any claim for damages or Base Rent or other sum previously accrued or then accruing against Tenant. Upon such termination Tenant shall be liable immediately to Landlord for all reasonable costs Landlord incurs in reletting the Project or any part thereof, including, without limitation, broker's commissions, expenses of cleaning and reasonable costs and expenses for redecorating the Project required by the reletting, reasonable attorneys' fees actually incurred and like costs. Such costs shall be due and payable twenty (20) days after

written demand for, and verification of, such costs are provided to Tenant. Reletting may be for a period shorter or longer than the remaining Term of this Lease. In the event such reletting is for a period longer than the remaining Term of this Lease, such costs shall be allocated based upon the ratio that the remaining Term of this Lease bears to the term of the reletting, unless such costs would not have been incurred but for Tenant's breach of the Lease. No act by Landlord other than giving express written notice of termination to Tenant shall terminate this Lease. Acts of maintenance, efforts to relet the Project permitted hereunder or the appointment of a receiver on Landlord's initiative to protect Landlord's interest under this Lease shall not constitute a termination of Tenant's right to possession. On termination, Landlord has the right, at Tenant's cost and without liability for the loss thereof or damage thereto, if Tenant has left any personal property or the Project, to remove all Tenant's personal property, which shall be deemed to have been abandoned by Tenant, and either store same or otherwise dispose of same in Landlord's sole and absolute discretion. Landlord and Tenant hereby acknowledge that in the event of such a termination, actual damages to Landlord may be difficult to ascertain and, accordingly, hereby agree that in such event, the net present value of the Base Rent due from the date of such termination to the expiration date of the Term or any extension, if exercised (the "EXPIRATION DATE"), discounted at five percent (5%) per annum, shall thereupon be due and payable to Landlord as liquidated

damages within twenty (20) days after written notice therefor to compensate Landlord for Tenant's default and such termination. Such liquidated damages and costs shall be reduced (but not below zero) by the amount of rentals which Landlord has received at the time of payment by Tenant. In addition, Landlord shall reimburse Tenant (but not in excess of such liquidated damages and costs) the amount of rentals which Landlord receives as a result of its duty to mitigate set forth in subsection (f) of this Section 21.02 for the remaining Term of the Lease (without consideration of any renewal options), which payment by Landlord to Tenant shall be reduced by any reasonable costs, fees and expenses including brokerage commissions and refurbishment costs, incurred by Landlord in the exercise of its duty to mitigate hereunder)]. Rentals received by the Landlord after the aforesaid payments by Tenant (but not in excess of Tenant's payment of such liquidated damages and payment of Landlord's costs hereunder) for any period of time prior to the date that would have been the expiration date of this Lease had this Lease not been terminated, shall be immediately due and payable by Landlord to Tenant, and costs incurred by Landlord for reletting for a period longer than the remaining Term of this Lease shall be allocated as provided hereinabove, unless such costs would not have been incurred but for Tenant's breach of the Lease. Tenant waives redemption or relief from forfeiture under any other present or future law, in the event Tenant is evicted or Landlord takes possession of the Project by reason of any default of Tenant hereunder; or

(iii) Without terminating this Lease, and without terminating Tenant's obligation to pay all sums due and owing hereunder, including, without limitation, Base Rent and other sums due hereunder, in its own name but as agent for Tenant enter into and upon and take possession of the Project or any part thereof. Any property remaining in the Project may be removed and stored in a warehouse or elsewhere at the cost of, and for the account of Tenant

without Landlord being deemed guilty of trespass or becoming liable for any loss or damage which may be occasioned thereby unless caused by Landlord's negligence. Thereafter, Landlord shall exercise commercially reasonable efforts to, in accordance with Section 21.02(f), lease to a third party the Project or any portion thereof as the agent of Tenant upon such terms and conditions as Landlord may deem necessary or desirable in order to relet the Project. The remainder of any rentals actually received by Landlord from such reletting, after the payment of any indebtedness due hereunder from Tenant to Landlord, and the payment of any costs and expenses of such reletting, shall be held by Landlord to the extent of and for application in payment of future rent owed by Tenant, if any, as the same may become due and payable hereunder. If such rentals received from such reletting shall at any time or from time to time be less than sufficient to pay to Landlord the entire sums then due from Tenant hereunder, Tenant shall pay any such deficiency to Landlord. Notwithstanding any such reletting without termination, Landlord may at any time thereafter elect to terminate this Lease for any such previous default provided same has not been cured; or

(iv) Without terminating this Lease, and with or without notice to Tenant, enter into and upon the Project and without being liable for prosecution or any claim for damages therefor, maintain the Project and repair or replace any damage thereto or do anything or make any payment for which Tenant is responsible hereunder. Tenant shall reimburse Landlord immediately upon demand for any expenses which Landlord incurs in thus effecting Tenant's compliance under this Lease and Landlord shall not be liable to Tenant for any damages with respect thereto.

(v) Without liability to Tenant or any other party and without constituting a constructive or actual eviction, suspend or discontinue furnishing or rendering to Tenant any property, material, labor, utilities or other service, wherever Landlord is obligated to furnish or render the same so long as Tenant is in default under this Lease; or

(vi) Without terminating this Lease, immediately cease all construction work required to be performed by Landlord pursuant to the terms of this Lease and/or allow the Project to remain unoccupied and /or incomplete until the Event of Default is cured to the reasonable satisfaction of Landlord (which right to cure such Event of Default is subject to the consent of Landlord, which consent shall not be unreasonably withheld), and collect rent from Tenant as it comes due (for purposes of this provision, Base Rent shall commence on the date which Tenant commits an Event of Default); or

(vii) Fulfill any obligation of Tenant under this Lease, including, without limitation, the payment of insurance premiums or obtaining insurance policies required under this Lease, and Tenant shall reimburse Landlord upon demand for all costs, expenses and/or premiums paid by Landlord; or

(viii) Pursue such other remedies as are available at law or in equity.

(b) If this Lease shall terminate as a result of or while there exists an Event of Default hereunder, any funds of Tenant held by Landlord may be applied by Landlord to any damages payable by Tenant (whether provided for herein or by law) as a result of such termination or default.

(c) Neither the commencement of any action or proceeding, nor the settlement thereof, nor entry of judgment thereon shall bar Landlord from bringing subsequent actions or proceedings from time to time, nor shall the failure to include in any action or proceeding any sum or sums then due be a bar to the maintenance of any subsequent actions or proceedings for the recovery of such sum or sums so omitted.

(d) No agreement to accept a surrender of the Project and no act or omission by Landlord or Landlord's agents during the Term shall constitute an acceptance or surrender of the Project unless made in writing and signed by Landlord. No re-entry or taking possession of the Project by Landlord pursuant to this Section 21.02 shall constitute an election by Landlord to terminate this Lease unless a written notice of such intention is given to Tenant. Landlord's acceptance of Base Rent or other sums in full or in part following an Event of Default hereunder shall not be construed as a waiver of such Event of Default. No custom or practice which may come to exist between the parties in connection with the terms of this Lease shall be construed to waive or lessen either party's right to insist upon strict performance of the terms of this Lease, without a written notice thereof to the other party.

(e) If an Event of Default shall occur, Tenant shall pay to Landlord, on demand, all expenses incurred by Landlord as a result thereof, including reasonable attorneys' fees, court costs and expenses actually incurred.

(f) Landlord's and Tenant's rights pursuant to this Section 21.02, including, without limitation, Landlord's rights to collect Base Rent and other charges due under this Lease, shall survive any termination of this Lease. Notwithstanding anything to the contrary contained herein, Landlord and Tenant hereby agree that Landlord shall have a duty to reasonably mitigate or attempt to offset any damages which are or may be suffered by Landlord as a result of any default of Tenant under this Lease in accordance with and to the extent required by Texas law. Any payment by Tenant of a sum of money less than the entire amount due Landlord at the time of such payment shall be applied to the obligations that are then furthest in arrears. No endorsement or statement on any check or accompanying any payment shall be deemed an accord and satisfaction and any payment accepted by Landlord shall be without prejudice to Landlord's right to obtain the balance due or pursue any other remedy available to Landlord both in law and in equity.

(g) Upon occurrence of an uncured Event of Default, Tenant's rights to sublease or assign under Section 19.01 of this Lease shall immediately terminate.

(h) Notwithstanding anything contained herein to the contrary, upon the occurrence of an Event of Default, Landlord shall not have the right to dispossess Tenant from the Project without judicial process and Landlord shall specifically have no right of commercial lock-out without the benefit of judicial review.

SECTION 21.03 LANDLORD'S DEFAULT.

(a) (i) If prior to Substantial Completion, and as an alternative to recourse under the Completion Guaranty, Landlord defaults in the performance or observance of any provision of this Lease or the Covenants (including, but not limited to, the failure to deliver to Tenant an executed original of the Completion Guaranty), Tenant may, at its option, give Landlord and Lender written notice specifying in what manner Landlord has defaulted, provided that Tenant's failure, if any, to give such notice shall not be deemed to be a waiver by Tenant of such default. If such default shall not have been cured by Landlord or its Lender within thirty (30) days after the receipt of such notice (except that if such default cannot be cured within said thirty (30) day period, this period shall be extended for a reasonable additional time provided that Landlord or its Lender commences to cure such default within the thirty (30) day period and diligently proceeds to effect such cure), Tenant may cure such default and Landlord shall reimburse Tenant within twenty (20) days after receipt of a certified invoice from Tenant accompanied by applicable bills for any reasonable amount paid and any reasonable expense or contractual liability incurred with interest at the Specified Rate accruing from the date of payment by Tenant to the date of

reimbursement by Landlord; provided, however, Tenant hereby expressly waives any right to claim or collect consequential or punitive damages therefor and waives all other remedies except for those specifically made available in this Section 21.03 to Tenant for the respective default by Landlord. If Landlord fails to reimburse Tenant within the time period specified herein, Tenant may offset the amounts required to be reimbursed against the next following payments of Base Rent and/or Additional Rent, plus interest at the Specified Rate accrued to the date of offset, against subsequent payments of Base Rent and/or Additional Rent until such amounts have been reimbursed in full; provided, however, such offset shall be limited to 25% of the Base Rent and/or Additional Rent due and payable each month throughout the then existing Term of this Lease, but in the event such percentage limitation will not enable Tenant to be fully reimbursed prior to the expiration of the then existing Term of this Lease, then the amount required to be reimbursed shall be divided by the number of months remaining in the then existing Term of this Lease, and the quotient thereof, plus accrued interest at the Specified Rate shall be offset against the monthly payments of Base Rent and/or Additional Rent over the remainder of the then existing Term of this Lease.

(ii) The foregoing provisions to the contrary notwithstanding, in the event that subsequent to Substantial Completion, Landlord defaults in the performance or observance of any provision of this lease, beyond any applicable cure period, tenant may cure such default and Landlord shall reimburse Tenant within thirty (30) days after receipt of a certified invoice from Tenant accompanied by applicable bills for any reasonable amount paid and any reasonable expense or contractual liability incurred, with interest at the Specified Rate accruing from the date of payment by Tenant to the date of reimbursement by Landlord and if Landlord fails to reimburse

Tenant within such time period, Tenant may offset the amounts required to be reimbursed, plus interest at the Specified Rate accrued to the date of offset, against subsequent payments of Base Rent and/or Additional Rent until such amounts have been reimbursed in full; provided, however, such offset shall be limited to 25% of the Base Rent and/or Additional Rent due and payable each month throughout the then existing Term of this Lease, but in the event such percentage limitation will not enable Tenant to be fully reimbursed prior to the expiration of the then existing Term of this Lease as of the date the reimbursement is due and payable, then the amount required to be reimbursed shall be divided by the number of months remaining in the then existing Term of this Lease, and the quotient thereof, plus accrued interest at the Specified Rate shall be offset against the monthly payments of Base Rent and/or Additional Rent over the remainder of the then existing Term of this Lease. In the event that Tenant determines, in the exercise of its good faith reasonable judgment, that the remedy of self help and offset is either unavailable or inadequate, then Tenant may institute a proceeding for specific performance against Landlord and/or for a declaratory judgment with the appropriate legal or equitable remedies, and in the event that Tenant determines, again in the exercise of its good faith reasonable judgment, that the remedy of specific performance and/or declaratory judgment is either unavailable or inadequate, Tenant may plead in the alternative for actual damages (and Tenant hereby expressly waives any right to claim or collect consequential or punitive damages), which damages shall be limited to the lesser of Landlord's equity in the Project or the sum of $5,000,000.00.

(b) Except as otherwise provided in Section 21.03(c) and (d), and in addition to recourse under the Completion Guaranty, in the event of Landlord's failure to achieve Substantial Completion by the date set forth in the Development Schedule, as may be extended by Force Majeure and Tenant Delays, Landlord shall be obligated, as liquidated damages and Tenant's sole and exclusive remedy for such delay, to pay to Tenant the sum of Eight Thousand and No/100 Dollars ($8,000.00) for each day that the Landlord fails to achieve Substantial Completion, until the date Landlord achieves Substantial Completion. At Landlord's election, such liquidated damage sum may be paid to Tenant in the form of a rental credit upon the commencement of payment of Base Rent. The parties acknowledge and agree that the damages that the Tenant will incur in such event are difficult to determine or ascertain with certainty as of the time of the signing of this Lease and that the amount of liquidated damages provided for herein is not intended as a penalty but, instead, represents their best reasonable estimate, based on the information available to them, of the damages that would be incurred and which shall be payable by Landlord in that event to compensate Tenant as damages resulting from such event.

(c) In lieu of the remedies set forth in Section 21.03(a)(i) and (b), as an alternative to recourse under the Completion Guaranty, in the event that the Landlord fails to complete the following elements of the Project in accordance

with the dates set forth below, subject to Force Majeure and Tenant Delays, the Tenant may, at Tenant's sole discretion and upon thirty (30) days prior written notice to Landlord and as its sole and exclusive remedy (except as provided in subsection (v) below), terminate this Lease in which event neither Tenant nor Landlord shall have any further obligation hereunder, one to the other:

(i) Landlord fails to deliver to Tenant an executed original of the Completion Guaranty within fifteen (15) days of the date of this Lease;

(ii) Landlord's failure to acquire title to the Phase I Property (subject only to the Permitted Exceptions and such other exceptions permitted by Section 1.01(b)) on or before the date which is ninety (90) days following the date set forth for such event in the Development Schedule;

(iii) Landlord fails to commence the site work for the Project on or before the date which is one hundred fifty (150) days following the date set forth for such event in the Development Schedule;

(iv) Landlord fails to complete the "dry-in" of the Building on or before the date which is one hundred fifty (150) days following the date set forth for such event in the Development Schedule; or

(v) Landlord fails to achieve Substantial Completion within one hundred fifty (150) days following the date set forth for such event in the Development Schedule, in which event Tenant shall also be entitled to exercise the remedy in Section 21.03(d) below.

(d) In the event that the Landlord fails to achieve Substantial Completion within one hundred fifty (150) days following the date set forth for such event in the Development Schedule, subject to Force Majeure and Tenant Delays, provided the Lease has then been terminated pursuant to subsection (c) above, Landlord shall pay to Tenant as liquidated damages the amount of Five Hundred Thousand and No/100 Dollars ($500,000.00) to compensate Tenant for damages it will incur due to Landlord's failure to timely complete the Project. The parties acknowledge and agree that the damages that the Tenant will incur in such event are difficult to determine or ascertain with certainty as of the time of the signing of this Lease and that the amount of liquidated damages provided for herein is not intended as a penalty but, instead, represents their best reasonable estimate, based on the information available to them, of the damages that would be incurred and which shall be payable by Landlord in that event to compensate Tenant as damages resulting from such event.

SECTION 21.04 WAIVER. The waiver by either party of any default of the failure to insist upon strict compliance with any provision hereof, shall not be deemed to be a waiver of any subsequent default under the same, or under any other term, covenant or condition of this Lease. The subsequent acceptance of any rent by Landlord shall not be deemed to be a waiver of any preceding default by Tenant under any term, covenant or condition of this Lease, other than the failure of Tenant to pay the particular rent so accepted, regardless of Landlord's knowledge of such preceding default at the time of acceptance of such Rent.

ARTICLE 22 - NOTICES

Any notice required to be delivered hereunder must be in writing and shall be deemed to be delivered when actually received or on the date attempted to deliver and refused, after (i) being sent by a recognized, bonded, national, overnight courier service; (ii) deposited in the United States mail, postage prepaid, certified mail, return receipt requested; or (iii) sent by telecopy ("FAX") during normal business hours in which case it shall be deemed delivered on the day sent, provided an original is received by the addressee after being sent by a nationally recognized overnight courier within one (1) business day of the Fax, addressed to Landlord or Tenant at their addresses specified hereunder, respectively, or at such other address as specified by written notice by either party.

If to Landlord: KCD-TX I INVESTMENT LIMITED PARTNERSHIP
8411 Preston Road
Suite 700
Dallas, Texas 75225
Attn: Steven W. Van Amburgh

w/a copy to: Kane, Russell, Coleman & Logan, P.C.
3700 Thanksgiving Tower
1601 Elm Street
Dallas, Texas 75201

Attn: Raymond J. Kane

If to Tenant:
(before Term Commencement Date)

Lacerte Software Corporation
13155 Noel Road, Suite 2200
Dallas, Texas 75240
Attn: Mark Portner, General Counsel

(and, after the Term Commencement Date to the attention of the General Counsel at the Project address)

with a copy to: Intuit Inc.
2550 Garcia Avenue
Mountain View, California 94043-7850
Attn: Catherine L. Valentine, General Counsel

w/a copy to: Calhoun & Stacy, P.L.L.C.
901 Main Street, Suite 5700
Dallas, Texas 75202-3713
Attn: Thomas E. Rosen

ARTICLE 23 - BROKER'S COMMISSIONS

SECTION 23.01 BROKER'S COMMISSION. Each party hereto represents that it has not dealt with any real estate broker or agent in connection with the negotiation of this Lease or the leasing of the Building except for The Staubach Company (the "BROKER"), who shall be compensated by Landlord for the transactions contemplated by this Lease (including, but not limited to, any renewals hereof and/or any Project Expansions) pursuant to a written Commission Agreement, a copy of which is attached hereto as Exhibit "G," and that no commissions are due any party other than Broker in connection with the transactions contemplated by this Lease. Each party shall hold the other harmless from all damages resulting from any claims that may be asserted against the other party by any broker, finder, or other person or entity with whom the other party has dealt (other than Broker).

ARTICLE 24 - ENVIRONMENTAL MATTERS

SECTION 24.01 HAZARDOUS SUBSTANCES CONTAMINATION.

(a) For purposes of this Lease:

(i) "CONTAMINATION" as used herein means the uncontained or uncontrolled presence of or release of Hazardous Substances (as hereinafter defined) into any environmental media from, upon, within, below, into or on any portion of the Project or the Building, so as to require remediation, cleanup or investigation under any applicable Environmental Law (as hereinafter defined).

(ii) "ENVIRONMENTAL LAWS" as used herein means all federal, state, and local laws, regulations, orders, permits, ordinances or other requirements, concerning protection of human health, safety and the environment, all as may be amended from time to time.

(iii) "HAZARDOUS SUBSTANCES" as used herein means any hazardous or toxic substance, material, chemical, pollutant, contaminant or waste as those terms are defined by any applicable Environmental Laws [including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. 9601 et seq. ("CERCLA") and the Resource Conservation and Recovery Act, 42 U.S.C. 6901 et seq. ("RCRA")] and any solid wastes, polychlorinated biphenyls, urea formaldehyde, asbestos, radioactive materials, radon, explosives, petroleum products and oil.

(b) Landlord represents and covenants that Landlord has not treated, stored or disposed of any Hazardous Substances upon or within the Project, nor shall Hazardous Substances be used in connection with the construction of the Building (except as normally utilized in construction of similar projects), nor, to Landlord's current, actual knowledge, has any predecessor owner of the Project stored, treated or disposed of Hazardous Substances upon or within the Project. Landlord's

investigation and knowledge with respect to the environmental condition of the Real Property shall be limited to the content of that certain Phase I Environmental Report No. 94007041 A dated January 27, 2000 and prepared by HBC Engineering, Inc.

(c) Tenant represents and covenants that all its activities on the Project and the Building, during the course of this Lease will be conducted in compliance with Environmental Laws. Tenant warrants to the best of Tenant's actual knowledge that it is currently in compliance with all applicable Environmental Laws and that there are no pending or threatened notices of deficiency, notices of violation, orders, or judicial or administrative actions involving alleged violations by Tenant of any Environmental Laws. Tenant, at Tenant's sole cost and expense, shall be responsible for obtaining all permits or licenses or approvals under Environmental Laws necessary for Tenant's operation of its business on the Project and shall make all notifications and registrations required by any applicable Environmental Laws. Tenant, at Tenant's sole cost and expense, shall at all times comply with the terms and conditions of all such permits, licenses, approvals, notifications and registrations and with any other applicable Environmental Laws. Tenant covenants that it will obtain all such permits, licenses or approvals and make all such notifications and registrations required by any applicable Environmental Laws necessary for Tenant's operation of its business on the Project. Tenant shall not, however, be required to obtain any permits, licenses, approvals, notifications or registrations related to the construction of the Building.

(d) Tenant shall not cause or permit any Hazardous Substances to be brought upon, kept or used in or about the Project or the Building, without the prior written consent of Landlord, which consent shall not be unreasonably withheld; provided, however, that the consent of Landlord shall not be required for the use at the Project of cleaning supplies, toner for photocopying machines and other similar materials, as well as other substances typically used in Tenant's business that might otherwise be considered Hazardous Substances, in containers and quantities reasonably necessary for and consistent with normal and ordinary use by Tenant, at the Project, in the routine operation of Tenant's business or maintenance of Tenant's office or in the routine janitorial service, cleaning and maintenance for the Project. For purposes of this Section 24.01, Landlord shall be deemed to have reasonably withheld consent if Landlord determines that the presence of such Hazardous Substance within the Project could result in a risk of harm to person or property or otherwise negatively affect the value or marketability of the Building or the Project.

(e) Tenant shall not cause or permit the release of any Hazardous Substances by Tenant or its agents, contractors, employees or invitees into any environmental media such as air, water or land, or into or on the Project or the Building in any manner that violates any Environmental Laws. If such release shall occur, Tenant shall (i) take all steps reasonably necessary to contain and control such release and any associated Contamination, (ii) clean up or otherwise remedy such release and any associated Contamination to the extent required by, and take any and all other actions required under, applicable Environmental Laws and (iii) notify and keep Landlord reasonably informed in writing of such release and response.

(f) Regardless of any consents granted by Landlord pursuant to Section 24.01 (d) allowing Hazardous Substances upon the Project, Tenant shall under no circumstances whatsoever (i) cause or permit any activity on the Project which would cause the Project to become subject to regulation as a hazardous waste treatment, storage or disposal facility under RCRA or the regulations promulgated thereunder; (ii) discharge Hazardous Substances into the storm sewer system serving the Project; or (iii) install any underground storage tank or underground piping under the Project.

(g) Tenant shall and hereby does indemnify, defend and hold Landlord harmless from and against any and all expense, loss and liability suffered by Landlord (with the exception of those expenses, losses, and liabilities arising from Landlord's own negligence or willful act), by reason of Tenant's improper storage, generation, handling, treatment, transportation, disposal, or arrangement for transportation or disposal, of any Hazardous Substances caused or permitted by Tenant to be brought upon the Project (whether accidental, intentional, or negligent) or by reason of Tenant's breach of any of the provisions of this Section 24.01. Such expenses, losses and liabilities shall include, without limitation, (i) any and all expenses that Landlord may incur to comply with any Environmental Laws as a result of Tenant's failure to comply therewith; (ii) any and all costs that Landlord may incur in studying or remedying any Contamination at or arising from the Project or the Building; (iii) any and all costs that Landlord may incur in studying, removing, disposing or otherwise addressing any Hazardous Substances; (iv) any and all fines, penalties or other sanctions assessed upon Landlord by reason of Tenant's failure to comply with Environmental Laws; and (v) any and all legal and professional fees and costs incurred by Landlord in connection with the foregoing. The indemnity contained herein shall survive the termination or expiration of this Lease.

(h) Landlord shall have the right, but not the obligation, upon twenty-four (24) hours prior written notice and during normal business hours, except for emergencies, to enter the Project accompanied by Tenant's representative throughout the Term to audit and inspect the Project for Tenant's compliance with this Section 24.01.

(i) Landlord shall and hereby does indemnify, defend and hold Tenant harmless from and against any and all expenses, loss and liability suffered by Tenant (with the exception of those expenses, losses and liabilities arising from Tenant's own negligence or willful act or the negligence or willful act of Tenant's officers, contractors, licensees, agents, servants, guests, invitees or visitors) by reason of the presence of any Hazardous Substances in the Building or on or under the Project at any time prior to the Term Commencement Date, or placed or caused to be placed by Landlord, its agents or employees in, on or under the Project thereafter.

ARTICLE 25 - PROJECT EXPANSIONS

SECTION 25.01 EXPANSION NOTICE. The Tenant shall have the right to cause the development of one or more Project Expansions by satisfying the provisions of this Article 25. Likewise, the Tenant reserves the right to cause Landlord to acquire one or more portions of the Future Development Property and to construct Project Expansions in the event that the Tenant provides written notices (an "EXPANSION NOTICE") TO THE Landlord on or before September 30, 2005 (or such

earlier date which is two hundred seventy (270) days prior to the outside option closing date set forth in the Acquisition Contract), which notices shall contain substantially the same specificity of detail for the Project Expansion as is described for Phase I of the Project in the Base Building Outline Specifications attached hereto as Exhibit "C" (including, but not limited to, any surface parking or parking structures required by Tenant), modified to reflect the features and square footage of the Project Expansion. An Expansion Notice shall also contain a proposed development timeline (the "EXPANSION DEVELOPMENT TIMELINE") requested by Tenant in connection with the development of the Project Expansion, which Expansion Development Timeline shall consist of dates for the development of plans and specifications, acquisition of the portion of the Real Property applicable to the Project Expansion, commencement of the construction of the Project Expansion and the date for Substantial Completion of the Project Expansion. In addition, the Expansion Notice shall identify with specificity the portion of the Real Property upon which the Project Expansion shall be developed, subject to the provisions of the Acquisition Contract. Subject to the provisions of this Article 25, Landlord shall acquire the portion of the Future Development Property outlined in the Expansion Notice on or before the date set forth in the Expansion Development Schedule (as approved by Landlord and Tenant as provided in Section 25.02) for the acquisition of the Future Development Property and in accordance with the terms of the Acquisition Contract.

SECTION 25.02 SPECIFICATION NOTICE. Within sixty (60) days following receipt of an Expansion Notice, Landlord shall submit to Tenant a notice (the "SPECIFICATION NOTICE"), which notice shall contain preliminary conceptual plans and specifications for the Project Expansion (the "Outline Specifications"), as well as (i) Landlord's best good faith estimate of total costs (hard and soft) of constructing the Project Expansion, (ii) the projected Base Rent, based on the prevailing interest rates at the date of the Specification Notice, and (iii) a development schedule consisting of dates for the development of plans and specifications, acquisition of the portion of the Real Property applicable to the Project Expansion, commencement of the construction of the Project Expansion and the date for Substantial Completion of the Project Expansion (the "EXPANSION DEVELOPMENT SCHEDULE"), all of which shall be mutually reviewed and approved by Landlord and Tenant within thirty (30) days following receipt of the Specification Notice. During such thirty (30) days, Landlord and Tenant agree to act reasonably and in good faith to reconcile any differences between the Expansion Notice and the Specification Notice in order to avoid any delay in the commencement of the Project Expansion.

SECTION 25.03 GOVERNING PROVISIONS. In the event that the Tenant timely exercises its rights to cause the development of a Project Expansion, the following provisions shall control the development thereof:

(a) Tenant acknowledges that each Project Expansion must satisfy the provisions of the Acquisition Contract with respect to the notices required to be given and timing of any closings to occur thereunder and the configuration of the portion of the Future Development Property to be acquired by Landlord in connection with the Project Expansion described in the Expansion Notice.

The Landlord shall not be bound to develop the Project Expansion described in the Expansion Notice unless the provisions of such Expansion Notice expressly satisfy the terms, provisions and conditions of the Acquisition Contract related thereto.

(b) The building and other improvements to be constructed pursuant to each Project Expansion shall be of a design, nature and type substantially similar to the Building, unless at the request of Tenant, Landlord, in its sole, reasonable discretion, shall agree to construct a Project Expansion of a different design, nature and type. Notwithstanding anything herein to the contrary, the Tenant Improvements may be of a different design, nature and type

but if the cost of such Tenant Improvements exceeds $30.00 per square foot, Tenant shall pay such excess cost.

(c) Base Rent for each Project Expansion calculated as provided herein below, shall commence upon the date that each Project Expansion is Substantially Completed, subject only to "punch list" items and other items of incomplete work that do not materially adversely interfere with the use and occupancy of the Project Expansion (as certified to Landlord and Tenant by the Architect) and delivered to Tenant for Tenant's occupancy (the "PROJECT EXPANSION COMMENCEMENT DATE"). Each Project Expansion Base Rent shall be included in the definition of "Base Rent" for purposes of this Lease, and shall be payable concurrently with payments of Base Rent hereunder as set forth in Section 5.01 of this Lease. Upon the acquisition of any portion of the Future Development Property, each Project Expansion shall be deemed to be a part of the Project hereunder, and, upon the Project Expansion Commencement Date, in addition to Base Rent, Tenant shall pay all Additional Rent for each Project Expansion as set forth in the Lease.

(d) Annual Base Rent for each Project Expansion shall be equal to the amount obtained by multiplying (i) one hundred percent (100%) of the costs (including both so-called "hard costs" and "soft costs" and land acquisition costs) incurred by Landlord to construct the Project Expansion (which costs shall be subject to Tenant's reasonable right of audit and review) by (ii) an interest rate equal to four hundred (400) basis points in excess of the interest rate payable for the most recently issued 10-year treasury obligations of the United States government as of each Project Expansion Commencement Date (as reported in The Wall Street Journal or its successor publication). Base Rent for each Project Expansion shall increase over the Term in an amount corresponding to the percentage increase of Base Rent for the Project Expansion for each Lease Period, as described in Section 5.01 and in the expansion phases of Exhibit "H," or for each Renewal Term, as described in Section 4.02 and the expansion phases of Exhibit "H."

(e) This Lease shall be modified such that the Term of the Lease for the Project (including each prior Project Expansion, if any) shall expire ten (10) years from the last of any Project Expansion Commencement Dates.

(f) Anything in this Article 25 to the contrary notwithstanding, Landlord shall be obligated to construct any Project Expansion and lease the Project Expansion to Tenant only if the following conditions shall be satisfied:

(i) No uncured Event of Default shall exist:

(ii) This Lease shall not have been terminated and shall be in full force and effect; and

(iii) Either (1) Guarantor consents to such Project Expansion and agrees that the Guarantor shall guarantee the obligations of the Tenant with respect to the Project Expansion, or (2) Lacerte (if Lacerte is not then the Tenant under this Lease) or Tenant shall have a tangible net worth calculated in accordance with generally accepted accounting principles at the time of delivery of such Expansion Notice equal to or greater than One Hundred Million and No/100 Dollars U.S. ($100,000,000.00 U.S.), and Tenant agrees that the Base Rent payable with respect to such Project Expansion shall equal the calculation provided for Base Rent in Section 25.03(d), except that the reference therein to four hundred (400) basis points shall become five hundred fifty (550) basis points. Failure of Guarantor to consent to any Project Expansion shall not relieve Guarantor of any other liability under the Intuit Guaranty.

(g) Except as provided otherwise in this Article 25, each and every right, duty, obligation, agreement and remedy of the Landlord and of the Tenant respectively, under this Lease Agreement with respect to the development and construction of Phase I of the Project shall be equally applicable and binding on the respective parties with respect to the development and construction of each Project Expansion, it being understood that the Base Building Outline Specifications and Site Plans for the Project Expansion and the Expansion Development Schedule for each Project Expansion shall be attached hereto as additional and consecutively lettered exhibits and dated and signed by the Landlord and Tenant promptly after approval thereof by Landlord and Tenant. Each such set of exhibits shall further identify each Project Expansion numerically in the order in which they occurred. In addition, all the terms, provisions and conditions of this Lease shall govern the rights and liabilities of Landlord and of Tenant with respect to any Project Expansion, including, but not limited to, the provisions relating to the commencement and payment of Base Rent and Additional Rent, the providing of the Improvement Allowance at Thirty and No/100 Dollars ($30.00) per square foot of Rentable Area of the Project Expansion as provided in Section 3.02 hereof, Landlord and Tenant repair and replacement obligations, remedies upon an Event of Default and payments owed to Brokers. When the portion of the Future Development Property for each Project Expansion is acquired in accordance with terms hereof, then such Project Expansion shall be deemed to be part of the Project for purposes of this Lease.

(h) In the event that Landlord has sold the Project and it is no longer the Landlord hereunder, the Tenant may cause a Project Expansion to be developed by the successor landlord (the "SUCCESSOR LANDLORD"). If the Successor Landlord elects not to be the developer of the Project Expansion, the Successor Landlord shall identify in the Specification Notice the proposed developer for the Project Expansion, the use of which proposed developer shall be subject to the Tenant's

reasonable prior right of approval, which reasonable approval shall not be unreasonably withheld. Each and every obligation of the Landlord with respect to the development and construction of a Project Expansion shall be applicable to and binding upon the Successor Landlord.

(i) Any reference in any part of this Article 25 to specific sections or terms of this Lease Agreement is not intended to imply or infer that the other sections or terms of this Lease Agreement are inapplicable to any Project Expansion, it being agreed instead that all sections and terms of this Lease Agreement shall apply equally to any Project Expansion, except as modified in this Article 25. Landlord and Tenant agree that the terms of Section 2.05 regarding the guarantee of the construction obligations by Koll, the terms of Section 3.04 regarding "Supplemental Allowance" and the terms of Section 4.03 regarding "Refurbishment Allowance" shall not apply to any Project Expansion. Landlord and Tenant further agree that the following defined terms in the Lease Agreement shall have the following meanings in the context of an Article 25 Project Expansion for which an Expansion Notice has been given by Tenant:

(i) The term "Phase I" shall, whenever the context so requires to give meaning to the term as it relates to a Project Expansion, mean the Project Expansion;

(ii) The term "Architect" shall mean the architect retained by the Landlord or Successor Landlord for the Base Building Work for the Project Expansion to perform the Architect's duties as identified in the Lease, and the term "TI Architect" shall mean the architect retained by Tenant for the Tenant Improvements for the Project Expansion to perform the TI Architect's duties as identified in the Lease;

(iii) The term "Development Schedule" shall mean the Expansion Development Schedule provided for in Section 25.02 hereof for the development and construction of the Project Expansion;

(iv) The term "Building" shall mean the structure and related improvements being constructed by the Landlord or Successor Landlord for the Project Expansion;

(v) The term "Parking" shall mean the number and types of parking spaces to be provided for the Project Expansion, to be configured and of the type and amount to accommodate the capacity of the Project Expansion and to comply with all Laws;

(vi) The term "Base Building Outline Specifications" shall mean the Outline Specifications for the Project Expansion;

(vii) The terms "Base Building Final Plans and Specifications" and "Tenant Improvements Final Plans and Specifications" shall mean the final plans and specifications developed by Landlord and Tenant pursuant to the terms of Sections 2.02 and 2.03 for the Project Expansion;

(viii) The term "Contractor" shall mean the contractor proposed and/or used by Landlord or Successor Landlord for the construction of the Base Building Work for the Project Expansion, and the term "TI Contractor" shall mean the contractor proposed and/or used by Tenant for construction of the Tenant Improvements for the Project Expansion;

(ix) The term "Base Building Work" shall mean the scope of the work and responsibilities of the Landlord or Successor Landlord, together with the applicable standards for quality and workmanship as expressed in Section 2.02 of the Lease, for the construction of the Project Expansion;

(x) The term "Tenant Improvements" shall mean all improvements not part of the Base Building Work for the Project Expansion.

(j) For purposes of a Project Expansion, Section 21.03(a)(i), (b), (c), and (d) shall be inapplicable and the following provisions shall apply:

(i) In the event that the Landlord or Successor Landlord fails

to complete the following elements of any Project Expansion in accordance with the dates set forth below, subject to Force Majeure and Tenant Delays, (aa) the Tenant may at Tenant's sole discretion and upon thirty (30) days' prior written notice to Landlord either terminate this Lease as to the Project Expansion only, in which event neither Tenant nor Landlord shall have any further obligation hereunder as to the Project Expansion only, one to the other, or (bb) the Tenant may seek the remedies provided in Section 21.03(a)(ii) (notwithstanding that such remedies as to Phase I are applicable only after Substantial Completion);

(1) Landlord or Successor Landlord fails to acquire title to the Future Development Property (subject only to the Permitted Exceptions and such other exceptions permitted by Section 1.01(b)) on or before the date which is ninety (90) days following the date set forth for such event in the Expansion Development Schedule;

(2) Landlord or Successor Landlord fails to commence the site work for the Project Expansion on or before the date which is one hundred fifty (150) days following the date set forth for such event in the Expansion Development Schedule;

(3) Landlord or Successor Landlord fails to complete the "dry-in" of the Project Expansion improvements on or before the date which is one hundred fifty (150) days following the date set forth for such event in the Expansion Development Schedule; or

(4) Landlord or Successor Landlord fails to achieve Substantial Completion within one hundred fifty (150) days following the date set forth for such event in the Expansion Development Schedule.

(ii) As an alternative remedy to subsection (j)(i) above, in the event of Landlord's or Successor Landlord's failure to achieve Substantial Completion by the date set forth in the Expansion Development Schedule, as that date may be extended by Force Majeure and Tenant Delays, Landlord shall be obligated, as liquidated damages for such delay, to pay to Tenant the sum of Eight Thousand and No/100 Dollars ($8,000.00) for each day that the Landlord fails to achieve Substantial Completion, until the date Landlord achieves Substantial Completion. At Landlord's election, such liquidated damage sum may be paid to Tenant in the form of a rental credit upon the commencement of payment of Base Rent for the Project Expansion. The parties acknowledge and agree that the damages that the Tenant will incur in such event are difficult to determine or ascertain with certainty as of the time of the signing of this Lease and that the amount of liquidated damages provided for herein is not intended as a penalty but, instead, represents their best reasonable estimate, based on the information available to them, of the damages that would be incurred and which shall be payable by Landlord in that event to compensate Tenant as damages resulting from such event.

(iii) As an additional remedy in the event of a termination under subsection (j)(i)(aa) above, in the event that the Landlord or Successor. Landlord fails to achieve Substantial Completion within one hundred fifty (150) days following the date set forth for such event in the Expansion Development Schedule, subject to Force Majeure and Tenant Delays, in the event Tenant has exercised its right to terminate the Lease as to Project Expansion only as described in subsection (j)(i)(aa) above, Landlord shall pay Tenant as liquidated damages the amount of Five Hundred Thousand and No/100 Dollars ($500,000.00) to compensate Tenant for damages it will incur due to Landlord's or Successor Landlord's failure to timely complete the Project Expansion. The parties acknowledge and agree that the damages that the Tenant will incur in such event are difficult to determine or ascertain with certainty as of the time of the signing of this Lease and that the amount of liquidated damages provided for herein is not intended as a penalty but, instead, represents their best reasonable estimate, based on the information available to them, of the damages that would be incurred and which shall be payable by Landlord in that event to compensate Tenant as damages resulting from such event.

(iv) In the event there are recorded against the Future Development Property any easements or exceptions which arise or exist as a result of the acts, omissions or participation, directly or indirectly, of Landlord (other than the Permitted Exceptions and other than those easements and exceptions which are necessary in connection with the development of the Project, provided such additional easements and exceptions do not impair Tenant's use of the Project, in which

event the remedies provided in this subsection (iv) shall not apply), (1) the Tenant may, prior to the commencement of construction of the Project Expansion and upon thirty (30) days prior written notice to Landlord either terminate this Lease as to the Project Expansion only, in which event neither Tenant nor Landlord shall

have any further obligation hereunder as to the Project Expansion only, one to the other, or (2) the Tenant may seek the remedies provided in Section 21.03(a)(ii) (notwithstanding that such remedies as to Phase I are applicable only after Substantial Completion).

(v) In the event there are recorded against the Future Development Property any easements or exceptions which do not arise or exist as a result of the acts, omissions or participation, directly or indirectly, of Landlord (other than the Permitted Exceptions and other than those easements and exceptions which are necessary in connection with the development of the Project, provided such additional easements and exceptions do not impair Tenant's use of the Project, in which event the remedies provided in this subsection (v) shall not apply), (1) the Tenant may, prior to the commencement of construction of the Project Expansion and upon thirty (30) days prior written notice to Landlord either terminate this Lease as to the Project Expansion only, in which event neither Tenant nor Landlord shall have any further obligation hereunder as to the Project Expansion only, one to the other, and/or (2) Tenant may request Landlord to, and Landlord shall, use commercially reasonable efforts to remove such easements or exceptions, and/or (3) Tenant may request Landlord to, and Landlord shall, assign to Tenant those contractual rights and claims held by Landlord pertaining to such easements or exceptions, and Tenant may contest the same at its sole cost and expense.

ARTICLE 26 - MISCELLANEOUS

SECTION 26.01 MISCELLANEOUS TERMS.

(a) The parties hereto hereby covenant and agree that Landlord shall receive the Base Rent and all other sums payable by Tenant hereinabove provided as net income from the Project, without any abatement, reduction, set-off, counterclaim, defense or deduction whatsoever, except as expressly permitted in this Lease.

(b) If any clause or provision of this Lease is determined to be illegal, invalid or unenforceable under present or future laws effective during the Term, then and in that event, it is the intention of the parties HERETO THAT the remainder of this Lease shall not be affected thereby, and that in lieu of such illegal, invalid or unenforceable clause or provision there shall be substituted a clause or provision as similar in terms to such illegal, invalid or unenforceable clause or provision as may be possible and be legal, valid and enforceable.

(c) All rights, powers, and privileges conferred hereunder upon the parties hereto shall be cumulative, but not restrictive to those given by law.

(d) Time is of the essence in the performance of each term of this Lease.

(e) No failure of Landlord or Tenant to exercise any power given Landlord or Tenant hereunder or to insist upon strict compliance by Landlord or Tenant with its obligations hereunder, and no custom or practice of the parties at variance with the terms hereof shall constitute a waiver of Landlord's or Tenant's rights to demand exact compliance with the terms hereof.

(f) No provision of this Lease shall be deemed to have been waived by either party unless such waiver is in writing and signed by the party making such waiver.

(g) This Lease contains the entire agreement of the parties hereto and no representations, inducements, promises or agreements, oral or otherwise, between the parties not embodied herein shall be of any force and effect. The masculine (or neuter) pronoun, and the singular number shall include the masculine, feminine and neuter gender and the singular and plural number.

(h) This contract shall create the relationship of Landlord and Tenant between Landlord and Tenant; no estate shall pass out of Landlord, other than a leasehold interest.

(i) The captions of this Lease are for convenience only and are not a part of this Lease, and do not in any way define, limit, describe or amplify the terms or provisions of this Lease or the scope or intent thereof.

(j) This Lease may be executed in multiple counterparts, each of which shall constitute an original, but all of which taken together shall constitute one and the same agreement.

(k) This Lease shall be interpreted under the laws of the State of Texas, without regard to principles of conflict of laws. Venue for any action arising hereunder shall lie exclusively in the state and federal courts of Dallas County, Texas.

(l) The parties acknowledge that this Lease is the result of negotiations between the parties, and in construing any ambiguity hereunder no presumption shall be made in favor of either party. No inference shall be made from any item which has been stricken from this Lease other than the deletion of such item.

(m) In case it should be necessary for Landlord or Tenant to bring any action under this Lease, the nonprevailing party agrees to pay reasonable attorneys' fees, including, without limitation, legal assistant or paralegal fees, secretarial overtime, special mailing and courier services, telecopies/faxes, filing fees, and reasonable travel expenses (including, without limitation, airfare, hotel accommodations, on-the-ground transportation, meals) incurred by the prevailing party.

(n) No amendments or modifications shall be effective unless such agreement is in writing and signed by Tenant, Guarantor (or in the event Guarantor fails to consent to any amendment or modification, the Intuit Guaranty shall remain in full force and effect, provided that

such amendment or modification shall not be binding upon Guarantor) and Landlord, nor shall anv custom, practice or course of dealing between the parties be construed to waive the right to require specific performance by the other party in compliance with this Lease.

(o) The preparation and submission of a draft of this Lease by either party to the other party shall not constitute an offer, nor shall either party be bound to any terms of this Lease or the entirety of this Lease, until both parties have fully executed a final document and an original signature document has been received by both parties. Until such time as described in the previous sentence, either party is free to terminate negotiations without any obligation to the other party.

(p) If Tenant shall fail to pay any sum of money required to be paid by it hereunder following thirty (30) days written notice that such payment is delinquent, or if Tenant shall fail to perform any other act on its part to be performed hereunder, which such failure shall continue beyond the applicable cure periods, then, in addition to an Event of Default, Landlord may, but shall not be obligated so to do, and without waiving or releasing Tenant from any obligations of Tenant, make any such payment or perform any such other act on Tenant's part to be made or performed as provided in this Lease. Notwithstanding the foregoing, in the event of an emergency, if Tenant shall fail to pay any sum of money required to be paid by it hereunder or shall fail to perform any other act on its part to be performed hereunder, Landlord may, but shall not be obligated so to do, and without waiving or releasing Tenant from any obligations of Tenant, immediately make any such payment or perform any such other act on Tenant's part to be made or performed as provided in this Lease. Landlord shall have (in addition to any other right or remedy of Landlord) the same rights and remedies in the event of the nonpayment of sums due under this subsection as in the case of default by Tenant in the payment of Base Rent. All sums paid by Landlord and all penalties, interest and costs in connection therewith, shall be due and payable by Tenant as Additional Rent within thirty (30) days after such payment by Landlord, together with interest thereon at the Specified Rate from such date to the date of payment.

(q) Notwithstanding anything to the contrary herein contained, wherever the consent or approval of a party hereto is required under this Lease, said consent or approval shall not be unreasonably withheld, conditioned or delayed.

SECTION 26.02 LANDLORD'S REPRESENTATIONS. Landlord hereby represents that:

(a) The Project will be constructed in accordance with all applicable Laws and Covenants.

(b) The owner of the Real Property is not now, nor, upon acquisition of the Real Property by Landlord, will Landlord be, in default under the Covenants at the time of said acquisition and throughout the term of the Lease; all Covenants are and shall be, throughout the term of this Lease, in full force and effect and all items payable pursuant to the Covenants by the owner of the Real Property or by Landlord have been paid or will be paid and shall continue to be paid throughout the term of this Lease prior to delinquency.

SECTION 26.03 TENANT'S REPRESENTATIONS. Tenant hereby represents that:

(a) Tenant is a Delaware corporation, duly organized, validly existing and in good standing under the laws of the State of Delaware. Tenant has full power and authority to enter into and carry out the terms of this Lease.

(b) The execution, delivery and performance of this Lease by Tenant do not conflict with or result in the breach or violation of Tenant's articles of incorporation, bylaws, or other documents of corporate self-governance; or any agreement, instrument or other obligation to which Tenant is a party or by which it is bound.

(c) No consent, license, permit, or approval, or authorization (other than the corporate authorization obtained by Tenant) is required in connection with the execution or delivery by Tenant of this Lease.

SECTION 26.04 LANDLORD'S COOPERATION. Landlord shall cooperate with Tenant, at Tenant's sole cost and expense, in Tenant's seeking to obtain any performance of the declarant under the Covenants or its seeking to obtain any approvals. In addition, Tenant shall have the right, if necessary, to take action in its own name with respect to and for the limited purposes of seeking to enjoin or contest a proposed or pending declarant action under the Covenants, or to cure any defaults by Landlord thereunder, but only if such action directly affects the Project. If any such action by Tenant pursuant to this Section 26.04 shall be barred by reason of lack of privity, non-assignability or otherwise, Landlord shall permit Tenant to take such action in Landlord's name. In any of these events, Tenant shall, indemnify and hold Landlord harmless against all liability, loss, cost (including reasonable attorneys' fees and court costs) or damage which Landlord, its successors or assigns, may incur or suffer by reason of such actions or events, and Tenant shall promptly forward copies of all papers and notices of all proceedings to Landlord.

SECTION 26.05 CONFIDENTIALITY. The parties hereto, including, but not limited to, their successors, assigns and legal representatives, agree that this Lease may not be recorded. Landlord and Tenant also agree (i) not to disclose to the media or to any third party having no legitimate business interest in the Project the terms of this Lease and (ii) not to deliver copies of this Lease to any third party having no legitimate business interest in the Project.

SECTION 26.06 MEMORANDUM OF LEASE. Landlord and Tenant agree, at the other's request and at the sole expense of the requesting party, to execute a Memorandum of Lease in recordable form setting forth such provisions hereof as may be desired by Landlord and Tenant. The provisions of this Lease shall control, however, with regard to any omissions from, or provisions hereof which may be in conflict with, the Memorandum of Lease. Notwithstanding anything to the contrary contained herein, no memorandum of lease or other similar document shall be filed until such time as any Mortgage affecting the Project has been recorded.

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IN WITNESS WHEREOF, the parties hereto have executed this Lease on the date set forth below.

LANDLORD:

Dated: February 22, 2000.

KCD-TX I INVESTMENT LIMITED PARTNERSHIP,
a Texas limited partnership

By: KCD-TX Investments, Inc.
a Texas corporation

By: /s/ JOBIN C. GROVE

Name: JOBIN C. GROVE

Title: Executive Vice President

TENANT:

Dated: February 22, 2000.

LACERTE SOFTWARE CORPORATION,
a Delaware corporation

By: /s/ G. ALLEN HARRIS

Name: G. ALLEN HARRIS

Title: President

57

EXHIBIT "A"
PHASE I PROPERTY
(see attached)

58

PHASE I

[SITE LOCATION MAP]

PHASE I PROPERTY
10.7 ACRES

HKS

LACERTE CORPORATE
PLANO, TEXAS

Metes and Bounds Description
Lacerte Corporate Campus
Purchase Parcel
Samuel H. Brown Survey, Abstract No. 108
City of Piano, Collie County, Texas

BEING a tract of land situated in the Samuel H. Brown Survey, Abstract No. 108, in the City of Piano, Collin County, Texas and being a portion of a called 97.216-acre tract of land conveyed to EDS Realty Corporation, as evidenced in a deed recorded in Volume 1283 at Page 0513 of the Land Records of Collie County, Texas (L.RC.C.T.) and being more particularly described by metes and bounds as follows (bearings based on the east line of a called 27.000-acre tract of land conveyed to Citizens Telecom Services Company, L.L.C., as recorded in Volume 4312 at Page 2230 L.RC.C.T., said bearing being South 00E05'22" East):

BEGINNING at the intersection of the north right of way line of Headquarters Drive (a 130-foot wide right of way at this point) with the east right of way line of Parkwood Boulevard (a variable width right of way);

THENCE in a northerly, along the east right of way line of said Parkwood Boulevard, the following:

North 45E00'27" West, a distance of 21.24 feet to a corner;

North 00E05'22" West, a distance of 52.02 feet to the point of curvature of a curve to the right;

Along the arc of said curve to the right, through a central angle of 08E08'S5", having a radius of 935.00 feet and an arc length of 132.98 feet to the point of tangency of said curve;

North 08E03'33" East, a distance of 55.98 feet to the point of curvature of a curve to the right;

Along the arc of said curve to the right, through a central angle of 09E11'31", having a radius of 589.03 feet and an arc length of 94.50 feet to the point of compound curvature of a curve to the right;

Along the arc of said curve to the right, through a central angle of 10E23'31", having a radius of 939.50 feet and an arc length of 170.40 feet to the end of said curve;

THENCE South 89E55'31" East, departing the east right of way line of said Parkwood Boulevard, a distance of 845.13 feet to a corner;

THENCE South 00E04'29" West, a distance of 509.00 feet to a corner on the north right of way line of proposed Headquarters Drive (a proposed 121-foot wide right of way at this point);

THENCE in a westerly direction, along the north right of way line of said Headquarters Drive, the following:

North 89E55'31" West, a distance of 597.11 feet to a corner;

North 88E12'25" West, a distance of 150.07 feet to a corner;

North 89E55'31" West, a distance of 185.00 feet to the POINT OF BEGINNING and containing 10.72 acres of land, more or less.

EXHIBIT "A-1"
FUTURE DEVELOPMENT PROPERTY
(see attached)

SCHEME A PHASE I

[SITE LOCATION MAP]

FUTURE DEVELOPMENT PROPERTY

HKS

LACERTE CORPORATE
PLANO, TEXAS

having a radius of 939.50 and an arc length of 180.28 feet to the point of tangency of said curve;

North 38E38'15" East, passing at a distance of 387.25 feet, the northeast corner of said Parkwood Boulevard, continuing along the extension of the east right of way line of said Parkwood Boulevard for a total distance of 731.58 feet, to a corner;

THENCE South 51E21'45" East, departing the projected east right of way line of said Parkwood Boulevard, a distance of 372.00 feet to a corner,

THENCE South 00E04'29" West, a distance of 491.00 feet to a corner;

THENCE North 89E55'31" West, a distance of 845.13 feet to the POINT OF BEGINNING and containing 8.808 acres of land, more or less.

EXHIBIT "A-2"
ACQUISITION CONTRACT
(to be attached)

EXHIBIT "B"
DEVELOPMENT SCHEDULE
(see attached)

EXHIBIT "B"
[INTUIT LOGO]

LACERTE SOFTWARE
PROJECT SCHEDULE

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		1999		2000											
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1	MILESTONE NOTES														
2	Kick Off Design		*12/1												

```
 3     Execute Lease                                          *2/22
 4     Close Land & Loan Transaction                                    *4/28
 5     Start Construction                                                     *5/15
 6     Shell "Dry In"
 7     Substantial Completion/Lease Term
         Commencement
 8   LAND
 9     Site Evaluation/Due Diligence              12/1--12/31
10     Environmental Phase I Survey                     1/18--1/27
11     Geotechnical Investigation                       1/28--2/24
12     Plat Site                                              2/17--------4/17
13     Land Purchase or Transfer                              2/22--------4/28
14   DESIGN
15     SHELL BUILDING & SITE
16       Prelim. Site Plans                       12/1--12/20
17       Tenant Select Site Plan (Layout
           & Height)                                    *1/4
18       Develop Schematic Architectural
           Plans                                        1/5---2/4
19       Tenant Approve Schematic
           Architectural Plans                                *2/8
20       Design Development/Space Planning                      2/8---3/8
21       Tenant Approve DD's                                          *3/8
22       Tenant Decisions - Shell
           Technical Issues:                                          *3/8
23           Data Center, Phone, Food
24           Service, Ceiling Height,
             Sound Levels, Power Poles
25       Construction Documents                                       3/1---4/15
26       Value Engineering                                                  4/15--5/8
27       Tenant Approve CD's                                                      *5/15
28   PARKING STRUCTURE
29       Prelim. Site Plans                       12/1--1/1
30       Tenant Approve Prelim. Site Plan               *1/1
31       Develop Schematic Architectural
           Plans                                        1/31--2/8
32       Tenant Approve Schematic Design                    *2/8
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                                                                2001
                                        ---------------------------------------------
HD  Task Name                           Jan   Feb   Mar   Apr   May   Jun   Jul   Aug
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 1   MILESTONE NOTES
 2     Kick Off Design
 3     Execute Lease
 4     Close Land & Loan Transaction
 5     Start Construction
 6     Shell "Dry In"                          *2/1
 7     Substantial Completion/Lease Term
         Commencement                                          *6/1
 8   LAND
 9     Site Evaluation/Due Diligence
10     Environmental Phase I Survey
11     Geotechnical Investigation
12     Plat Site
13     Land Purchase or Transfer
14   DESIGN
15     SHELL BUILDING & SITE
16       Prelim. Site Plans
17       Tenant Select Site Plan (Layout
           & Height)
18       Develop Schematic Architectural
           Plans
19       Tenant Approve Schematic
           Architectural Plans
20       Design Development/Space Planning
21       Tenant Approve DD's
22       Tenant Decisions - Shell
           Technical Issues:
23           Data Center, Phone, Food
24           Service, Ceiling Height,
             Sound Levels, Power Poles
25       Construction Documents
26       Value Engineering
27       Tenant Approve CD's
28   PARKING STRUCTURE
29       Prelim. Site Plans
30       Tenant Approve Prelim. Site Plan
31       Develop Schematic Architectural
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Plans
32 Tenant Approve Schematic Design
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Project: LACERTE Task -------- Critical Task ---------- Milestone *
Date: FRI 2/18/000 [KOLL LOGO]

EXHIBIT "B"
[INTUIT LOGO]

LACERTE SOFTWARE
PROJECT SCHEDULE

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34	Tenant Approve DD's					*3/8									
35	Construction Documents				3/3	----------4/15									
36	Value Engineering					4/15	-------5/8								
37	Tenant Approve CD's							*5/15							
38	INTERIORS														
39	Space Programming		12/15	----------------------4/10											
40	Tenant Final Sign Off - Space Program						*4/10								
41	Space Planning				3/8	----------5/22									
42	Tenant Final Sign Off - Space Plans							*5/22							
43	Design Development - Finishes					4/24	----------6/9								
44	Tenant Final Sign Off - DD's								*6/9						
45	FURNITURE														
46	Short List Manufacturers						*4/1								
47	Evaluation					4/1	----------5/29								
48	Review Mock Ups						5/1	------5/22							
49	Final Decision on Furniture System							*5/29							
50	Negotiate Furniture Contract							*6/2							
51	Construction Documents					5/29	----------8/14								
52	Preliminary Pricing/Value Engineering									8/14	--------9/8				
53	Revise CD's For Value Engineering										9/8	----------9/29			
54	Tenant Final Sign Off - CD's												*9/29		
55	PRE-CONSTRUCTION														
56	SHELL BUILDING & SITE														
57	General Contractor Bids					4/17	--------5/1								
58	Building Permit					4/17	--------5/12								
59	PARKING STRUCTURE														
60	General Contractor Bids					4/17	--------5/1								
61	Building Permit					4/17	--------5/12								
62	INTERIORS														
63	Building Permit									8/15	----------9/11				
64	General Contractor Bids												10/4	----------	
-10/18															

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HD	Task Name	2001 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
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34	Tenant Approve DD's								
35	Construction Documents								
36	Value Engineering								
37	Tenant Approve CD's								
38	INTERIORS								
39	Space Programming								
40	Tenant Final Sign Off - Space Program								
41	Space Planning								
42	Tenant Final Sign Off - Space Plans								
43	Design Development - Finishes								
44	Tenant Final Sign Off - DD's								
45	FURNITURE								
46	Short List Manufacturers								
47	Evaluation								
48	Review Mock Ups								

49 Final Decision on Furniture System
50 Negotiate Furniture Contract
51 Construction Documents
52 Preliminary Pricing/Value Engineering
53 Revise CD's For Value Engineering
54 Tenant Final Sign Off - CD's
55 PRE-CONSTRUCTION
56 SHELL BUILDING & SITE
57 General Contractor Bids
58 Building Permit
59 PARKING STRUCTURE
60 General Contractor Bids
61 Building Permit
62 INTERIORS
63 Building Permit
64 General Contractor Bids
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Project: LACERTE Task -------- Critical Task ---------- Milestone *
Date: FRI 2/18/000 [KOLL LOGO]

EXHIBIT "B"
[INTUIT LOGO]

LACERTE SOFTWARE
PROJECT SCHEDULE

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		2000					
HD	Task Name	Nov	Dec	Jan	Feb	Mar	Apr
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
65	CONSTRUCTION						
66	SITE WORK						
67	Clear Site						
68	Grade Surface Parking Lot						
69	Site Utilities/Irrigation						
70	Paving and Hardscape						
71	Landscape						
72	BUILDING SHELL						
73	Mobilize & Layout Controls/ Erosion Control						
74	Building Earthwork						
75	Foundations						
76	Underground MEP Rough In						
77	Slab On Grade						
78	Fabricate Exterior Walls						
79	Erect Walls/Steel Structure						
80	Structural Slabs						
81	Roof/Windows/Sealants						
82	Overhead MEP Rough In						
83	Core Interior Construction/Finishes						
84	PARKING STRUCTURE						
85	Earthwork						
86	Foundations						
87	Underground MEP Rough In						
88	Slab On Grade						
89	Structure						
90	Lighting/Drain Piping						
91	Finishes						
92	INTERIORS						
93	Tenant Improvements						
94	FF&E						

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		2000							2001								
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65	CONSTRUCTION																
66	SITE WORK																
67	Clear Site	5/22-5/24															
68	Grade Surface Parking Lot			7/24----8/11													
69	Site Utilities/Irrigation				8/14----9/15												
70	Paving and Hardscape					9/18----------11/10											

71 Landscape 1/22----------4/13
72 BUILDING SHELL
73 Mobilize & Layout Controls/ Erosion Control 5/15--5/19
74 Building Earthwork 5/25----6/23
75 Foundations 6/12----8/4
76 Underground MEP Rough In 6/12----8/4
77 Slab On Grade 7/17-----8/18
78 Fabricate Exterior Walls 7/31-----9/15
79 Erect Walls/Steel Structure 9/13----------11/29
80 Structural Slabs 11/9------12/20
81 Roof/Windows/Sealants 11/23--------1/24
82 Overhead MEP Rough In 11/23----------2/14
83 Core Interior Construction/Finishes 1/18----------4/13
84 PARKING STRUCTURE
85 Earthwork 6/26----7/21
86 Foundations 8/7-----9/15
87 Underground MEP Rough In 8/7-----9/15
88 Slab On Grade 8/28----9/29
89 Structure 9/18--------11/17
90 Lighting/Drain Piping 11/20---12/15
91 Finishes 12/18---1/12
92 INTERIORS
93 Tenant Improvements 1/3----------6/1
94 FF&E 4/2------6/1
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Project: LACERTE Task -------- Critical Task ---------- Milestone *
Date: FRI 2/18/000 [KOLL LOGO]

EXHIBIT "C"
Base Building Outline Specifications
(see attached)

EXHIBIT C

BASE BUILDING OUTLINE SPECIFICATION
FOR
LACERTE SOFTWARE

The following is a general outline of requirements. It is not intended to be all-inclusive or exhaustive. Lacerte Software will expect the building delivered to be complete, ready for construction of tenant improvements, in compliance with all codes and ordinances and generally equal to or better than the standard for new Class A office buildings in Dallas, Texas.

Summary of the Work:

The project consists of general construction, sitework, mechanical, and electrical work as required for a two-story corporate office, air-conditioned, with office wings connected by a central atrium or lobby containing an initial size of approximately 150,000 square feet. Surface parking ratio of 1/200 (provide an alternate for above-grade structured, cast-in-place concrete garage in lieu of surface parking). Developer shall prepare an initial site layout on specific approved sites subject to consultation between Developer and Lacerte Software. Site amenities and landscaping shall be consistent with similar Class A office buildings. Exterior skin shall be consistent with accepted norms for Class A office buildings. e.g. architectural precast or premium concrete tilt-wall construction. The exterior glass area should not exceed more than sixty percent (60%) of the total exterior skin surface area. Floor to ceiling height shall be not less than 10'-0". A three bay dock will provide for 24" and 48" dock high loading and a compactor slip. Building and site shall comply with all applicable codes and ordinances and with any deed restrictions or covenants associated with the property. Shell building design shall be coordinated with all tenant requirements to minimize Tenant Improvement costs by avoiding rework or retrofit of shell building conditions to accept tenant improvements (e.g. plumbing and electrical rough-ins, sprinkler heads installed to accommodate tenant drawings).

Building Design

Lacerte Software will require the opportunity to review and approve the base building design and aesthetics, and will provide input for, but not necessarily limited to, core configuration, common area finishes, lease depths and bay spacing issues.

Sitework

1. Site shall be excavated and subsurface prepared for building and parking in accordance with geotechnical recommendations prepared by a registered professional engineer.
2. Parking and building foundation design shall comply with geotechnical engineer's recommendations.

3. Landscaping and zoned irrigation in accordance with city and business park requirements and consistent with class A properties, at a minimum.
4. Provide all necessary site utilities (electric, gas, water, telephone, cable and fiber entrances). Provide separate and redundant copper/fiber service entrances consisting of 2 sets of 2 each 4" diameter PVC conduits to the building core.
5. Provide all necessary drainage requirements including water quality/filtration and retention, if required.
6. Parking lot striping, fire lane marking and all required handicap signage.
7. Provide a minimum of two foot-candles (average maintained) site lighting utilizing pole-mounted fixtures.
8. Fire hydrants as required by city.
9. Other features, such as water features, courtyards, etc., shall be consistent with class A properties, and will be considered a plus.
10. All select fill, paving subgrades, concrete paving and concrete foundations shall be designed by a professional engineer and inspected and tested by an independent testing laboratory.

11. Provide assistance to Tenant in securing dual electrical feed service from local power provider. Feeds shall be from separate substations. Provide additional site improvement necessary to accommodate dual feed gear and switches.
12. All parking and building storm drainage shall be collected in underground storm drains and routed offsite. Sheet draining not allowed.
13. Provide one lighted, internal halyard, flagpole.
14. Provide off-site turn lanes and median cuts for ample site entry and egress.

Concrete

1. Cast-in-place concrete foundation in accordance with geotechnical report.
2. Composite steel second floor structure (no bar joists) designed to a minimum 50 pound floor live load plus partition loads, except in interior bays, which shall be upgraded to 100 pound live load in the interior bays for storage. Composite steel structure has been selected to eliminate vibration and bouncing and offer clear plenum area.
3. First floor can be either slab-on-grade or structural slab.
4. When tested in accordance with the provisions of ASTM E1155, a minimum of 80% of the test samples shall fall inside a 3/4" envelope. The overall floor flatness shall comply with Ff = 25, F1, = 20; and minimum local values shall be Ff, = 17, F1, = 13.
5. If exterior skin is precast concrete, it shall be upgraded through the use of stone, texture, integral stone chips, colored cement or otherwise as consistent with a class A building. If the exterior skin is premium tilt-wall concrete construction it shall employ combinations of heavy sandblast, textured paint, form liner finishes and generous reveal fenestration. Natural or artificial stone, precast, or masonry accents should enhance prominent locations.
6. As an alternate to surface parking, provide a parking structure that shall be cast-in-place or precast concrete structure with exterior panels consistent in quality to the office building.

Mason

1. The building shall, at a minimum, provide stone or cast stone accents at lower level entrances.
2. Provide natural stone finishes in building lobby (its) and lavatory countertops.
3. Provide interlocking payers, patterned concrete, or other accent materials on entry plazas, courtyards, etc.

Metals

1. Provide steel stairs, railings, ladders, angles, bracing and access panels as required.
2. Provide architectural metal stair handrail/guardrail system in the lobby (ies).

Carpentry

1. Provide treated blocking and other rough carpentry as required.
2. Premium grade architectural millwork as required for security/reception desk, lobby(ies), toilet rooms, etc.

Thermal and Moisture Protection

1. Appropriate waterproofing in elevator pits, mechanical room and penthouse floors, and fountains, if applicable.
2. Provide ball and rigid insulation at exterior walls (R-12) and roof (R-20).
3. Provide sound attenuation as required (not to exceed NC-30) for quiet adjacent occupancies around all mechanical rooms and other sound generating spaces.
4. Four ply built up bituminous roofing or equivalent with as maximum uplift rating of I-60. Provide walk-pads for access to maintenance areas.

Doors and Windows

1. Entrance doors and frames consistent in quality and appearance with class A office properties.
2. Exterior glazing to be 1" Low E glass. No exterior glass should exceed a seventeen percent (17%) visible reflectance percentage.

3. Provide one motorized 8' x 10' overhead coiling door, one 25,000# capacity hydraulic leveler at a lighted and covered dock area.

4. In addition to standard hardware, all exterior door openings shall be equipped with electrified panic devices, transfer hinges, terminal junction boxes, frames and doors prepped and conduited to receive Lacerte Software provided security access control systems connection.

5. Provide two (2) each handicap power assist openings at the lobby and rear patio entrance.

6. Door hardware shall be mortise type latchsets and locksets.

7. Interior doors shall be premium grade wood veneer solid core doors in hollow metal frames.

Finishes

1. All interior finishes to be consistent with class A office properties. All common areas shall receive finishes as part of the shell building construction (toilet rooms, telecommunications closets, janitor, electrical, mechanical, ground lobbies, dock, etc.). Finishes include vinyl wallcoverings, multi-color wall coatings, terrazzo, natural stone, ceramic tile, paint, rubber base, floor sealer and VCT. All carpet is by Tenant. Tenant reserves the right to review and approve all interior finishes.
2. Provide at each floor core area or minimally three (3) 1 hr. rated telecommunications closets per floor level measuring 7' x 10.'
3. Provide 2' x 2' regular ceiling tile and secondary grid stacked on floor in all tenant areas. Shell construction shall include 4' x 4' primary grid throughout.
4. All finishes below the ceiling (except in common areas) shall be included in tenant improvement allowance.
5. All core walls fronting Tenant areas shall be provided to the Tenant, prepared and ready for final finish.

Specialties

1. Ceiling hung, enamel or better, toilet partitions and all toilet accessories consistent with class A office properties.
2. Provide wall-mounted, lighted exterior tenant identification sign. Submit proposed signage location.
3. Provide monument sign for Lacerte Software identification in front of premises. Submit proposed sign(s) location.
4. Provide adjustable Levelor mini-blinds on all exterior windows in tenant areas.
5. Provide walk-off mats at each main building entrance vestibule.
6. Provide a location and through conduit to the roof, with appropriate structural capacity, for Tenant-installed satellite dish.

Conveying Systems

1. Provide geared electric passenger elevators, minimum 3000# capacity, minimum 250 feet per minute, aluminum sills, protective pads, manufacturer's upgrade ceiling system, custom detailed cab wall and floor finishes consistent in quality with the building lobby.
2. Provide oversized freight elevator with 10' cab ceiling, nickel sill, protective pads and minimum 4500# capacity, with ready access to loading dock.

Mechanical

Plumbing

- Provide toilet rooms with wall-hung fixtures on each floor to exceed the code minimum fixture count requirements for an occupant load of 1 person per 225 s.f. and consistent in quality with class A office properties.
- Provide standard and accessible electric water coolers at each restroom pair.
- Provide mop sink and mop holder in each janitor's closet.
- Provide wet stacks at minimum two locations per floor per pod (if applicable) for tenant's coffee bars.

Mechanical

- Heating, ventilating and air conditioning systems shall be a central plant configuration including cooling towers, chillers, chiller and condenser water pumps, air handling units (with variable frequency drives), variable air volume, energy conserving type designed to allow the building to maintain 75(degree)F interior temperature and 50% relative humidity in summer and 70(degree)F in winter. Provide

outside air to meet current ASHRAE standards. Central plant and enclosure should be located adjacent the building on grade level (not roof mounted).
- In common areas, provide complete air side distribution including medium and low pressure sheetmetal ductwork, mech. room plenum sound attenuation, terminal boxes, flex run outs and air devices including slot diffusers and louver-faced supply grilles and perforated returns. In tenant area, provide a complete medium pressure duct loop around the building's core.
- System shall provide for DDC controls and be designed so as to be consistent with other class A office properties with maximum reasonable flexibility for base building and tenant requirements.
- Assume a density of one occupant per 225 square feet.
- Provide smoke detection as required by code.
- Provide a "building automation" system integrating fire alarms, HVAC and lighting controls, as manufactured by Johnson Controls, CSI or equal.
- Procure the services of an AABC registered test and balance firm to perform testing, adjusting and balancing of mechanical equipment and systems.
- Provide vibration isolation and sound control for all motor driven equipment.
- Provide a condenser water heat pump unit serving each group of electrical room, elevator pump room and telecommunications closet rooms. (total of 6 each required).

Fire Protection

- Provide wet pipe automatic sprinkler system (fire pump if required) for all areas in conformance with all code requirements, furnished and installed per tenant's space plan. Provide fully recessed heads. Provide provision in sprinkler riser design only for tenant's future preaction system for 10,000 s.f.

Electrical

1. Provide minimum 2500 amp, 277/480v 3 phase, secondary service from pad mounted transformer, with associated main switchgear with TVSS protection, low voltage transformers, panelboards and grounding system. Distribution of primary and emergency power distribution will be complete to each electrical room (minimally two per floor). Amperage is as required to accommodate building requirements, building standard lighting and other developer-provided lighting and equipment, plus tenant's convenience and office equipment loads (see #2 below).
2. Within the service described above, provide 6 watts/s.f. for tenant's 120/208 volt convenience and office equipment loads. Configure at least two (2) electrical rooms per floor complete with feeders from switchgear, switches, K-rated transformers and dual, 84 pole; distribution panels (one clean, one dirty power) in each closet. Panels shall be electronic grade with TVSS protection.
3. Within the service describe above, provide 1.5 watts/sf. for tenant's 277 volt lighting loads. Configure at least two (2) electrical rooms per floor complete with feeders from switchgear, switches, relays for lighting control through BAS, and distribution panel(s).
4. Provide 4 - 4" sleeved cores at each telecommunication closet stack between floors for tenant's use.
5. Provide 3-lamp 18 cell fluorescent parabolic light fixtures with whips, with T-8 lamps and electronic ballasts, stacked on floor for tenant installation at a rate of one fixture per 80 square feet.
6. Provide appropriate lighting in all building and floor common areas.
7. Provide time clocks for exterior lighting and lawn irrigation system. Connect lawn irrigation system to the BAS.
8. Provide exit lights, emergency generator, fire alarm, smoke detectors, voice enunciator (if applicable), flow/tamper switches and any other life safety equipment required by code and as required to secure base building Certificate of Occupancy. Capacity in generator available for tenant use only should be 250 kW with automatic transfer switch suitable to serve Tenant-furnished UPS.
9. Lightning protection system is required.
10. At each telecommunications closet, provide a separate ground bar connected to building ground.

The standards outlined herein should be considered "minimum" standards for

development. Any proposal not incorporating Class A standards will be viewed in a less favorable light by Lacerte Software. However, these restrictions are not intended to limit creativity or "value enhancements" that would ultimately be to the benefit of Lacerte Software.

APPENDIX 1 TO EXHIBIT C

TRANSMITTAL

THE STAUBACH COMPANY
DESIGN AND CONSTRUCTION CONSULTING SERVICES
15601 DALLAS PARKWAY, SUITE 400
DALLAS, TEXAS 75001
FAX 972/351-5000

- ---

TO: STARE VAN AMBURGH VIA FAX 214.373.3103

FROM: BRAD BLANKENSHIP

DATE: SEPTEMBER 14, 1999

PROJECT: LACERTE SOFTWARE

- ---

PLEASE MAKE THE FOLLOWING REVISIONS TO LACERTE SOFTWARE BASE BUILDING OUTLINE SPECIFICATIONS:

EXHIBIT "A", PAGE 3, ITEM 3 IN FINISHES - CHANGE "REGULAR" TO "TEGULAR."

EXHIBIT "A", PAGE 3, ITEM 1 IN CONVEYING SYSTEMS - CHANGE "GEARED" PASSENGER ELEVATORS TO "HYDRAULIC." CHANGE SPEED FROM "250" FEET PER MINUTE TO "150" FEET PER MINUTE.

APPENDIX 2 TO EXHIBIT C

LACERTE SOFTWARE

CLARIFICATIONS TO BASE BUILDING OUTLINE SPECIFICATIONS

The following clarifications apply to the Request for Proposal issued by The Staubach Company for the Lacerte Software project. In the event of conflict between Exhibit A of the Request for Proposal and these clarifications, the information included in the clarifications below shall apply.

1) The requirement for parking lighting levels is clarified to be 2 fc average, on a maintained basis, and shall include "Medium Activity Level" lighting for parking structures, per IES standards.

2) Dual feed electrical service is not included at this time. Koll will assist Lacerte in securing this requirement, based on the final site selection. Lacerte will evaluate the cost impact for acceptance at that time.

3) Offsite turn lanes, median cuts, or utilities extensions are included for the site located at the Northeast corner of Parkwood and Headquarters in Legacy Business Park, Plano, Texas.

4) Main Lobby finishes are included in the shell building, based on one Main Lobby area of approximately 2,000 - 2,500 s.f. and assuming that Main Lobby floor coverings are approximately 50% hard surface and 50% carpet. All carpeting, including Main Lobby, shall be included as part of the T.I. allowance.

5) Full wet pipe fire protection system is included in the shell building, including the installation of heads on a floor with no partitions in place other than core partitions. Installation of heads will be coordinated with final TI plans to minimize cost. However, increased headcount due to TI plans, or relocations due to changes during TI buildout, will be a cost of the TI allowance.

6) Tenant Power and Lighting Distribution: Koll has included dual 84 pole electrical panels (one clean and one dirty) at each electrical room for

power distribution. It is anticipated that the building layout will include one electrical room for each floor of each "Pod" serving approx. 25,000 to 30,000 sf. Therefore, a total of twelve (12) panels for tenant power distribution, located in the electrical room serving each floor, have been included. Additional panels, if required, to distribute the service of 6 watts per s.f. reserved for tenant power, will be included as a part of the TI allowance. Koll has included one (1) 84 pole electrical panel, located in each electrical room, for distribution of Tenant's 277 v. lighting. Additional lighting panels, if required, for distribution of the 1.5 watts per s.f. reserved for tenant lighting, will be included as a part of the TI allowance.

7) One 250 kw emergency generator has been included and it is assumed that life safety requirements may be served off of this system. All distribution required for life safety is included in the shell building. All distribution of emergency power for Tenant use is included in the TI allowance.

APPENDIX 2 TO EXHIBIT C

LACERTE SOFTWARE

CLARIFICATIONS TO BASE BUILDING OUTLINE SPECIFICATIONS

8) Total gross / rentable area shall be approximately 165,000 s.f. and may be comprised of two or three story buildings connected by a common atrium or lobby.

9) Parking shall be provided as noted in the Preliminary Recitals of the Lease Agreement, in lieu of one per 200 s.f. Approximately 400 spaces, of the total required by the lease, shall be covered in a precast or cast-in-place parking structure of finish complimentary to the building design. The balance shall be a combination of parking on the top deck of the parking structure or surface parked adjacent to the building(s).

EXHIBIT "C-1"
Site Plan
(see attached)

SCHEME A
PHASE I

FUTURE DEVELOPMENT PROPERTY
LACERTE CORPORA

PLANO, TEXAS
KOLL

COMPLETION GUARANTY

For a valuable consideration, receipt of which is hereby acknowledged, the undersigned, KOLL DEVELOPMENT COMPANY, LLC, a Delaware limited liability company (hereinafter called "Guarantor"), absolutely, unconditionally and irrevocably guarantees for the benefit of LACERTE SOFTWARE CORPORATION, a Delaware corporation (hereinafter called "Creditor"): (a) to perform fully and promptly when due all of the covenants, agreements and other obligations undertaken by KCD-TX I INVESTMENT LIMITED PARTNERSHIP, a Texas limited partnership (hereinafter called "Obligor") in Section 2.05 of the Office Lease Agreement by and between Obligor and Creditor dated effective February 22, 2000 (the "Lease Agreement") (such covenants, agreements and other obligations hereinafter called the "Obligations"); and (b) to pay any and all costs, reasonable attorneys' fees and expenses incurred or expended by Creditor due to any default in the performance of the Obligations or in enforcing any right granted hereunder.

The liability of Guarantor hereunder shall not be modified, changed, released, reduced, limited or impaired in any manner whatsoever on account of any or all of the following: (a) the incapacity, death, disability, dissolution or termination of Guarantor, Obligor, Creditor or any other person or entity; (b) the failure by Creditor to file or enforce a claim against the estate (either in administration, bankruptcy or other proceeding) of Obligor or any other person or entity; (c) recovery from Obligor or any other person or entity

becomes barred by any statute of limitations or is otherwise prevented; (d) any defenses, set-offs or counterclaims which may be available to Obligor or any other person or entity; (e) any release of Obligor, any co-guarantor or any other person (other than Guarantor) primarily or secondarily liable for the performance of the Obligations or any part thereof, or (f) any impairment, modification, change, release or limitation of the liability of, or stay of actions or lien enforcement proceedings against, Obligor, its property, or its estate in bankruptcy resulting from the operation of any present or future provision of the Federal Bankruptcy Code (hereinafter called the "Bankruptcy Code") or other similar federal or state statute, or from the decision of any court.

Creditor shall not be required to pursue any other remedies before invoking the benefits of the guaranties contained herein. Creditor may maintain an action on this Guaranty without joining Obligor therein and without bringing a separate action against Obligor.

If for any reason whatsoever (including but not limited to ultra vires, lack of authority, illegality, force majeure, act of God or impossibility) the Obligations cannot be enforced against Obligor, such unenforceability shall in no manner affect the liability of Guarantor hereunder and Guarantor shall be liable hereunder notwithstanding that Obligor may not be liable for such Obligations and to the same extent as Guarantor would have been liable if such Obligations had been enforceable against Obligor.

Guarantor absolutely and unconditionally covenants and agrees that in the event that Obligor does not or is unable so to perform the Obligations for any reason, including, without limitation, liquidation, dissolution, receivership, conservatorship, insolvency, bankruptcy, assignment for the benefit of creditors, sale of all or substantially all assets, reorganization, arrangement, composition, or readjustment of, or other similar proceedings affecting the status, composition, identity, existence, assets or obligations of Obligor, or the disaffirmance or termination of any of the Obligations in or as a result of any such proceeding, Guarantor shall perform the Obligations and no such occurrence shall in any way affect Guarantor's obligations hereunder.

Notwithstanding anything to the apparent contrary contained herein, Guarantor does not herein expressly or impliedly waive or release any rights of subrogation that Guarantor may have against Obligor (except as same are expressly subordinated as provided herein), rights of contribution that Guarantor may have against any other guarantor of, or other person secondarily liable for, the performance of the Obligations or rights of reimbursement that Guarantor may have as against Obligor (except as same may be limited herein).

The rights of Creditor are cumulative and shall not be exhausted by its exercise of any of its rights hereunder or otherwise against Guarantor or by any number of successive actions until and unless all Obligations have been performed and each of the obligations of Guarantor hereunder has been performed. The existence of this Guaranty shall not in any way diminish or discharge the rights of Creditor under any prior or future guaranty agreement executed by Guarantor.

Any notice or communication required or permitted hereunder shall be given in writing, sent by (a) personal delivery, (b) expedited delivery service with proof of delivery, or (c) United States mail, postage prepaid, registered or certified mail, sent to the intended addressee at the address shown below, or to such other address or to the attention of such other person as hereafter shall be designated in writing by the applicable party sent in accordance herewith. Any such notice or communication shall be deemed to have been given and received either at the time of personal delivery or, in the case of delivery service or mail, as of the date of first attempted delivery at the address and in the manner provided herein.

THIS GUARANTY AND THE RIGHTS AND OBLIGATIONS OF GUARANTOR HEREUNDER SHALL IN ALL RESPECTS BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS (WITHOUT GIVING EFFECT TO TEXAS' PRINCIPLES OF CONFLICTS OF LAW) AND THE LAW OF THE UNITED STATES APPLICABLE TO TRANSACTIONS IN SUCH STATE. GUARANTOR HEREBY IRREVOCABLY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF ANY TEXAS OR FEDERAL COURT SITTING IN DALLAS, TEXAS OVER ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS GUARANTY, AND GUARANTOR HEREBY AGREES AND CONSENTS THAT IN ADDITION TO ANY

METHODS OF SERVICE OF PROCESS PROVIDED FOR UNDER APPLICABLE LAW, ALL SERVICE OF PROCESS IN ANY SUCH SUIT, ACTION OR PROCEEDING IN ANY TEXAS OR FEDERAL COURT SITTING IN DALLAS. TEXAS MAY BE MADE BY CERTIFIED OR REGISTERED MAIL, RETURN

RECEIPT REQUESTED, DIRECTED TO GUARANTOR AT THE ADDRESS OF GUARANTOR FOR THE GIVING OF NOTICES HEREUNDER.

Guarantor hereby expressly and unconditionally waives, in connection with any suit, action or proceeding brought by Creditor in connection with this Guaranty, any and every right it may have to (i) injunctive relief, (ii) a trial by jury, (iii) interpose any counterclaim therein (other than a compulsory counterclaim) and (iv) have the same consolidated with any other or separate suit, action or proceeding. Nothing herein contained shall prevent or prohibit Guarantor from instituting or maintaining a separate action against Creditor with respect to any asserted claim.

This Guaranty may be executed in any number of counterparts with the same effect as if all parties hereto had signed the same document. All such counterparts shall be construed together and shall constitute one instrument, but in making proof hereof it shall only be necessary to produce one such counterpart.

This Guaranty may only be modified, waived, altered or amended by a written instrument or instruments executed by the party against which enforcement of said action is asserted. Any alleged modification, waiver, alteration or amendment which is not so documented shall not be effective as to any party. This Guaranty shall lapse and become void and unenforceable upon Obligor's satisfaction of its obligations under Section 2.05 of the Lease Agreement.

The terms, provisions, covenants and conditions hereof shall be binding upon Guarantor and the successors and assigns of Guarantor and shall inure to the benefit of Creditor and all transferees, successors and/or assignees of Creditor. Within this Guaranty, words of any gender shall be held and construed to include any other gender and words in the singular number shall be held and construed to include the plural, unless the context otherwise requires. A determination that any provision of this Guaranty is unenforceable or invalid shall not affect the enforceability or validity of any other provision and any determination that the application of any provision of this Guaranty to any person or circumstance is illegal or unenforceable shall not affect the enforceability or validity of such provision as it may apply to any other persons or circumstances.

EXECUTED this 22th day of February, 2000.

KOLL DEVELOPMENT COMPANY, LLC,
a Delaware limited liability company

By: [SIGNATURE ILLEGIBLE]

Name: [NAME ILLEGIBLE]

Title: EVP

The address of Guarantor is:

4343 Von Karman Avenue
Newport Beach, California 92660

LACERTE SOFTWARE CORPORATION,
a Delaware corporation By:

By: [SIGNATURE ILLEGIBLE]

Name: [NAME ILLEGIBLE]

Title: President

The address of Creditor is:

13155 Noel Road, Suite 2200
Dallas, Texas 75240
Attn: Mark Portner, General Counsel

EXHIBIT "D-1"

Intuit Guaranty

THIS LEASE GUARANTY ("GUARANTY") is made as of the 22 day of February, 2000, by INTUIT INC., a corporation formed under the laws of Delaware ("GUARANTOR") in favor of KCDTX I INVESTMENT LIMITED PARTNERSHIP, a Texas limited partnership ("LANDLORD").

FOR VALUE RECEIVED, Guarantor hereby unconditionally, irrevocably and absolutely guarantees to Landlord without demand or notice (except for the notice of default which is delivered to Guarantor under the Lease) the prompt and full payment and performance, when due, of all obligations and covenants of LACERTE SOFTWARE CORPORATION, a Delaware corporation ("TENANT"), fixed or contingent, under the terms of the Office Lease Agreement dated effective February 22, 2000, executed by and between Tenant and Landlord and any and all, subject to Paragraph 4 below, renewals, extensions, amendments, expansions and modifications thereof (collectively, the "LEASE"), or which Tenant, or its successors or assigns, may in any other manner now or at any time hereafter owe Landlord under the terms of the Lease, including, but not limited to, rent, taxes, insurance, operating expenses, maintenance costs, damages and expenses resulting from Tenant's default under the Lease, (collectively, the "OBLIGATIONS").

1. CONTINUING GUARANTY. This is a continuing Guaranty and shall apply to any renewals, extensions, and modifications of the Lease.

2. OTHER REMEDIES. Landlord shall not be required to pursue any other remedies before invoking the benefits of this Guaranty; specifically, Landlord shall not be required to take any action against Tenant or any other person, to exhaust its remedies against any other guarantor of the Obligations, any collateral or other security, or to resort to any balance of any deposit account or credit on the books of Landlord in favor of Tenant or any other person.

3. OBLIGATIONS NOT IMPAIRED. Prior to performance and satisfaction in full of the Obligations, the liability of Guarantor under this Guaranty shall not be released or impaired without the prior written consent of Landlord. Without limiting the generality of the foregoing, the liability of Guarantor shall not be released or impaired on account of any of the following events:

(a) the voluntary or involuntary liquidation, sale or other disposition of all or substantially all of the assets of Tenant, or any receivership, insolvency, bankruptcy, reorganization or other similar proceedings affecting Tenant or any of its assets;

(b) the addition of a new guarantor or guarantors;

(c) any bankruptcy or insolvency proceedings against or by Tenant, its property, or its estate or any modification, discharge or extension of the Obligations resulting from the operation of any present or future provision of the United States Bankruptcy Code or any other similar federal or state statute, or from the decision of ay court, it being

the intention hereof that Guarantor shall remain liable on the Obligations notwithstanding any act, omission, order, judgment or event which might, but for the provisions hereof, otherwise operate as a legal or equitable discharge of Guarantor;

(d) Landlord's failure to use diligence in preserving the liability of any person on the Obligations, or in bringing suit to enforce collection of the Obligations;

(e) the substitution or withdrawal of collateral, or release of collateral, or the exercise or failure to exercise by Landlord of any right conferred upon it herein or in any collateral agreement;

(f) if Tenant is not liable for any of the Obligations because the act of creating the Obligations is ultra vires, or the officers or person creating the Obligations acted in excess of their authority, or for any reason the Obligations cannot be enforced against Tenant;

(g) any payment by Tenant to Landlord if such payment is held to constitute a preference under the bankruptcy laws, or if for any other reason Landlord is required to refund such payment to Tenant or pay the amount thereof to any other party; or

(h) any assignment of the Lease or subletting of all or any portion of the Project (as defined in the Lease).

4. AMENDMENTS AND PROJECT EXPANSIONS. Notwithstanding anything in this Guaranty to the contrary, Guarantor shall have no liability for any obligations of Tenant incurred as a result of any amendment, extension, renewal or modification of the Lease (collectively, an "Amendment"), or any Project Expansion (as such term is defined in the Lease), unless Guarantor shall have expressly agreed to the same in writing; provided, however, that any such Amendment or Project Expansion may be effected as between Landlord and Tenant as provided in the Lease without Guarantor's consent, but shall not be binding on Guarantor in any way. In the event of such an Amendment or Project Expansion effected by Landlord and Tenant without Guarantor's consent, Guarantor shall remain liable only for those obligations under the Lease which existed prior to such Amendment or Project Expansion.

5. BENEFIT TO GUARANTOR. Guarantor represents and warrants that it derives or expects to derive substantial financial and other advantage and benefit, directly or indirectly, from the Lease and the Obligations. Guarantor acknowledges that, in entering into the Lease, Landlord is relying on Guarantor's agreements contained in this Guaranty and on Guarantor's creditworthiness. Guarantor acknowledges that Landlord would not have entered into the Lease without Guarantor's guarantee of the Obligations pursuant to the terms hereof.

6. DISSOLUTION OF GUARANTOR. Upon the dissolution or bankruptcy of Guarantor, the liability of Guarantor shall continue against its assets as to all Obligations which shall have been incurred by Tenant.

7. FINANCIAL STATEMENTS. The Guarantor warrants and represents to Landlord that all financial statements heretofore delivered by Guarantor to Landlord are true and correct in all material respects, if any.

8. WAIVER OF NOTICE. Guarantor waives diligence on the part of Landlord in the collection and enforcement of the Obligations, notice, demand, protest, and waives the right to notice of all extensions, amendments, modifications and/or expansions that may be granted to Tenant with respect thereto.

9. MODIFICATION OR CONSENT. No modification, consent or waiver of any provision of this Guaranty, nor consent to any departure by Guarantor therefrom, shall be effective unless the same shall be in writing and signed by Landlord, and then shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on Guarantor in any case shall, of itself, entitle Guarantor to any other or further notice or demand in similar or other circumstances. No delay or omission by Landlord in exercising any power or right hereunder shall impair any such right or power or be construed as a waiver thereof or any acquiescence therein, nor shall any single or partial exercise of any such power preclude other or further exercise thereof or the exercise of any other right or power hereunder. All rights and remedies of Landlord hereunder are cumulative of each other and of every other right or remedy which Landlord may otherwise have at law or in equity or under any other contract or document, and the exercise of one or more rights or remedies shall not prejudice or impair the concurrent or subsequent exercise of other rights or remedies.

10. INDUCEMENT TO LANDLORD. Guarantor acknowledges that this Guaranty is given to induce Landlord to enter into the Lease and to extend credit to Tenant which would not be extended except in reliance upon this Guaranty.

11. ATTORNEY'S FEES. If a lawsuit is instituted in connection with this Guaranty, then the non-prevailing party in such lawsuit agrees to pay to the prevailing party all expenses incurred by the prevailing patty in connection with such lawsuit (including, but not limited to, reasonable attorneys' fees and costs of court).

12. SUCCESSORS AND ASSIGNS. This Guaranty is for the benefit of Landlord, and its successors and/or assigns. Landlord may assign its rights hereunder in connection with assignment of the Lease or collaterally or absolutely to the Lender (as defined in the Lease); and, upon any such assignment, all the terms and provisions of this Guaranty shall inure to the benefit of such assignee, to the extent so assigned. The liability of Guarantor hereunder shall be binding upon all administrators, legal representatives, successors and assigns of Guarantor.

13. HEADINGS. The section headings hereof are inserted for convenience of reference only and shall not alter, define or be used in construing the text of this instrument.

14. DEFENSES. Notwithstanding anything to the contrary herein, Guarantor

shall have available to it all of Tenant's defenses to enforcement of the Lease resulting from the acts or omissions

of Landlord under the Lease, but Guarantor shall not be entitled to raise any of Tenant's personal defenses to enforcement of Lease obligations, including, but not limited to, bankruptcy, insolvency, waiver, laches, ultra vires or lack of authority.

15. CONSENT TO JURISDICTION. Guarantor hereby consents to the jurisdiction of any state or federal court located within the County of Dallas, State of Texas and irrevocably agrees that, subject to Landlord's election, all actions or proceedings arising out or relating to this Guaranty or the Lease shall be litigated in such courts. Guarantor accepts for itself and in connection with its properties, generally and unconditionally, exclusive jurisdiction of the aforesaid courts and waives any defense of forum non conveniens.

16. TERM. This Guaranty shall terminate only when all of the Obligations have been fully performed and satisfied.

17. GUARANTY OF PAYMENT AND PERFORMANCE. This is an unconditional, irrevocable and absolute guaranty of payment and performance and not a guaranty of collection.

18. PAST DUE AMOUNTS. All past due payments of the Obligations shall bear interest at the Specified Rate (as defined in the Lease).

19. REPRESENTATIONS. Guarantor represents and warrants to Landlord that (i) Guarantor has executed this Guaranty of its free will and accord, (ii) Guarantor has read and understands the term of this Guaranty and the Lease, (iii) Guarantor has had the opportunity to have this Guaranty and the Lease reviewed by an attorney of Guarantor's choice, and (iv) the execution of this Guaranty will benefit, directly or indirectly, the Guarantor.

20. AUTHORITY. This Guaranty has been duly authorized by all appropriate corporate action, and the undersigned is an authorized signatory of Guarantor, fully empowered to execute this Guaranty.

21. GOVERNING LAW. This Guaranty shall be governed under the laws of the State of Texas, without regard to principles of conflicts of laws.

22. EFFECTIVENESS. This instrument shall be effective and binding upon Guarantor upon Guarantor's execution hereof and delivery hereof to Landlord (which delivery may only be by original execution copy), and shall remain in full force and effect, and shall survive the exercise by Landlord of any remedy under the Lease.

23. SUBSTITUTION. In the event that Tenant is not a Related Party to Intuit, Intuit may substitute a guarantor in its place hereunder ("Substitute Guarantor"), provided: (i) such Substitute Guarantor assumes Intuit's obligations hereunder in a form reasonably satisfactory to Landlord and Lender; (ii) Landlord's rights to enforce the Guaranty will not be impaired thereby; (iii) such Substitute Guarantor represents and warrants to Landlord that the Substitute Guarantor derives or expects to derive substantial financial and other advantage and benefit, directly or indirectly, from the Lease and the Obligations, and (iv) such Substitute

Guarantor has (1) an Investment Grade Credit Rating, or (2) at the time the request is made by Intuit to substitute a guarantor, the proposed Substitute Guarantor has a minimum tangible net worth calculated in accordance with generally accepted accounting principles of not less than Five Hundred Million and No/100 Dollars U.S. ($500,000,000.00 U.S.) and further provided that for each of the proposed Substitute Guarantor's most recent three fiscal year end reporting periods, the proposed Substitute Guarantor has both positive earnings and a minimum tangible net worth of not less than Five Hundred Million and No/100 Dollars U.S. ($500,000,000.00 U.S.) as calculated in accordance with generally accepted accounting principles. Upon such approval by Landlord and Lender, Intuit shall thereafter be relieved of any and all liability under the Lease or this Guaranty from and after the date of such substitution. As used in the Lease and this Guaranty, unless expressly set forth to the contrary, the use of the tern "Guarantor" shall be applicable to, and mean the same as, the term "Substitute Guarantor."

24. NOTICES. Any notice sent by Landlord to Guarantor shall be delivered as specified in the Lease to the address given below.

IN WITNESS WHEREOF, Guarantor has executed this Guaranty as of the day and year first written above.

GUARANTOR:

INTUIT INC.,
a Delaware corporation

By: /s/ GREG SANTORA

Name: GREG SANTORA

Title: CFO & Senior Vice President
of Finance & Corporate Services

ADDRESS OF GUARANTOR:

2550 Garcia Avenue
Mountain View, California 94043-7850
Attn: Catherine L. Valentine, General Counsel

APPROVED

INTUIT LEGAL DEPT.
DATE FEBRUARY 22, 2000
By [SIGNATURE ILLEGIBLE]

EXHIBIT "E"

WEATHER STANDARD

The following table of average work days lost per month due to weather conditions has been anticipated with respect to Section 2.15 of this Lease:

<TABLE>
<CAPTION>

MONTH	AVERAGE LOST TIME IN WORK DAYS
<S>	<C>
January	5
February	4
March	5
April	6
May	6
June	4
July	4
August	4
September	5
October	4
November	4
December	4

</TABLE>

Contract time extensions for abnormal weather will be granted in accordance with Section 2.15 only to the extent that the actual time lost during a particular month exceeds the average lost time indicated in the above table.

EXHIBIT "F"

SUBORDINATION, NONDISTURBANCE AND ATTORNMENT AGREEMENT

THIS AGREEMENT made effective as of the day of_____, 2000, between _____, a _____ (hereinafter called "Lender") and LACERTE SOFTWARE CORPORATION, a Delaware corporation (hereinafter called "Tenant"),

WITNESSETH THAT:

WHEREAS, Lender will be the owner and holder of a Deed of Trust, Mortgage and Security Agreement (hereinafter called the "Security Instrument"), to be recorded in Collin County, Texas, covering the real property described in Exhibit A and the building and improvements thereon (hereinafter collectively called the "Mortgaged Premises") securing the payment of a promissory note in the stated principal amount of $_____ payable to the order of Lender;

WHEREAS, Tenant is the tenant under Lease Agreement (hereinafter called the "Lease") dated February 22, 2000 made by KCD-TX I INVESTMENT LIMITED

PARTNERSHIP, a Texas limited partnership, as landlord (said landlord and its successors and assigns occupying the position of landlord under the Lease hereinafter called "Landlord"), covering certain property (hereinafter called the "Demised Premises") consisting of all of the Mortgaged Premises; and

WHEREAS, Tenant and Lender desire to confirm their understanding with respect to the Lease and the Security Instrument;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, Lender and Tenant hereby agree and covenant as follows:

1. Subordination. The Lease now is, and shall at all times and for all purposes continue to be, subject and subordinate, in each and every respect, to the Security Instrument, with the provisions of the Security Instrument controlling in all respects over the provisions of the Lease, it being understood and agreed that the foregoing subordination shall apply to any and all increases, renewals, modifications, extensions, substitutions, replacements and/or consolidations of the Security Instrument, provided that any and all such increases, renewals, modifications, extensions, substitutions, replacements and/or consolidations shall nevertheless be subject to the terms of this Agreement.

2. Non-Disturbance. So long as (i) Tenant is not in default (beyond any period given Tenant to cure such default) in the payment of rent or additional rent or in the performance of any of the other terms, covenants or conditions of the Lease on Tenant's part to be performed, (ii) the Lease is in full force and effect according to its original terms, or with such amendments or

modifications as Lender shall have approved, and (iii) Tenant attorns to Lender or a purchaser of the Mortgaged Premises as provided in Paragraph 3, then (a) Tenant's possession, occupancy, use and quiet enjoyment of the Demised Premises under the Lease, or any extensions or renewals thereof or acquisition of additional space or all or any portion of the fee interest in the Mortgaged Premises which may be effected in accordance with any option therefor in the Lease, shall not be terminated, disturbed, diminished or interfered with by Lender in the exercise of any of its rights under the Security Instrument, and (b) Lender will not join Tenant as a party defendant in any action or proceeding for the purpose of terminating Tenant's interest and estate under the Lease because of any default under the Security Instrument.

3. Attornment. If Lender shall become the owner of the Mortgaged Premises or the Mortgaged Premises shall be sold by reason of non-judicial or judicial foreclosure or other proceedings brought to enforce the Security Instrument or the Mortgaged Premises shall be conveyed by deed in lieu of foreclosure, the Lease shall continue in full force and effect as a direct Lease between Lender, or other purchaser of the Mortgaged Premises who shall succeed to the rights and duties and obligations of Landlord, and Tenant, and Tenant shall attorn to Lender or such purchaser, as the case may be, upon any such occurrence and shall recognize Lender or such purchaser, as the case may be, as the Landlord under the Lease. Such attornment shall be effective and self-operative without the execution of any further instrument on the part of any of the parties hereto. Tenant agrees, however, to execute and deliver at any time and from time to time, upon the request of Landlord or of any holders) of any of the indebtedness or other obligations secured by the Security Instrument or any such purchaser, any instrument or certificate which, in the sole reasonable judgment of the requesting party, is necessary or appropriate, in connection with any such foreclosure or deed in lieu of foreclosure or otherwise, to evidence such attornment.

4. Obligations and Remedies. If Lender shall become the owner of the Mortgaged Premises or the Mortgaged Premises shall be sold by reason of non-judicial or judicial foreclosure or other proceedings brought to enforce the Security Instrument or the Mortgaged Premises shall be conveyed by deed in lieu of foreclosure, Lender or other purchaser of the Mortgaged Premises, as the case may be, shall have the same remedies by entry, action or otherwise in the event of any default by Tenant (beyond any period given Tenant to cure such default) in the payment of rent or additional rent or in the performance of any of the other terms, covenants and conditions of the Lease on Tenant's part to be performed that Landlord had or would have had if Lender or such purchaser had not succeeded to the interest of Landlord. Upon attornment by Tenant as provided herein, Lender or such purchaser shall be bound to Tenant under all the terms, covenants and conditions of the Lease and Tenant shall have the same remedies against Lender or such purchaser for the breach of an agreement contained in the Lease that Tenant might have had under the Lease against Landlord if Lender or such purchaser had not succeeded to the interest of Landlord; provided, however, that Lender or such purchaser shall not be liable or bound to Tenant:

(a) for any act or omission of any prior landlord (including Landlord) which constitutes a default or breach of this Agreement; provided, however, nothing contained herein shall be deemed to be a waiver of Tenant's rights or remedies against Lender or such purchaser in the event such default is not cured by Lender or such purchaser after Lender or such purchaser acquires the Mortgaged Premises; or

(b) for any offsets or defenses except those based upon or related to defects or deficiencies in the construction of the Project, which the Tenant might be entitled to assert against Landlord arising prior to the date Lender takes possession of Landlord's interest in the Lease or becomes a mortgagee in possession, subject to Tenant's continued rights of offset and termination for any default by Landlord which remains uncured; provided that notice of such default is provided to Lender within a reasonable time after Lender acquires the Mortgaged Premises;

(c) for or by any rent or additional rent which Tenant might have paid for more than thirty (30) days in advance to any prior landlord (including Landlord) unless such rent is actually received by Lender; or

(d) by any amendment or modification of the Lease made without Lender's consent, except for any amendment or modification of a de minimis or non-material nature; or

(e) for any security deposit, rental deposit or similar deposit given by Tenant to a prior landlord (including Landlord) unless such deposit is actually paid over to Lender or such purchaser by the prior landlord; or

(f) for any repairs or replacements to or required by the Demised Premises or the Mortgaged Premises arising prior to the date Lender or such purchaser takes possession of the Mortgaged Premises provided, however, nothing contained herein shall be deemed to be a waiver of Tenant's rights or remedies against Lender or such purchaser in the event such default is not cured by Lender or such purchaser after Lender or such purchaser acquires the Mortgaged Premises; or

(g) for the payment of any leasing commissions or other expenses for which any prior landlord (including Landlord) incurred the obligation to pay; or

(h) by any notice given by Tenant to a prior landlord (including Landlord) unless a copy thereof was also then given to Lender; or

(i) beyond Lender's or such purchaser's interest in the Mortgaged Premises, notwithstanding any provision contained in the lease to the contrary, it being agreed that Lender or such purchaser shall not be liable or responsible whatsoever under the terns of the Lease after it ceases to own an interest in the Mortgaged Premises.

5. No Abridgment. Nothing herein contained is intended, nor shall it be construed, to abridge or adversely affect any right or remedy of Landlord under the Lease in the event of any default by Tenant (beyond any period given Tenant to cure such default) in the payment of rent or additional rent or in the performance of any of the other terms, covenants or conditions of the Lease on Tenant's part to be performed.

6. Notices of Default to Lender. Tenant agrees to give Lender a copy of any default notice sent by Tenant to Landlord.

7. Representations by Tenant. Tenant represents and warrants to Lender that Tenant has validly executed the Lease; the Lease is valid, binding and enforceable and is in full force and effect in accordance with its terms; the Lease has not been amended except as stated herein; no rent under the Lease has been or will be paid more than thirty (30) days in advance of its due date; there are no defaults existing under the Lease; and, as of this date, no charge, lien, counterclaim or claim of offset under the Lease, or otherwise, has accrued against the rents or other charges due or to become due under the Lease.

8. Rent Payment. If Lender shall become the owner of the Mortgaged Premises or the Mortgaged Premises shall be sold by reason of non-judicial or judicial foreclosure or other proceedings brought to enforce the Security Instrument or the Mortgaged Premises shall be conveyed by deed in lieu of foreclosure, Tenant agrees to pay all rents directly to Lender or other purchaser of the Mortgaged Premises, as the case may be, in accordance with the Lease immediately upon notice of Lender or such purchaser, as the case may be, succeeding to Landlord's interest under the Lease. Tenant further agrees to pay all rents directly to Lender immediately upon notice that Lender is exercising its rights to such rents under the Security Instrument or any other loan documents (including but not limited to any Assignment of Leases and Rents) following a default by Landlord or other applicable party. Tenant shall be under no obligation to ascertain whether a default by Landlord has occurred under the

Security Instrument or any other loan documents. Landlord waives any right, claim or demand it may now or hereafter have against Tenant by reason of such direct payment to Lender and agrees that such direct payment to Lender shall discharge all obligations of Tenant to make such payment to Landlord.

9. Notice of Security Instrument. To the extent that the Lease shall entitle Tenant to notice of any deed of trust or security agreement, this Agreement shall constitute such notice to the Tenant with respect to the Security Instrument and to any and all other deeds of trust and security agreements which may hereafter be subject to the terms of this Agreement.

10. Landlord Defaults. Tenant agrees with Lender that effective as of the date of this Agreement: (i) except as permitted by the terms of the Lease for failure to construct the Project in a timely manner, Tenant shall not take any steps to terminate the Lease for any default by Landlord or any succeeding owner of the Mortgaged Premises until after giving Lender written notice of such default, stating the nature of the default and giving Lender thirty (30) days from receipt of such notice to effect cure of the same, or if cure cannot be effected within said thirty (30) days due to the

nature of the default, Lender shall have a reasonable time to cure provided that it commences cure within said thirty (30) day period of time and diligently carries such cure to completion; and (ii) notice to Landlord under the Lease (oral or written) shall not constitute notice to Lender.

11. Notice. Any notice or communication required or permitted hereunder shall be given in writing, sent by (a) personal delivery, or (b) expedited delivery service with proof of delivery, or (c) United States mail, postage prepaid, registered or certified mail, or (d) telegram addressed as follows:

To Lender:	----------

To Tenant:	Lacerte Software Corporation 13155 Noel Road, Suite 2200 Dallas, Texas 75240 Attention: Mark Portner, General Counsel
With a copy to:	Calhoun & Stacy, P.L.L.C. 901 Main Street, Suite 5700 Dallas, Texas 75202-3713 Attention: Thomas E. Rosen
and to:	Intuit Inc. 2550 Garcia Avenue Mountain View, California 94043-7850 Attn: Catherine L. Valentine, General Counsel

or to such other address or to the attention of such other person as hereafter shall be designated in writing by the applicable party sent in accordance herewith. Any such notice or communication shall be deemed to have been given and received either at the time of personal delivery or, in the case of delivery service or mail, as of the date of first attempted delivery at the address and in the manner provided herein, or in the case of telegram, upon receipt.

12. No Amendment. Termination. Assignment or Subletting of Lease. Lender and Tenant agree that Tenant's interest in and obligations under the Lease shall not be altered, modified or terminated without the prior written consent of Lender. Lender and Tenant also agree that in connection with any assignment of subletting of the Lease where Landlord's consent is required under the Lease, Tenant shall neither assign the Lease or allow it to be assigned in any manner nor sublet the Demised Premises or any part thereof without the prior written consent of Lender.

13. Modification. This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by the parties hereto or their respective successors in interest.

14. Successor Lender. The term "Lender" as used throughout this Agreement includes any successor or assign of Lender and any holder(s) of any interest in the indebtedness secured by the Security Instrument.

15. Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the parties hereto, their successors and assigns, and any purchaser or purchasers at foreclosure of the Mortgaged Premises, and their respective successors and assigns.

16. Paragraph Headings. The paragraph headings contained in this Agreement are for convenience only and shall in no way enlarge or limit the scope or meaning of the various and several paragraphs hereof.

17. Gender and Number. Within this Agreement, words of any gender shall be held and construed to include any other gender, and words in the singular number shall be held and construed to include the plural and words in the plural number shall be held and construed to included the singular, unless the context otherwise requires.

18. Applicable Law. This Agreement and the rights and duties of the parties hereunder shall be governed by all purposes by the law of the state where the Mortgaged Premises is located and the law of the United States applicable to transactions within such state.

IN WITNESS WHEREOF, the parties hereto have hereunto caused this Agreement to be duly executed as of the day and year first above written.

----------,

a

By:

Name:

Title:

LACERTE SOFTWARE CORPORATION,
a Delaware corporation

By:

Name:

Title:

THE STATE OF TEXAS)
)
COUNTY OF DALLAS)

This instrument was acknowledged before me on _____, 2000 by_____of _____, a_____, on behalf of said_____.

Notary Public, State of Texas

(printed name)

My commission expires:

.
- ---

THE STATE OF_____)

COUNTY OF_____)

This instrument was acknowledged before me on_____, 2000 by _____of Lacerte Software Corporation, a_____corporation, on behalf of said corporation. Notary Public, State of (printed name)

Notary Public, State of_____

(printed name)

My commission expires:

- ----------.

CONSENT OF LANDLORD

KCD-TX I INVESTMENT LIMITED PARTNERSHIP, a Texas limited partnership, as the current Landlord under the Lease, joins in the execution of this Agreement to evidence its consent to the terms and provisions set out herein.

KCD-TX I INVESTMENT LIMITED
PARTNERSHIP, a Texas limited partnership

By: KCD-TX Investments, Inc.
a Texas corporation

By:

Name:

Title:

THE STATE OF TEXAS)
)
COUNTY OF DALLAS)

This instrument was acknowledged before me on _____, 2000 by _____, _____of _____, a Delaware corporation, on behalf of said corporation, in its capacity as General Partner of KCD-TX I INVESTMENT LIMITED PARTNERSHIP, a Texas limited partnership, on behalf of said partnership.

Notary Public, State of Texas

(printed name)

My commission expires:

.
- ----------

EXHIBIT "G"
COMMISSION AGREEMENT
(see attached)

THE STAUBACH COMPANY
Corporate Services Division

COMMISSION AGREEMENT

This Commission Agreement ("Agreement") is entered into as of this 1st day of November 1999, by and between Koll Development Company ("Owner) and The Staubach Company, ("Broker"). The following provisions are true and correct and are the basis for this Agreement:

A) Owner will have legal title to a tract of property in Dallas County on which tract Owner will construct an office building commonly known as Lacerte Software Corporation - Build-To-Suit ("Building"), which tract of land is

more particularly described h Exhibit "A" attached hereto and incorporated herein by reference (or as described next to the Owner's signature hereon) (the "Property").

B) Broker has presented the office space needs of "LACERTE SOFTWARE/INTUIT" to Owner and has and will render services in connection with the leasing of office space to the Tenant.

C) Owner has agreed to pay Broker a real estate commission in consideration for services rendered and to be rendered in consummating a Lease (herein so called) pursuant to the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the mutual promises act forth herein and for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. AGREEMENT TO PAY COMMISSION. Owner hereby agrees to pay a real estate commission to broker in a sum equal to four and one-half percent (4.5%) of the Gross Rental to be received by the Owner during the Lease term as shown in the Lease, including four and one-half percent (4.5%) of the Gross Rental paid in connection with any expansion of Tenants space a renewals of the Lease.

2. DEFINITION OF TOTAL GROSS RENTALS. Total gross rentals shall include all rental proceeds obligated for payment by the Tenant including operating expenses, (inclusive of common area maintenance and insurance). For the purpose of calculating the real estate commission hereunder there shall be no deduction from Gross Rental shown in the Lease for any sum (except free rent), including but not limited to any concessions made to Tenant by Owner or any costs or expenses paid by Owner an behalf of Tenant. There shall be no deductions from the gross rental for equity options, purchase options, allowance or other benefits provided to the Tenant. Variable escalations in the rental, or increases in operating expenses above the base shall not be included in the calculation of total gross rentals.

3. PAYMENT OF COMMISSION. The commission shall be due and payable to Broker in cash (i) one half (1/2) upon the latter to occur of at the time the Lease is signed or the initial construction loan is funded and (ii) the balance an the earlier to occur of (a) the that day that Tenant occupies all or any portion of the space covered by the Lease, or (b) commencement of the term under the Lease, whichever is earlier.

4. EXPANSIONS AND RENEWALS. In the event the Tenant executes any expansion and/or renewal that is substantially in accordance with an option or right provided for within the initial lease document, a commission shall be due as provided herein. in the event the Tenant executes any expansion and/or renewal that is not substantially provided for within the initial lease document, a commission fee shall be due to Broker unless another Broker is appointed to assist the Tenant in such negotiations.

5. PURCHASE BY TENANT (OR TENANT'S ASSIGNS). In the event of the Tenant purchases the premises prior lease commencement and in lieu of a lease agreement (in whole or in part) through a right a option provided for in the lease, the Broker shall be due a fee as follows:

- - an imputed lease commission of 4.5% of what the Gross Rental would have been in the event of a Lease payable by Owner to Broker at closing.

6. SUCCESSORS AND ASSIGNS. Broker is to be named in the Lease as the broker entitled to a commission and the obligation to pay and the right to receive any of the commissions described above shall inure to the benefit and obligation of the respective heirs, successors and/or assigns of Owner or Broker. In the event of a sale or an assignment of the Property which includes Tenant's demised premises, Owner agrees to secure from the purchaser or assignee a written, recordable agreement under which the new owner or assignee assumes payment to the Broker of all commissions payable hereunder, or the Landlord shall remain liable for all terms and conditions of this agreement unless and until the purchaser or assign(s) assumes all obligations contained herein.

7. NOTICES

If to Broker: The Staubach Company
15801 Dallas Parkway, Suite 400
Dallas, Texas 75001 (972) 381-5000

If to Owner: Koll Development Company

8411 Preston Road. Suite 700

Dallas, Texas 75225 (214) 696-1700

LEGAL DESCRIPTION (IF NOT ATTACHED AS EXHIBIT "A")

APPROVED this 1st day of Nov., 1999
[SIGNATURE ILLEGIBLE]

- ---

Owner

- ----------

Accepted this 1st day of Nov., 1999

- ----------

[SIGNATURE ILLEGIBLE]

APPROVED BY:

AGENT
The Staubach Company
(Tax I.D. #75-1559116)

- ----------

- ----------

EXHIBIT "I"
PERMITTED EXCEPTIONS
(to be attached)

EXHIBIT "H"

*Base Rent Example

<TABLE>
<CAPTION>

<S>	<C>	<C>
PHASE I		
	Year 1	$14.81 NNN
	Year 2	$14.81 NNN
	Year 3	$14.81 NNN
	Year 4	$14.81 NNN
	Year 5	$14.81 NNN
	Year 6	$16.29 NNN
	Year 7	$16.29 NNN
	Year 8	$16.29 NNN
	Year 9	$16.29 NNN
	Year 10	$16.29 NNN
	Year 11	$17.92 NNN
	Year 12	$17.92 NNN
	Year 13	517.92 NNN
	Year 14	517.92 NNN
	Year 15	$17.92 NNN
	Year 16	$19.71 NNN
	Year 17	519.71 NNN
	Year 18	$19.71 NNN
	Year 19	$19.71 NNN
	Year 20	$19.71 NNN
	Year 21	520.11 NNN
	Year 22	520.51 NNN
	Year 23	520.92 NNN
	Year 24	$21.34 NNN
	Year 25	521.77 NNN
	Year 26	522.21 NNN
	Year 27	$22.65 NNN
EXPANSION PHASES (IF APPLICABLE)		
	Years 1-5	Cost x Yield per Section 25.03(d) of Lease Agreement
	Years 6-10	Previous NNN Rental Rate x 110%
	Years 11-15	Previous NNN Rental Rate x 110%
	Years 16-20	Previous NNN Rental Rate x 110%
	Year 21	Previous NNN Rental Rate x 102%
	Year 22	Previous NNN Rental Rate x 102%
	Year 23	Previous NNN Rental Rate x 102%
	Year 24	Previous NNN Rental Rate x 102%
	Year 25	Previous NNN Rental Rate x 102%
	Year 26	Previous NNN Rental Rate x 102%
	Year 27	Previous NNN Rental Rate x 102%

</TABLE>

*Note: Rental rates may increase or decrease in accordance with the provisions of Section 5.01(c) and Article 25.

EXHIBIT 10.05

CONSENT TO SUBLEASE AGREEMENT

This Consent to Sublease Agreement (this "AGREEMENT") is made as of March 31, 2000 by and among Spieker Properties, L.P., a California limited partnership ("MASTER LANDLORD"), Franklin Templeton Corporate Services, Inc., a Delaware corporation ("SUBLANDLORD"), and Intuit Inc., a Delaware corporation ("SUBTENANT").

RECITALS

This Agreement is made with regard to the following facts;

A. Master Landlord is the owner of approximately 29 acres and up to approximately 591,000 square feet (existing, under construction or planned) in 9 buildings known as Bridge Pointe Corporate Centre within the Eastgate Technology Park in San Diego, California (the "PROJECT"). Phase A of the Project consists of 4 existing buildings known as "Building 1" (also referred to as the "PHASE A-1 PREMISES") located at 4770 Eastgate Mall, "Building 2" (also referred to as the "ADC TELECOMMUNICATIONS PREMISES") located at 4790 Eastgate Mall, "Building 3" (also referred to as the "PHASE A-2 PREMISES") located at 4760 Eastgate Mall and "Building 4" (also referred to as the "PHASE A-3 PREMISES") located at 4780 Eastgate Mall. Phase B of the Project consists of 2 buildings under construction known as "Building 5" (also referred to as the "PHASE B-2 PREMISES") located at 4810 Eastgate Mall and "Building 6" (also referred to as the "PHASE B-1 PREMISES") located at 4820 Eastgate Mall. Phase C of the Project consists of 3 planned buildings known as "Buildings 7 through 9".

B. Master Landlord and Sublandlord entered into a lease dated September 2, 1998, as amended by that certain First Amendment to Lease dated March 15, 1999 and assigned by that certain Assignment, Assumption and Consent agreement dated January 1, 2000 (collectively, the "PHASE A LEASE") whereby Master Landlord leased to Sublandlord the Phase A-2 Premises and the Phase A-3 Premises, upon the terms and conditions contained therein.

C. Under the terms of Paragraph 21 of the Phase A Lease, Sublandlord has requested Master Landlord's consent to the Sublease Agreement dated .March 31, 2000 between Sublandlord and Subtenant (the "SUBLEASE"), pursuant to which Sublandlord will sublease to Subtenant the Phase A-2 Premises, as more particularly described in the Sublease (the "SUBLEASED PREMISES"). A copy of the Sublease is attached to this Agreement as EXHIBIT A.

D. Master Landlord is willing to consent to the Sublease on the terms and conditions contained in this Agreement.

NOW THEREFORE, in consideration of the mutual covenants contained in this Agreement, and for valuable consideration, the receipt and sufficiency of which are acknowledged by the parties, the parties agree as follows.

1. MASTER LANDLORD'S CONSENT. Master Landlord consents to the Sublease. This consent is granted only on the terms and conditions stated in this Agreement. Master

Landlord is not bound by any of the terms, covenants, or conditions of the Sublease, except as set forth in Section 2.2 below. The Sublease is subject and subordinate to the Master Lease.

2. LIMITS OF CONSENT.

2.1 NONRELEASE OF SUBLANDLORD; FURTHER TRANSFERS. Neither the Sublease nor this Agreement will:

(a) release Sublandlord from any liability, whether past, present or future, under the Master Lease;

(b) alter the primary liability of Sublandlord to pay the Rent and perform all of Tenant's obligations under the Master Lease (including the payment of all bills rendered by Master Landlord for charges incurred by Subtenant for services and materials supplied to the Subleased Premises); or

(c) be construed as a waiver of Master Landlord's right to consent to any proposed transfer after the date hereof by Sublandlord under the Master Lease or Subtenant under the Sublease, or as a consent to any portion of the Subleased Premises being used or occupied by any other party.

2.2 MASTER LANDLORD ACKNOWLEDGMENT. Master Landlord specifically acknowledges and agrees to be bound by the following Paragraphs of the Sublease: 4, "Signage"; 20, "Permitted Use;" and 21, "Mutual Waiver of Subrogation"; and all of the modifications to the Master Lease set forth in

Paragraph 8(a) of the Sublease.

Master Landlord may consent to the subsequent sublease and assignment of the Sublease or any amendments or modifications to the Sublease without notifying Sublandlord or anyone else liable under the Master Lease, including any guarantor of the Master Lease, and without obtaining their consent. No such action by Master Landlord will relieve those persons from any liability to Master Landlord or otherwise with regard to the Subleased Premises. Notwithstanding the foregoing, nothing contained herein shall diminish any obligation of Subtenant to obtain Sublandlord's approval prior to taking any such actions.

3. RELATIONSHIP WITH MASTER LANDLORD

3.1 EFFECT OF SUBLANDLORD DEFAULT UNDER MASTER LEASE. If after the expiration of any applicable cure period Sublandlord defaults in the performance of its obligations under the Master Lease and the Master Lease terminates, Master Landlord shall notify Subtenant and, without limiting its other rights and remedies, by notice to Sublandlord and Subtenant, elect to receive and collect, directly from Subtenant, all rent and any other sums owing and to be owed under the Sublease, as further set forth in Section 3.2 below.

3.2 MASTER LANDLORD'S ELECTION TO RECEIVE RENTS. Master Landlord will not, as a result of the Sublease, or as a result of the collection of rents or any other sums

from Subtenant under Section 3.1 above, be liable to Subtenant for any failure of Sublandlord to perform any obligation of Sublandlord under the Sublease.

Sublandlord irrevocably authorizes and directs Subtenant, on receipt of any written notice from Master Landlord stating that a default exists in the performance of Sublandlord's obligations under the Master Lease, to pay to Master Landlord the rents and any other sums due and to become due under the Sublease. Sublandlord agrees that Subtenant has the right to rely on any such statement from Master Landlord, and that Subtenant will pay those rents and other sums to Master Landlord without any obligation or right to inquire as to whether a default exists and despite any notice or claim from Sublandlord to the contrary. Sublandlord will not have any right or claim against Subtenant for those rents or other sums paid by Subtenant to Master Landlord. Master Landlord will credit Sublandlord with any rent received by Master Landlord under this assignment, but the acceptance of any payment on account of rent from Subtenant as the result of a default by Sublandlord will not: (a) except as set forth in Section 3.3 below, be an attornment by Master Landlord to Subtenant or by Subtenant to Master Landlord; (b) be a waiver by Master Landlord of any provision of the Master Lease; or (c) release Sublandlord from any liability under the terms, agreements, or conditions of the Master Lease. Except as set forth in Section 3.3 below, no payment of rent by Subtenant directly to Master Landlord, regardless of the circumstances or reasons for that payment, will be deemed an attornment by Subtenant to Master Landlord in the absence of a specific written agreement signed by Master Landlord to that effect.

3.3 TENANT'S ATTORNMENT. In the event the Master Lease is terminated prior to the expiration of the term of the Sublease for any reason, Master Landlord shall automatically be deemed to have succeeded to Sublandlord's interest in the Sublease, whereupon Subtenant shall attorn to Master Landlord. Furthermore, Master Landlord shall recognize Subtenant's right to possession of the Premises as provided for in the Sublease and shall not disturb Subtenant's right to possession of the Premises so long as an event of default does not exist in the performance of Subtenant's obligations under the Sublease beyond any applicable notice and cure period. Master Landlord will assume the obligation of Sublandlord under the Sublease as described above provided that Master Landlord will not be:

(a) liable for any rent paid by Subtenant to Sublandlord more than one month in advance, or any security deposit paid by Subtenant to Sublandlord;

(b) liable for any act or omission of Sublandlord under the Master Lease or for any default of Sublandlord under the Sublease which occurred prior to Master Landlord's assumption;

(c) subject to any defenses or offsets that Subtenant may have against Sublandlord which arose prior to Master Landlord's assumption; or

(d) bound by any changes or modifications made to the Sublease without the written consent of Master Landlord.

Master Landlord shall promptly notify Subtenant of the termination of the Master Lease and of Master Landlord's recognition of Subtenant's right to continued possession of the Subleased Premises. Upon receipt of the notice from Master Landlord, Subtenant shall attorn to Master Landlord and perform all of the Subtenant's obligations under the Sublease directly to Master Landlord, just as if Master Landlord were the "Sublessor" under the Sublease. If and so long as Subtenant is not in substantial and material default (beyond any notice and cure periods) under the Sublease, Master Landlord shall continue to recognize the interest of Subtenant created under the Sublease and the Sublease shall continue with the same force and effect as if Master Landlord and Subtenant had entered into a Sublease on the same terms and conditions as those contained in the Sublease.

Sublandlord and Subtenant shall not enter into any agreement which amends the Sublease without Master Landlord's prior written consent, which shall not be unreasonably withheld or delayed. Any amendment of the Sublease in violation of this provision shall have no force or effect on Master Landlord.

4. CONSIDERATION FOR SUBLEASE. Sublandlord and Subtenant represent and warrant that there are no additional payments of rent or any other consideration of any type which has been paid or is payable by Subtenant to Sublandlord in connection with the Sublease, other than as disclosed in the Sublease.

5. GENERAL PROVISIONS

5.1 BROKERAGE COMMISSION. Sublandlord and Subtenant agree that Master Landlord will not be liable for any brokerage commission or finder's fee in connection with the consummation of the Sublease or this Agreement. Sublandlord and Subtenant will protect, defend, indemnify, and hold Master Landlord harmless from any brokerage commission or finder's fee in connection with the consummation of the Sublease or this Agreement, and from any cost or expense (including attorney's fees) incurred by Master Landlord in resisting any claim for any such brokerage commission or finder's fee. The provisions of this Section 5.1 shall survive the expiration or earlier termination of the Sublease and this Agreement.

5.2 NOTICE. Any notice that may or must be given by any party under this Agreement will be delivered (i) personally, (ii) by certified mail, return receipt requested, or (iii) by a nationally recognized overnight courier, addressed to the party to whom it is intended. Any notice given to the Master Landlord, Sublandlord or Subtenant shall be sent to the respective address set forth on the signature page below, or to such other address as that party may designate for service of notice by a notice given in accordance with the provisions of this Section 5.2. Master Landlord and Sublandlord agree to send to Subtenant copies of all notices of default and other formal notices that may require action by Sublandlord or Subtenant under the Master Lease.

5.3 CONTROLLING LAW. The terms and provisions of this Agreement will be construed in accordance with, and will be governed by, the laws of the State of California.

5.4 ENTIRE AGREEMENT; WAIVER. This Agreement constitutes the final, complete and exclusive statement between the parties to this Agreement pertaining to the terms of Master Landlord's consent to the Sublease, supersedes all prior and contemporaneous understandings or agreements of the parties, and is binding on and inures to the benefit of their respective heirs, representatives, successors and assigns.

5.5 WAIVER OF JURY TRIAL; ATTORNEY'S FEES. If any party commences litigation against any other party for the specific performance of this Agreement, for damages for the breach hereof or otherwise for enforcement of any remedy hereunder, the parties waive any right to a trial by jury and, in the event of any commencement of litigation, the prevailing party shall be entitled to recover from the applicable party such costs and reasonable attorney's fees as may have been incurred.

5.6 NON-DISTURBANCE FROM LENDERS. Master Landlord represents and warrants that there are no deeds of trust, mortgages, ground leases or other liens affecting the Project as of the date hereof. With respect to any future mortgages, deeds of trust or other liens or ground leases entered into by and between Landlord and any beneficiary of any deed of trust or other such lien granted by Landlord or any ground lessor or otherwise encumbering the Building (collectively referred to as "Landlord's Mortgagee"), Landlord shall use commercially reasonable efforts to secure and deliver to Sublandlord and Subtenant commercially reasonable recordable Non-Disturbance Agreements from, and executed by, all Landlord's Mortgagees for the benefit of Sublandlord and Subtenant as a condition precedent to subordination and attornment to any such future Landlord Mortgagee.

The parties have executed this Consent to Sublease Agreement as of the above date.

MASTER LANDLORD:

SPIEKER PROPERTIES, L.P.,
a California limited partnership
By: Spieker Properties, Inc.,
a Maryland corporation,
its general partner

By: /s/ [SIGNATURE ILLEGIBLE]

Its: Senior Vice President

[NAME ILLEGIBLE]

By: /s/ [SIGNATURE ILLEGIBLE]

Its: Vice President

[NAME ILLEGIBLE]

Master Landlord Address:

9255 Towne Centre Drive, Suite 100
San Diego, California 92121
Attention: Tambra Martinez

SUBLANDLORD:

FRANKLIN TEMPLETON CORPORATE
SERVICES, INC., a Delaware corporation

BY: /s/ LESLIE M. KRATTER

LESLIE M. KRATTER

Its: VICE PRESIDENT & SECRETARY

Sublandlord Address:

777 Mariners Island Boulevard
San Mateo, California 94404
Attention: Manager of Corporate Real Estate

SUBTENANT:

INTUIT INC., a Delaware corporation

By: /s/ [SIGNATURE ILLEGIBLE]

Its: CFO, SVP Finance

Its: VP, Investor Relations and Treasurer

Subtenant Address:

6220 Greenwich Drive
San Diego, California 92122
Attn: Facilities Director
Fax No.: 858/784-1399

With copies to:

2550 Garcia Avenue, Second Floor
Mountain View, California 94043
Attn: General Counsel
Fax No.: 650/944-6622

And to:

2550 Garcia Avenue, Second Floor
Mountain View, California 94043
Attn: Vice President - Finance & Admin.
Fax No.: 650/944-5499

EXHIBIT A

SUBLEASE

SUBLEASE AGREEMENT

This SUBLEASE AGREEMENT ("SUBLEASE") is made and entered into as of the 31st day of March, 2000 by and between FRANKLIN TEMPLETON CORPORATE SERVICES, INC., a Delaware corporation ("SUBLANDLORD"), and INTUIT INC., a Delaware corporation ("SUBTENANT"), with respect to the following facts and circumstances:

RECITALS

A. Spieker Properties, L.P., a California limited partnership ("LANDLORD") is the owner of approximately 29 acres and up to approximately 591,000 square feet (existing, under construction or planned) in 9 buildings known as Bridge Pointe Corporate Centre within the Eastgate Technology Park in San Diego, California (the "PROJECT"). A depiction of the Project is attached hereto as Exhibit "A" and incorporated herein by this reference. Phase A of the Project consists of 4 existing buildings known as "Building 1" (also referred to as the "PHASE A-1 PREMISES") located at 4770 Eastgate Mall, "Building 2" (also referred to as the "ADC TELECOMMUNICATIONS PREMISES") located at 4790 Eastgate Mall, "Building 3" (also referred to as the "PHASE A-2 PREMISES") located at 4760 Eastgate Mall and "Building 4" (also referred to as the "PHASE A-3 PREMISES") located at 4780 Eastgate Mall. Phase B of the Project consists of 2 buildings under construction known as "Building 5" (also referred to as the "PHASE B-2 PREMISES") located at 4810 Eastgate Mall and "Building 6" (also referred to as the "PHASE B-1 PREMISES") located at 4820 Eastgate Mall. Phase C of the Project consists of 3 planned buildings known as "Buildings 7 through 9".

B. Landlord and Sublandlord entered into an Industrial Net Lease dated September 2, 1998, as amended by that certain First Amendment to Lease dated March 15, 1999 and assigned by that certain Assignment, Assumption and Consent agreement dated January 1, 2000 (collectively, the "PHASE A LEASE") whereby Landlord leased to Sublandlord the Phase A-2 Premises and the Phase A-3 Premises, upon the terms and conditions contained therein. A true, correct and complete copy of the Phase A Lease is attached hereto as Exhibit "B" and made a part hereof. All capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Phase A Lease.

C. Sublandlord and Subtenant are desirous of entering into a sublease of the Phase A-2 Premises ("SUBLEASE PREMISES") on the terms and conditions hereafter set forth.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto mutually covenant and agree as follows:

1. Sublease. Sublandlord hereby subleases and demises to Subtenant and Subtenant hereby hires and subleases from Sublandlord the Sublease Premises which contain 47,000 rentable square feet upon and subject to the terms, covenants and conditions hereinafter set forth.

2. Term.

(a) The term of this Sublease ("SUBLEASE TERM") shall commence on the earlier of the date of Substantial Completion (as defined in Paragraph 4.4

of Exhibit "D") of the Sublease Premises or August 1, 2000 regardless of the status of the Tenant Improvements as of that date ("SUBLEASE COMMENCEMENT DATE") and shall terminate on August 31, 2007 ("SUBLEASE EXPIRATION DATE").

(b) Sublandlord shall deliver possession of the Sublease Premises to Subtenant upon full execution of this Sublease and receipt of Landlord's consent pursuant to Paragraph 15 hereof, with the roof and all plumbing, lighting, heating, ventilating and air conditioning systems within the Sublease Premises in good working order, at which time Subtenant shall have the right to commence the Tenant Improvements pursuant to the Work Letter executed among Landlord, Sublandlord and Subtenant of even date herewith and attached hereto as Exhibit "D" ("WORK LETTER").

(c) Subtenant acknowledges that Subtenant has inspected and accepts the Sublease Premises in its present condition, broom clean, "as is" and is suitable for Subtenant's intended operations in the Sublease Premises, subject to punch list items and latent defects not visually discoverable by Subtenant upon a reasonably diligent inspection and which are identified in writing by Subtenant within six (6) months of Subtenant's occupancy of the Premises in accordance with the Work Letter. Subtenant further acknowledges that except as set forth in the Work Letter or expressly set forth in this Sublease, no representations as to the condition or repair of the Sublease Premises and no promises to alter, remodel or improve the Sublease Premises have been made by Landlord, Sublandlord or any agents of either party.

(d) After the Sublease Commencement Date, Subtenant shall promptly execute and return to Sublandlord a "Start-Up Letter" in which Subtenant shall agree, among other things, to acceptance of the Sublease Premises (subject to punchlist items and latent defects as set forth in Paragraph 2(c) above) and to the confirmation of the Sublease Commencement Date, in accordance with the terms of this Sublease, but Subtenant's failure or refusal to do so shall not negate Subtenant's acceptance of the Sublease Premises or affect determination of the Sublease Commencement Date.

3. Subrental.

(a) Base Rental. Beginning with the Sublease Commencement Date and thereafter during the Sublease Term and ending on the Sublease Expiration Date, Subtenant shall pay to Sublandlord monthly installments of base rent ("BASE RENTAL") as set forth below. The first monthly installment of Base Rental shall be paid by Subtenant upon the execution of this Sublease. Base Rental and additional rent shall hereinafter be collectively referred to as "RENT." Base Rental shall be increased by four percent (4%) per annum on each anniversary date of each year of the Sublease Term as follows:

<TABLE>
<CAPTION>

Period	Monthly Base Rental (Per Square Foot)
<S>	<C>
Earlier of the date of Substantial Completion or August 1, 2000 - July 31, 2001	$1.45
August 1, 2001 - July 31, 2002	$1.51
August 1, 2002 - July 31, 2003	$1.57
August 1, 2003 - July 31, 2004	$1.63
August 1, 2004 - July 31, 2005	$1.70
August 1, 2005 - July 31, 2006	$1.76
August 1, 2006 -August 31, 2007	$1.83

</TABLE>

(b) Operating Expenses. Beginning with the Sublease Commencement Date and thereafter during the Sublease Term, Subtenant shall pay to Sublandlord as additional rent under this Sublease, Subtenant's Proportionate Share of the amounts that Sublandlord, as Tenant, has to pay Landlord, pursuant to Paragraph 7 of the Phase A Lease. For the purposes of this Sublease, "Subtenant's Proportionate Share" shall mean the following: 100% of the Operating Expenses for the Building in which the Phase A-2 Premises are located and 21.78% of the Operating Expenses for the Phase A of the Project.

(c) Payment of Rent. Except as otherwise specifically provided in this Sublease, Rent shall be payable in lawful money without notice or demand, and without offset, counterclaim, or setoff in monthly installments, in advance,

on the first day of each and every month during the Sublease Term. All of said Rent is to be paid to Sublandlord at its office at the address set forth in Paragraph 13 herein, or at such other place or to such agent and at such place as Sublandlord may designate by notice to Subtenant. Any additional rent payable on account of items which are not payable monthly by Sublandlord to Landlord under the Phase A Lease is to be paid directly to Sublandlord as and when such items are payable by Sublandlord to Landlord under the Phase A Lease unless a different time for payment is elsewhere stated herein. Sublandlord shall request that copies of all notices sent by Landlord pursuant to the Phase A Lease also be sent to Subtenant at the address set forth in Paragraph 13 below. In addition, Sublandlord agrees to provide Subtenant with copies of any notices, statements or invoices received by Sublandlord from Landlord pursuant to the terms of the Phase A Lease.

4. Signage. Subtenant shall have the right to install at Subtenant's sole cost and expense up to two (2) business identification signs identifying Subtenant (including Subtenant's logo) on the upper exterior of the building and adjacent to the building entrance doors of the building in which the Sublease Premises are located, subject to Landlord's prior written approval, which approval shall not be unreasonably withheld, delayed or conditioned. Except for the foregoing, Subtenant shall have no right to install or keep Subtenant identification signs in any other location outside the Sublease Premises. The size, design, color and other

physical aspects of all such permitted signs shall also be subject to Landlord's prior written approval, which approval shall not be unreasonably withheld, delayed or conditioned and shall also be subject to any covenants, conditions or restrictions encumbering the Sublease Premises and any applicable municipal or other governmental permits and approvals. The cost of all such signs, including the installation, maintenance and removal thereof, shall be at Subtenant's sole cost and expense. If Subtenant fails to maintain its signs, or if Subtenant fails to remove same upon the expiration or earlier termination of this Sublease and repair any damage caused by such removal, Sublandlord may do so at Subtenant's expense and Subtenant shall reimburse Sublandlord for all actual costs incurred by Sublandlord to effect such removal.

5. Parking Density. 3.6 parking spaces per 1,000 square feet of the rentable area of the Sublease Premises, or 170 parking spaces, all unreserved surface parking, at no additional cost to Subtenant.

6. Holding Over. If by written notice to Sublandlord delivered not later than twelve (12) months prior to the Sublease Expiration Date (the "Hold-Over Notice"), Subtenant advises Sublandlord of its intent to hold-over specifying the period of such hold-over (which period shall not extend beyond March 31, 2009) (the "Hold-Over Term"), then Subtenant may, as a matter of right, remain in possession following the Sublease Expiration Date for the Hold-Over Term set forth in the Hold-Over Notice; provided, that the Base Rent for the Hold-Over Term shall be equal to the Base Rent for the last month of the Sublease Term. Notwithstanding the foregoing, Subtenant shall not have the right to hold-over beyond March 31, 2009.

7. Bonus Rent. Any Rent or other consideration realized by Subtenant under any sublease or assignment, in excess of the Rent payable hereunder, after amortization of all transaction costs reasonably incurred in connection therewith, including but not limited to reasonable brokerage commission incurred by Subtenant, legal fees, costs of improvements, shall be divided and paid, twenty-five percent (25%) to Subtenant, and seventy-five percent (75%) to Sublandlord ("Bonus Rent"). In any subletting or assignment undertaken by Subtenant, Subtenant shall diligently seek to obtain the maximum rental amount available in the marketplace for comparable space available for primary leasing.

8. Incorporation of Terms of Phase A Lease. This Sublease is subject and subordinate to the Phase A Lease. Subject to the modifications set forth in this Sublease, the terms of the Phase A Lease are incorporated herein by reference, and shall, as between Sublandlord and Subtenant (as if they were Landlord and Tenant, respectively, under the Phase A Lease) constitute the terms of this Sublease except to the extent that they are inapplicable to, inconsistent with, or modified by, the terms of this Sublease. In the event of any inconsistencies between the terms and provisions of the Phase A Lease and the terms and provisions of this Sublease, the terms and provisions of this Sublease shall govern. Subtenant acknowledges that it has reviewed the Phase A Lease and is familiar with the terms and conditions thereof.

(a) For the purposes of incorporation herein, the terms of the Phase A Lease are subject to the following additional modifications:

(i) In all provisions of the Phase A Lease (under the terms thereof and without regard to modifications thereof for purposes of incorporation into this

Sublease) requiring the approval or consent of Landlord, Subtenant shall be required to obtain the approval or consent of both Landlord and Sublandlord.

(ii) In all provisions of the Phase A Lease requiring Tenant to submit, exhibit to, supply or provide Landlord with evidence, certificates, or any other matter or thing, Subtenant shall be required to submit, exhibit to, supply or provide, as the case may be, the same to both Landlord and Sublandlord.

(iii) Sublandlord shall have no obligation to restore or rebuild any portion of the Sublease Premises after any destruction or taking by eminent domain.

(iv) In Paragraph 8(B)(5) of the Phase A Lease, the referenced deductible amount shall be changed from $5,000.00 to $50,000.00 per occurrence.

(v) Notwithstanding anything to the contrary in Paragraph 8 of the Phase A Lease, Subtenant shall be permitted to carry any of the required insurance coverages under blanket insurance policies.

(vi) In Paragraph 21(C) of the Phase A Lease, the rights specifically granted to Franklin Resources, Inc., as tenant shall expressly apply to, and benefit, Subtenant.

(vii) In Paragraph 38 (G) of the Phase A Lease, the reference to the "Designated Building" shall be deemed to reference the building constituting the Sublease Premises. All such roof rights shall be exclusive to Subtenant.

(viii) Paragraph 26(A)(2) of the Phase A Lease shall be modified to provide that Subtenant shall not be deemed in default under the Sublease the first time in any twelve month period that Subtenant fails to pay Rent when due unless such failure has not been cured within three (3) business days of Subtenant's receipt of written notice identifying the installment of Rent which was not timely paid.

(ix) In Paragraph 8(B)(1) of the Phase A Lease, the term "All Risk" insurance shall not be deemed to require Subtenant to carry earthquake or flood insurance (which may be maintained at Subtenant's sole option).

(x) In Paragraph 8(B)(2) of the Phase A Lease, the term "Amendment of the Pollution Exclusion Endorsement" shall be deemed to reference the Hostile Fire endorsement.

(xi) In Paragraph 16 of the Phase A Lease, the ten (10) day time period for response to Landlord's request shall be changed to ten (10) business days.

(b) The following provisions of the Phase A Lease are specifically excluded: all of the Basic Lease Information, Paragraph 1, Paragraph 2, Paragraph 3, the requirement for two months prepaid rent in Paragraph 6.A., first paragraph of Paragraph 8.B. concerning self

insurance, Paragraph 15.D., Paragraph 19, Paragraph 21.B., the first two sentences and the last two sentences of Paragraph 25, Paragraph 32, Paragraph 38.A., Paragraph 38.13., Paragraph 38.C., Paragraph 38.D., Paragraph 38.E., Paragraph 381, Paragraph 38.F., Exhibit B, Exhibit C. Furthermore, Paragraphs 1 through 5 and 12 and Exhibits A and B of the First Amendment to Lease are hereby deleted.

9. Subtenant's Obligations. Subtenant covenants and agrees that all obligations of Sublandlord under the Phase A Lease with respect to the Sublease Premises shall be done or performed by Subtenant, except as otherwise provided by this Sublease, and Subtenant's obligations shall run to Sublandlord and Landlord as Sublandlord may determine to be appropriate or be required by the respective interests of Sublandlord and Landlord. Subtenant agrees to indemnify Sublandlord, and hold it harmless, from and against any and all claims, damages, losses, expenses and liabilities (including reasonable attorneys' fees) incurred as a result of the non-performance, non-observance or non-payment of any of Sublandlord's obligations under the Phase A Lease applicable to the Sublease Premises which, as a result of this Sublease, became an obligation of Subtenant. Subtenant shall not do, nor permit to be done, any act or thing which is, or with notice or the passage of time would be, a default under this Sublease or

the Phase A Lease (to the extent applicable to the Sublease Premises). Sublandlord agrees to indemnify Subtenant, and hold it harmless, from and against any and all claims, damages, losses, expenses and liabilities (including reasonable attorneys' fees) incurred as a result of the non-performance, non-observance or non-payment of any of Sublandlord's obligations under the Phase A Lease which under the terms of this Sublease have remained Sublandlord's responsibility.

10. Sublandlord's Obligations. Sublandlord agrees that Subtenant shall be entitled to receive all services and repairs to be provided by Landlord to Sublandlord under the Phase A Lease. Subtenant shall look solely to Landlord for all such services and shall not, under any circumstances, seek nor require Sublandlord to perform any of such services, nor shall Subtenant make any claim upon Sublandlord for any damages which may arise by reason of Landlord's default under the Phase A Lease. Any condition resulting from a default by Landlord shall not constitute as between Sublandlord and Subtenant an eviction, actual or constructive, of Subtenant and no such default shall excuse Subtenant from the performance or observance of any of its obligations to be performed or observed under this Sublease, or, except as otherwise provided in this Sublease, entitle Subtenant to receive any reduction in or abatement of the Rent provided for in this Sublease. In furtherance of the foregoing, and subject to Paragraph 14 hereof, Subtenant does hereby waive any cause of action and any right to bring any action against Sublandlord by reason of any act or omission of Landlord under the Phase A Lease. Sublandlord covenants and agrees with Subtenant that Sublandlord will pay all fixed rent and additional rent payable by Sublandlord pursuant to the Phase A Lease to the extent that failure to perform the same would adversely affect Subtenant's use or occupancy of the Sublease Premises. In the event of a breach by Landlord of any term of the Phase A Lease, then Sublandlord's sole obligation in regard to its obligation under this Sublease shall be to diligently pursue the correction or cure by Landlord of Landlord's breach. Such efforts shall include, without limitation, upon Subtenant's request, (a) immediately notifying Landlord of its non-performance under the Phase A Lease and demanding that Landlord perform its obligations under the Phase A Lease and/or (b) assigning Sublandlord's rights under the Phase A Lease to Subtenant to the

extent necessary to permit Subtenant to institute legal proceedings against Landlord to obtain the performance of Landlord's obligations under the Phase A Lease; provided, however, that if Subtenant commences a lawsuit or other action, Subtenant shall pay all costs and expenses incurred by Subtenant in connection therewith, and Subtenant shall indemnify Sublandlord against, and hold Sublandlord harmless from, all costs and expenses incurred by Sublandlord in connection therewith; provided, however, that Subtenant's indemnity and hold harmless obligation shall not apply (i) to any legal fees or costs incurred by Sublandlord's counsel for work which unreasonably duplicates work performed by Subtenant's counsel and (ii) to any legal fees or costs incurred by Sublandlord in any legal action initiated by Sublandlord for its own benefit.

11. Default by Subtenant. In the event Subtenant shall be in default of any covenant of, or shall fail to honor any obligation under, this Sublease, Sublandlord shall have available to it against Subtenant all of the remedies available (a) to Landlord under the Phase A Lease in the event of a similar default on the part of Sublandlord thereunder or (b) at law, subject in all events to any notice and cure rights which would otherwise be available under the terms of the Phase A Lease.

12. Quiet Enjoyment. So long as Subtenant pays all of the Rent due hereunder and performs all of Subtenant's other obligations hereunder, Sublandlord shall do nothing to affect Subtenant's right to peaceably and quietly have, hold and enjoy the Sublease Premises, and all of the rights, entitlements, and options granted to Subtenant hereunder. In the event, however, that Sublandlord defaults in the performance or observance of any of Sublandlord's obligations under this Sublease or receives a notice of default from Landlord under the Phase A Lease of which Subtenant is aware, then Subtenant shall give written notice to Sublandlord specifying in what manner Sublandlord has defaulted. If any such default by Sublandlord shall not be cured within a reasonable time, but in no event later than thirty (30) days after Sublandlord's receipt of such written notice from Subtenant (except that if such default cannot be cured within said thirty (30) day period, this period shall be extended for an additional reasonable time, provided that Sublandlord commences to cure such default within such thirty (30) day period and proceeds diligently thereafter to effect such cure as quickly as possible), then Subtenant shall be entitled, at Subtenant's option, to cure such default and promptly collect from Sublandlord Subtenant's reasonable expenses in so doing (including, without limitation, reasonable attorneys' fees and court costs) unless such default by Sublandlord is caused by a default of Subtenant hereunder (in which case Sublandlord shall not be liable for Subtenant's costs to cure the default). Subtenant shall not be required to wait the entire cure period provided for herein if earlier action is required to prevent a termination by Landlord of the Phase A Lease or the imposition of a penalty on Subtenant and Sublandlord has failed to take such earlier action. Sublandlord shall not amend or modify the

Phase A Lease in such a manner as to adversely affect Subtenant's use of the Sublease Premises or increase the obligations or decrease the rights of Subtenant hereunder, without the prior written consent of Subtenant, which consent shall not be unreasonably withheld. Anything contained in any provision of this Sublease to the contrary notwithstanding, Subtenant agrees, with respect to the Sublease Premises, to comply with and remedy any default in this Sublease or the Phase A Lease which is Subtenant's obligation to cure, within the period allowed to Sublandlord under the Phase A Lease, even if such time period is shorter than the period otherwise allowed therein due to the fact that notice of default from Sublandlord to

Subtenant is given after the corresponding notice of default from Landlord to Sublandlord. Sublandlord agrees to forward to Subtenant both by facsimile and otherwise in accordance with Paragraph 13 below, promptly upon receipt thereof by Sublandlord, a copy of each notice of default received by Sublandlord in its capacity as Tenant under the Phase A Lease. Subtenant agrees to forward to Sublandlord, promptly upon receipt thereof, copies of any notices received by Subtenant from Landlord or from any governmental authorities.

13. Notices. All notices, demands and requests shall be in writing and shall be sent either by hand delivery or by a nationally recognized overnight courier service (e.g., Federal Express, in either case return receipt requested, to the address of the appropriate party. Notices, demands and requests so sent shall be deemed given when the same are received. Notices and remittance of Rent to Sublandlord shall be sent to the attention of

Franklin Resources, Inc.
777 Mariners Island Boulevard
San Mateo, California 94404
Attn: Manager of Corporate Real Estate

Notices to Landlord shall be sent to the attention of:

Spieker Properties, L.P.
9255 Towne Centre Drive, Suite 100
San Diego, California 92121
Attn: Tambra Martinez

Notices to Subtenant shall be sent to the attention of:

Intuit Inc.
6220 Greenwich Drive
San Diego, California 92122
Attn: Facilities Director
Fax No.: 858-784-1399

With copies of all notices to:

Intuit Inc.
2550 Garcia Avenue, Second Floor
Mountain View, California 94043
Attn: General Counsel
Fax No.: 650-944-6622

And to:

Intuit Inc.
2550 Garcia Avenue, Second Floor
Mountain View, California 94043
Attn: Vice President - Finance and Administration

Fax No.: 650-944-5499

Any party may change its address(es) for notice hereunder by not less than ten (10) days advance notice.

14. Condition of Premises. Except as provided in the Work Letter, Subtenant acknowledges that it is subleasing the Sublease Premises "as-is" and that Sublandlord is not making any representation or warranty concerning the condition of the Sublease Premises and that Sublandlord is not obligated to perform any work to prepare the Sublease Premises for Subtenant's occupancy. Subtenant acknowledges that it is not authorized to make or do any alterations or improvements in or to the Sublease Premises except as permitted by the provisions of this Sublease and the Phase A Lease and that it must deliver the

Sublease Premises to Sublandlord on the Sublease Expiration Date in the condition required by the Phase A Lease.

15. Consent of Landlord. Paragraph 21.A. of the Phase A Lease requires Sublandlord to obtain the written consent of Landlord to this Sublease. Sublandlord shall diligently pursue Landlord's consent to this Sublease promptly following the execution and delivery of this Sublease by Sublandlord and Subtenant.

16. Termination of the Phase A Lease. If for any reason the term of the Phase A Lease shall terminate prior to the Sublease Expiration Date, this Sublease shall automatically be terminated and Sublandlord shall not be liable to Subtenant by reason thereof unless said termination shall have been caused by the default of Sublandlord under the Phase A Lease, and said Sublandlord default was not as a result of a Subtenant default hereunder. To the extent that the Phase A Lease grants Sublandlord any discretionary right to terminate the Phase A Lease, whether due to casualty, condemnation, or otherwise, Sublandlord shall not exercise such right without the prior written consent of the Subtenant which may be withheld by Subtenant in its sole and absolute discretion. If Landlord seeks to terminate the Phase A Lease because of a default or alleged default by Sublandlord under the Phase A Lease (other than a default or alleged default caused by the default by Subtenant under this Sublease), Sublandlord shall take all action required to reinstate the Phase A Lease. Further, if Rent is abated under the Phase A Lease, Rent hereunder shall also be abated in the same proportion.

17. Limitation of Estate. Subtenant's estate shall in all respects be limited to, and be construed in a fashion consistent with, the estate granted to Sublandlord by Landlord.

18. Confidentiality. The covenants, obligations and conditions contained in this Sublease and the Phase A Lease shall remain strictly confidential. Subtenant agrees to keep such terms, covenants, obligations and conditions strictly confidential and not to disclose such matters to any other landlord, tenant, prospective tenant except prospective subtenants of Subtenant or assignees of Subtenant, or broker. Notwithstanding the foregoing, Subtenant shall be allowed to disclose the Sublease and all covenants, obligations and conditions contained therein and the Phase A Lease, for business purposes only, to its shareholders, lenders, attorneys and accountants, to prospective subtenants of Subtenant or assignees of Subtenant, and in any filing made by Subtenant with the Securities and Exchange Commission or other governmental authorities in accordance with applicable law.

19. Indemnity. Subtenant shall indemnify, defend, protect, and hold Sublandlord harmless from and against all actions, claims, demands, costs, liabilities, losses, reasonable attorneys' fees, damages, penalties, and expenses (collectively "Claims") which may be brought or made against Sublandlord or which Sublandlord may pay or incur to the extent resulting from (i) Subtenant's use or occupancy of the Sublease Premises, (ii) a breach of this Sublease by Subtenant, (iii) any violation of law by Subtenant or its employees, agents, contractors or invitees ("Agents") relating to the use or occupancy of the Sublease Premises, or (iiv) the negligence or willful misconduct of Subtenant or its Agents. Sublandlord shall indemnify, defend, protect, and hold Subtenant harmless from and against all Claims, which may be brought or made against Subtenant or which Subtenant may pay or incur to the extent caused by (i) the negligence or willful misconduct of Sublandlord or its Agents occurring on or about the Project or Sublease Premises; (ii) the failure by Sublandlord to comply with or perform its obligations under the Phase A Lease and/or this Sublease, and (iii) a breach by Sublandlord of any of its representations or warranties to Subtenant under this Sublease.

20. Permitted Use. Notwithstanding anything to the contrary set forth in the Phase A Lease, the Sublease Premises shall be used for general office space, engineering and research and development purposes, and for any other legal permitted uses compatible with the City of San Diego's MLI zone and the MCAS Miramar Comprehensive Land Use Plan and otherwise compatible with comparable office projects. The Occupancy Density shall not exceed 4.5 persons per 1,000 square feet. Subtenant shall have access to and use of the Sublease Premises 24-hours per day, 365-days per year.

21. Mutual Waiver of Subrogation. The waiver of subrogation provision set forth in Paragraph 9 of the Phase A Lease shall be deemed a three party agreement binding among and inuring to the benefit of Sublandlord, Subtenant and Landlord (by reason of its consent to hereto).

22. Representations. Sublandlord represents to Subtenant that (A) the Phase A Lease is in full force and effect, (B) the copy of the Phase A Lease which is attached to this Sublease as EXHIBIT A is a true, correct and complete copy of the Phase A Lease, (C) to Sublandlord's best knowledge, no default exists on the part of Sublandlord, nor has there occurred any event which, with the giving of notice or passage of time or both, could constitute such a default

or event of default, and (D) to Sublandlord's best knowledge, there are no pending or threatened actions, suits or proceedings before any court or administrative agency against Sublandlord which could, in the aggregate, adversely affect the Sublease Premises or Sublandlord's ability to perform its obligations under the Sublease, and Sublandlord is not aware of any facts which might result in any actions, suits or proceedings.

23. Broker Commission. Sublandlord and Subtenant warrant to each other that they have dealt with no other real estate broker in connection with this contemplated transaction other than The Staubach Company-West, Inc. representing Subtenant, and no other broker is entitled to any commission on account of this Sublease. In the event Sublandlord and Subtenant are successful in completing this Sublease, Sublandlord would pay a leasing commission in accordance with a separate agreement between the parties.

24. Entire Agreement. It is understood and acknowledged that there are no oral agreements between the parties hereto affecting this Sublease and this Sublease supersedes and cancels any and all previous negotiations, arrangements, brochures, agreements and understandings, if any, between the parties hereto or displayed by Sublandlord to Subtenant with respect to the subject matter thereof, and none thereof shall be used to interpret or construe this Sublease. This Sublease, and the exhibits and schedules attached hereto, contain all of the terms, covenants, conditions, warranties and agreements of the parties relating in any manner to the rental, use and occupancy of the Sublease Premises and shall be considered to be the only agreements between the parties hereto and their representatives and agents. None of the terms, covenants, conditions or provisions of this Sublease can be modified, deleted or added to except in writing signed by the parties hereto. All negotiations and oral agreements acceptable to both parties have been merged into and are included herein. There are no other representations or warranties between the parties, and all reliance with respect to representations is based totally upon the representations and agreements contained in this Sublease.

IN WITNESS WHEREOF, the parties have entered into this Sublease as of the date first written above.

SUBLANDLORD:

FRANKLIN TEMPLETON CORPORATE SERVICES, INC., Delaware corporation

By: /s/ LESLIE M. KRATTER

Leslie M. Kratter

Its: VICE PRESIDENT & SECRETARY

SUBTENANT:

INTUIT INC., a Delaware corporation

By: /s/ [SIGNATURE ILLEGIBLE]

Its: CFO, SVP of Finance

By: /s/ [SIGNATURE ILLEGIBLE]

Its: VP, Investor Relations and Treasurer

EXHIBIT "A"

DEPICTION OF THE PROJECT

Bridge Pointe Corporate Centre consists of approximately 29 acres and up to approximately 591,000 square feet in up to 9 buildings. Phase A consists of four buildings indicated on the site plan below as 4760, 4770, 4780 and 4790 Eastgate Mall, totaling 215,800 square feet consisting of approximately 12.5 net acres. Phase B will consist of two buildings totaling approximately 150,000 square feet and consisting of approximately 8.5 acres. Phase C will consist of three buildings totaling up to approximately 225,000 square feet and consisting of approximately 8 acres.

The Sublease Premises consists of one building in Phase A of the Project (labeled "Phase A-2 Premises") and is detailed in Exhibit C of this Sublease.

The Site Plan detailing the Premises and the Project follows this page and consists of one (1) page

[MAP]

FRANKLIN RESOURCES, INC.
BRIDGE POINTE CORPORATE CENTRE - SAN DIEGO, CALIFORNIA
ASSIGNMENT, ASSUMPTION AND CONSENT

ASSIGNMENT OF LEASE

For valuable consideration, the receipt of which is hereby acknowledged, the undersigned Franklin Resources, Inc., a Delaware corporation ("ASSIGNOR"), hereby assigns and transfers to Franklin Templeton Corporate Services, Inc., a Delaware corporation ("ASSIGNEE"), all of its rights, title and interest in and to that certain lease dated September 2, 1998, (the "LEASE") by and between SPIEKER PROPERTIES, L.P., A CALIFORNIA LIMITED PARTNERSHIP ("LANDLORD"), as Landlord, and Assignor, as Tenant, leasing those certain premises described as 4760 Eastgate Mall and 4780 Eastgate Mall, San Diego, California. Assignor hereby agrees that this assignment shall not relieve Assignor of any liability or obligation under the Lease, and that Assignor shall continue to remain liable under the Lease as a principal obligor and not as a surety, notwithstanding such assignment. Assignor further agrees that a subsequent modification or extension of the Lease shall not relieve Assignor of any liability or obligation under the Lease, as it may be modified or extended.

This assignment is effective as of January 1, 2000.

Dated: January 6, 2000 ASSIGNOR: Franklin Resources, Inc.,
a Delaware corporation

BY: /s/ LESLIE M. KRATTER

NAME: LESLIE M. KRATTER

TITLE: Vice President

ASSUMPTION OF LEASE

Assignee hereby accepts the foregoing assignment effective January 1, 2000, and in consideration of Landlord's consent thereto, Assignee agrees to be bound by and to faithfully, timely and fully perform all of the terms and conditions and agreements contained in the Lease, and to pay promptly all rental and other payments thereunder of whatever nature. Assignee warrants that it has read the Lease which is made a part hereof by this reference.

Dated: January 6, 2000 ASSIGNEE: Franklin Templeton Corporate Services, Inc.,
a Delaware corporation

BY: /s/ LESLIE M. KRATTER

NAME: LESLIE M. KRATTER

TITLE: Vice President

CONSENT

Landlord hereby consents to the foregoing assignment by Assignor to Assignee of the Lease, on the condition that (a) Assignee will promptly pay all rents and other monies required under the Lease and this assignment, and will perform all terms, covenants and conditions therein to be performed by Tenant and (b) Assignor agrees to continue to remain liable under the Lease as principal obligor and not as surety, notwithstanding such assignment.

Dated: 1/13/00 LANDLORD: SPIEKER PROPERTIES, L.P.,
a California limited partnership

BY: SPIEKER PROPERTIES, INC.,
A MARYLAND CORPORATION

ITS: general partner

By: /s/ RICHARD L. ROMNEY

Richard L. Romney

ITS: Senior Vice President

BY: /s/ MITCHEL J. RITSCHEL

Mitchel J. Ritschel

ITS: Vice President

FIRST AMENDMENT TO LEASE

THIS FIRST AMENDMENT TO LEASE ("First Amendment") is made and entered into as of March 15, 1999, by and between SPIEKER PROPERTIES, L.P., a California limited partnership ("Landlord"), and FRANKLIN RESOURCES, INC., a Delaware corporation ("Tenant").

RECITALS:

A. WHEREAS, Landlord and Tenant entered into that certain Industrial Net Lease dated as of September 2, 1998 for the Bridge Pointe Corporate Phase A Premises (the "Franklin Lease") covering those certain premises located at 4760, 4770, and 4780 Eastgate Mall, in the City of San Diego, California (collectively, the "Premises"); and

B. WHEREAS, Tenant has expressed a desire not to take possession of the Premises as it would become available under the Franklin Lease; and

C. WHEREAS, Landlord and Tenant have entered into that certain Agreement to Market, dated December 1, 1998 ("Agreement to Market"), whereby Tenant has authorized Landlord to attempt to find a replacement tenant or tenants reasonably satisfactory to Landlord and Tenant to occupy the Premises, and has agreed to reasonably cooperate with Landlord to assist Landlord in finding such replacement tenant or tenants, under such terms and conditions as more specifically set forth in the Agreement to Market; and

D. WHEREAS, Landlord has received a proposal from Science Applications International Corporation ("SAIC"), to enter into a lease (the "SAIC Lease") of that portion of the Premises situated in the building located at and known as 4770 Eastgate Mall (the "4770 Eastgate Mall Premises"); and

E. WHEREAS, Landlord and Tenant have agreed that, upon approval of the SAIC Lease by Tenant and the execution of the SAIC Lease by Landlord and SAIC, the Franklin Lease shall be amended to delete the 4770 Eastgate Mall Premises subject to the Franklin Lease; and

F. WHEREAS, Landlord and Tenant have agreed that Landlord and Tenant shall continue to be bound by and to observe and perform all obligations under the Franklin Lease, as hereby amended, as more specifically set forth in the Agreement to Market.

AGREEMENT

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby amend the Franklin Lease and agree as follows:

1. Approval of SAIC Lease. Tenant hereby approves and consents to the terms and conditions of the SAIC Lease, a copy of which lease is attached hereto as Exhibit A. Without limiting the generality of the foregoing, Tenant expressly consents to and agrees to be bound by the expansion option contained in Paragraph 38.C. of the SAIC Lease, pursuant to which expansion option SAIC has certain rights to elect to lease 47,000 square feet in Building 3 of Phase A of the Project (4760 Eastgate Mall). Should SAIC exercise said expansion option, Tenant shall be released from its obligations with respect to 4760 Eastgate Mall in the same manner as set forth in this First Amendment for the 4770 Eastgate Mall Premises. Contemporaneously with execution and delivery of this First Amendment by Landlord and Tenant, Landlord and SAIC shall execute and deliver the SAIC Lease and Tenant shall execute a consent thereto to be incorporated therein and, thereupon, Tenant shall be released from any further liability under the Franklin Lease with respect to the 4770 Eastgate Mall Premises, including, without limitation, any liability for rent payable thereunder.

2. Premises. Landlord and Tenant hereby amend the following provisions of the Basic Lease Information contained in the Franklin Lease, to read as follows:

BUILDING DESCRIPTION: Approximately 94,000 rentable square feet,

subject to adjustment pursuant to Paragraph 38.I. hereof, in the two buildings of Phase A of the Project, as detailed above and in Exhibit B attached hereto and known as:

4760 Eastgate Mall (47,000 square feet)

4780 Eastgate Mall (47,000 square feet)

PREMISES: Approximately 94,000 rentable square feet, subject to adjustment pursuant to Paragraph 38.I. hereof, as detailed in the Building Description above and in Exhibit B attached hereto.

PARKING DENSITY: 3.6 parking spaces per 1,000 square feet of the rentable area in Phase A (as defined in Exhibit B attached hereto), or 339 parking spaces, all unreserved surface parking. Landlord's requirement to construct sixty-two (62) additional parking stalls is hereby deleted.

* * *

SCHEDULED TERM: February 1, 1999 for 4760 Eastgate Mall
COMMENCEMENT DATE: April 1, 1999 for 4780 Eastgate Mall

3. In addition to the foregoing, Exhibit B attached to the Franklin Lease is hereby deleted and replaced in its entirety by the new Exhibit B attached hereto and made a part hereof.

4. Rent. Effective June 1, 1999, Landlord and Tenant hereby amend the following provisions of the Basic Lease Information contained in the Franklin Lease, to read as follows:

RENT:

BASE RENT: Shall be in accordance with Paragraph 5 of this First Amendment to Lease, net of all Operating Expenses as defined in Paragraph 7 of the Lease.

ESTIMATED FIRST YEAR OPERATING EXPENSES: $15,532 per month.

* * *

TENANT'S PROPORTIONATE SHARE:

OF BUILDING: 100% for each Building

OF PHASE A OF THE PROJECT: 43.56%

OPTION TO RENEW: Deleted.

PROJECT GARAGE DATA
GRAPH

INDUSTRIAL NET LEASE

For The

BRIDGE POINTE CORPORATE CENTRE
("PHASE A PREMISES")

BY AND BETWEEN

LANDLORD: SPIEKER PROPERTIES, L.P.

AND

TENANT: FRANKLIN RESOURCES, INC.

BASIC LEASE INFORMATION
INDUSTRIAL NET

<TABLE>
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LEASE DATE:	September 2, 1998
TENANT:	Franklin Resources, Inc. 777 Mariners Island Boulevard San Mateo, CA 94404 Attn: Manager of Corporate Real Estate
TENANT'S BILLING ADDRESS:	Franklin Resources, Inc. 777 Mariners Island Boulevard San Mateo, CA 94404 Attn: Manager of Corporate Real Estate
TENANT CONTACT:	PHONE NUMBER: 650-312-5816 FAX NUMBER: 650-312-5830
LANDLORD:	Spieker Properties, L.P., a California limited partnership
LANDLORD'S NOTICE ADDRESS:	9255 Towne Centre Drive, Suite 100, San Diego, CA 92121 FAX Number: 619-623-8506
LANDLORD'S REMITTANCE ADDRESS:	Spieker Properties, Department 11491, P.O. Box 60077 Los Angeles, CA 90060-0077
PROJECT DESCRIPTION:	Approximately 29 acres and up to approximately 591,000 square feet in up to 9 buildings known as Bridge Pointe Corporate Centre, within the Eastgate Technology Park of San Diego, California. The Project is divided into three phases as detailed in EXHIBIT B attached hereto.
BUILDING DESCRIPTION:	Approximately 154,900 rentable square feet, subject to adjustment pursuant to Paragraph 38.1. hereof, in the three buildings of Phase 1A of the Project, as detailed above and in EXHIBIT B attached hereto and known as: 4760 Eastgate Mall (47,000 square feet) 4770 Eastgate Mall (60,900 square feet) 4780 Eastgate Mall (47,000 square feet)
PREMISES:	Approximately 154,900 rentable square feet, subject to adjustment pursuant to Paragraph 38.1. hereof, as detailed in the Building Description above and in EXHIBIT B attached hereto.
PERMITTED USE:	Administrative office and uses incidental thereto as permitted by the City of San Diego's M-L1 zoning, and the MCAS Miramar Comprehensive Land Use Plan attached hereto as EXHIBIT E.
OCCUPANCY DENSITY:	Maximum of 5 persons per 1,000 square feet.
PARKING DENSITY:	3.6 parking spaces per 1,000 square feet of the rentable area in Phase 1 (as defined in EXHIBIT B attached hereto), or 558 parking spaces, all unreserved surface parking. On or before April 1, 1999, Landlord at its sole cost and responsibility shall construct and install sixty-two (62) surface parking spaces and appropriate nighttime lighting on the site of the Phase B Premises, in reasonable proximity to the Premises hereunder for Tenant's use and occupancy of the 4780 Eastgate Mall Building, as required by the City's M-L1 zoning for the Project.
SCHEDULED TERM COMMENCEMENT DATE:	December 1, 1998 for 4770 Eastgate Mall; February 1, 1999 for 4760 Eastgate Mall; and April 1, 1999 for 4780 Eastgate Mall
SCHEDULED LENGTH OF TERM:	Ten (10) years based upon a Term Commencement Date of April 1, 1999 for the entire Premises.

SCHEDULED TERM EXPIRATION DATE:	March 31, 2009 (subject to extension pursuant to Paragraph 38.B. and/or adjustment as provided in Paragraph 38.C. hereof.)
RENT:	
BASE RENT:	per month, net of all Operating Expenses as defined in Paragraph 7 (subject to adjustment as provided in Paragraphs 38.A. and 38.1. hereof).

ESTIMATED FIRST YEAR OPERATING EXPENSES:	$29,431.00 per month
SECURITY DEPOSIT:	$100,000.00 which will be due no later than 12 months prior to the Term Expiration Date pursuant to Paragraph 19 hereof
PREPAID RENT:	to the applied to the initial months of the Term pursuant to Paragraph 38.D. hereof
TENANT'S PROPORTIONATE SHARE:	
OF BUILDING:	100% for each Building
OF PHASE A OF THE PROJECT:	71.78%
OPTION TO RENEW:	Two (2), five (5) year options pursuant to Paragraph 38.B. hereof

The foregoing Basic Lease Information is incorporated into and made a part of this Lease. Each reference in this Lease to any of the Basic Lease Information shall mean the respective information above and shall be construed to incorporate all of the terms provided under the particular Lease paragraph pertaining to such information. In the event of any conflict between the Basic Lease Information and the Lease, the latter shall control.

LANDLORD	TENANT
Spieker Properties, L.P., a California limited partnership	Franklin Resources, Inc., a Delaware corporation
By: Spieker Properties, Inc., a Maryland corporation, its general partner	/s/ MICHAEL J. MCCULLOCH By: Michael J. McCulloch Its: Director of Corporate Services
/s/ RICHARD L. ROMNEY By: Richard L. Romney Its: Senior Vice President	

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LEASE

THIS LEASE is made as of the 2nd day of September, 1998, by and between Spieker Properties, L.P., a California limited partnership (hereinafter called "LANDLORD"), and Franklin Resources, Inc., a Delaware corporation (hereinafter called "TENANT").

1. PREMISES

Landlord leases to Tenant and Tenant leases from Landlord, upon the terms and conditions hereinafter set forth, those premises (the 'PREMISES") outlined in red on EXHIBIT B and described in the Basic Lease Information. The Premises shall comprise all of a the buildings (each individually a "BUILDING") and a portion of the project (the "PROJECT"), which may consist of more than one building and additional facilities, as described in the Basic Lease Information. The Building and Project are outlined in blue and green respectively on EXHIBIT B. Landlord and Tenant acknowledge that, subject to the terms and provisions of this Lease, physical changes may occur from time to time in the Premises, Building or Project, and that the number of buildings and additional facilities which constitute the Project may change from time to time, which may result in an adjustment in Tenant's Proportionate Share, as defined in the Basic Lease Information, as provided in Paragraph 7.A.

2. POSSESSION AND LEASE COMMENCEMENT

B. CONSTRUCTION OF IMPROVEMENTS. If this Lease pertains to a Building to be constructed or improvements to be constructed within a Building, the provisions of this Paragraph 2.B. shall apply in lieu of the provisions of Paragraph 2.A. above and the term commencement date ("TERM COMMENCEMENT DATE") shall be the earlier of the date on which: (1) Tenant takes possession of some or all of the Premises for purposes of the commencement of the conduct of its business therein; or (2) the improvements to be constructed or performed in the Premises by Landlord (if any) shall have been substantially completed in accordance with the Plans described on EXHIBIT C as certified by the architect, Devcon Construction Incorporated, in writing to Tenant and Landlord (subject to mutual approval by Landlord and Tenant), and Tenant's taking of possession of the Premises or any part thereof for purposes of other than the installation of telephone or data cabling or the installation of furniture or furniture systems shall constitute TENANT'S confirmation of substantial completion for all purposes hereof (subject to the completion by Landlord of any punch list items and any latent defects not visually discoverable by Tenant upon a reasonably diligent inspection and which are identified in writing by Tenant within six (6) months of the Tenant's occupancy of each Building), whether or not substantial

completion of other portions of the Building or Project shall have occurred. If for any reason beyond Landlord's reasonable control Landlord cannot deliver possession of the subject portion of the Premises to Tenant on the scheduled Term Commencement Date, Landlord shall not be subject to any liability therefor, nor shall Landlord by in default hereunder nor shall such failure affect the validity of this Lease, and Tenant agrees to accept possession of other portions of the Premises at such time as such improvements have been substantially completed, which date shall then be deemed the Term Commencement Date; provided, however, that if Landlord fails to tender possession of any portion of the Premises, subject to Paragraph 35 of this Lease, within ninety (90) days of the scheduled Term Commencement Date with respect to each Building, then Tenant, upon not less than thirty (30) days prior written notice to Landlord shall have the right to terminate this Lease with respect to each Building, unless within such thirty (30) day period Landlord tenders possession of each Building in the condition required by this Lease. Tenant shall not be liable for any Rent for any period prior to the Term Commencement Date (but without affecting any obligation of Tenant under any improvement agreement appended to this Lease). In the event of any dispute as to substantial completion of work performed or required to be performed by Landlord, the certificate of Landlord's architect or general shall be conclusive. Substantial completion shall have occurred notwithstanding Tenant's submission of a punchlist to Landlord, which Tenant shall submit, if at all, within seven (7) business days after the Term Commencement Date or otherwise in accordance with any improvement agreement appended to this Lease. Upon Landlord's request, Tenant shall promptly execute and return to Landlord a "Start-Up Letter" in which Tenant shall agree, among other things, to acceptance of the Premises (subject to any punchlist exceptions according to Paragraph 6.C of Exhibit C) and to the determination of the Term Commencement Date, in accordance with the terms of this Lease, but Tenant's failure or refusal to do so shall not negate Tenant's acceptance of the Premises or affect determination of the Term Commencement Date.

3. TERM

The term of this Lease (the "TERM") shall commence on the Term Commencement Date and continue in full force and effect for the number of months specified as the Length of Term in the Basic Lease Information or until this Lease is terminated as otherwise provided herein. If the Term Commencement Date is a date other than the first day of the calendar month, the Term shall be the number of months of the Length of Term in addition to the remainder of the calendar month following the Term Commencement Date.

4. USE

A. GENERAL. Tenant shall use the Premises for the permitted use specified in the Basic Lease ("PERMITTED USE") and for no other use or purpose, without Landlord's consent, which consent shall not be unreasonably withheld, delayed or conditioned. Tenant shall control Tenant's employees, agents, customers, visitors, invitees, licensees, contractors, assignees and subtenants (collectively, "TENANT'S PARTIES") in such a manner that Tenant and Tenant's Parties cumulatively do not exceed the occupancy density (the "OCCUPANCY DENSITY") or the parking density specified in the Basic Lease Information (the "PARKING DENSITY") at any time. So long as Tenant is occupying the Premises, Tenant and Tenant's Parties shall have the nonexclusive right to use, without paying any fee or

charge therefor, in common with other parties occupying the Project, the parking areas, driveways and other common areas of the Building and Project, subject to the terms of this Lease and such rules and regulations as Landlord may from time to time reasonably prescribe upon written notice to Tenant. Further, Landlord and Tenant acknowledge that Tenant's actual Occupancy Density may exceed Tenant's Parking Density, however, Landlord shall not be obligated to Tenant to provide additional parking in the event the Occupancy Density causes the Parking Density to be exceeded. In the event Tenant's Parking Density is exceeded, Tenant shall use its commercially reasonable efforts to immediately cure this condition. Landlord reserves the right to the extent it is commercially reasonable to do so, upon reasonable prior written notice to Tenant, without liability to Tenant, and without the same constituting an actual or constructive eviction, to alter or modify the common areas from time to time, including the location and configuration thereof, and the amenities and facilities which Landlord may determine to provide from time to time, provided that no such changes shall unreasonably affect access to or visibility of the Premises and all such changes shall be consistent with the operation of comparable first-class business parks in San Diego County, California.

B. LIMITATIONS. Tenant shall not permit any odors, smoke, dust, gas, substances, noise or vibrations to emanate from the Premises or from any portion of the common areas as a result of Tenant's or any Tenant's Party's use thereof, nor take any action which would constitute a nuisance or would unreasonably disturb, obstruct or endanger any other tenants or occupants of the Project or elsewhere, or interfere with their use of their respective premises or common

areas. Storage outside the Premises of materials, vehicles or any other items is prohibited. Tenant shall not use or allow the Premises to be used for any unlawful purpose, nor shall Tenant cause or maintain or permit any nuisance in, on, or about the Premises. Tenant shall not commit or suffer the commission of any waste in, on or about the Premises. Tenant shall not allow any sale by auction upon the Premises, or place any loads upon the floors, walls or ceilings which could endanger the structure, or place any harmful substances in the drainage system of the Building or Project. No waste, materials or refuse shall be dumped upon or permitted to remain outside the Premises except in trash containers placed inside exterior enclosures designated for that purpose by Landlord. Landlord shall not be responsible to Tenant for the non-compliance by any other tenant or occupant of the Project with any of the above-referenced rules or any other terms or provisions of such tenant's or occupant's lease or other contract, provided Landlord shall administer compliance with such rules and regulations in a nondiscriminatory manner.

C. COMPLIANCE WITH REGULATIONS. By entering the Premises for purposes of the commencement of the conduct of Tenant's business, Tenant accepts the Premises in the condition existing as of the date of such entry subject to the completion by Landlord of any punchlist items and any latent defects as described in Paragraph 2.B. of this Lease. Tenant shall at its sole cost and expense strictly comply with all existing or future applicable municipal, state and federal and other governmental statutes, rules, requirements, regulations, laws and ordinances, including zoning ordinances and regulations, including the MCAS Miramar Comprehensive Land Use Plan ("CLUP") attached hereto as Exhibit E of this Lease, and covenants, easements and restrictions of record governing and relating to the specific manner of Tenant's use, occupancy or possession of the Premises, to Tenant's use of the common areas, or to the use, storage, generation or disposal of Hazardous Materials (hereinafter defined) (collectively "REGULATIONS"). Tenant shall at its sole cost and expense obtain any and all licenses or permits necessary for Tenant's use of the Premises. Tenant shall at its sole cost and expense promptly comply with the requirements of any board of fire underwriters or other similar body now or hereafter constituted. Tenant shall not do or permit anything to be done in, on, under or about the Project or bring or keep anything which will in any way increase the rate of any insurance upon the Premises, Building or Project or upon any contents therein or cause a cancellation of said insurance or otherwise affect said insurance in any manner. Tenant shall indemnify, defend (by counsel reasonably acceptable to Landlord), protect and hold Landlord harmless from and against any loss, cost, expense, damage, attorneys' fees or liability arising out of the failure of Tenant to comply with any Regulation. Tenant's obligations pursuant to the foregoing indemnity shall survive the expiration or earlier termination of this Lease.

D. HAZARDOUS MATERIALS. As used in this Lease, "HAZARDOUS MATERIALS" shall include, but not be limited to, hazardous, toxic and radioactive materials and those substances defined as "hazardous substances," "hazardous materials," "hazardous wastes," "toxic substances," or other similar designations in any Regulation. Tenant's Hazardous Materials Declaration is attached hereto as EXHIBIT D. Tenant shall not cause, or allow any of Tenant's Parties to cause, any Hazardous Materials to be handled, used, generated, stored, released or disposed of in, on, under or about the Premises, the Building or the Project or surrounding land or environment in violation of any Regulations. Tenant must obtain Landlord's written consent prior to the introduction of any Hazardous Materials onto the Project. Notwithstanding the foregoing, Tenant may handle, store, use and dispose of products containing small quantities of Hazardous Materials for "general office purposes" (such as toner for copiers) to the extent customary and necessary for the Permitted Use of the Premises; provided that Tenant shall always handle, store, use, and dispose of any such Hazardous Materials in a safe and lawful manner and never allow such Hazardous Materials to contaminate the Premises, Building, or Project or surrounding land or environment. Tenant shall immediately notify Landlord in writing of any Hazardous Materials' contamination of any portion of the Project of which Tenant becomes aware, whether or not caused by Tenant. If, but only if, Landlord has a reasonable basis to believe the Tenant has introduced any Hazardous Materials onto the Premises, then Landlord shall have the right at all reasonable times to inspect the Premises and to conduct tests and investigations to determine whether Tenant is in compliance with the foregoing provisions, the reasonable and actual costs of all such inspections, tests and investigations to be borne by Tenant. Tenant shall indemnify, defend (by counsel reasonably acceptable to Landlord), protect and hold Landlord harmless from and against any and all claims, liabilities, losses, costs, loss of rents, liens, damages, injuries or expenses (including attorneys' and consultants' fees and court costs), demands, causes of action, or judgments directly or indirectly arising out of or related to the use, generation, storage, release, or disposal of Hazardous Materials by Tenant or any of Tenant's Parties in, on, under or about the Premises, the Building or the Project or surrounding land or environment, which indemnity shall include, without limitation, damages for personal or bodily injury, property damage, damage to the environment or natural resources occurring on or off the Premises, losses attributable to diminution in value or adverse effects on marketability, the cost of any investigation, monitoring, government oversight, repair, removal, remediation, restoration, abatement, and disposal, and the preparation of any closure or other required plans, whether such action is required or necessary prior to or following the expiration or earlier termination of this Lease. Neither the consent by Landlord to the use, generation, storage, release or disposal of Hazardous Materials nor the strict

compliance by Tenant with all laws pertaining to Hazardous Materials shall excuse Tenant from Tenant's obligation of indemnification pursuant to this Paragraph 4.D. Tenant's obligations pursuant to the foregoing indemnity shall survive the expiration or earlier termination of this Lease.

5. RULES AND REGULATIONS

Tenant shall faithfully observe and comply with the building rules and regulations attached hereto as EXHIBIT A and any other rules and regulations and any modifications or additions thereto which Landlord may from time to time reasonably prescribe in writing for the purpose of maintaining the proper care, cleanliness, safety, traffic flow and general order of the Premises or the Building or Project. Tenant shall cause Tenant's Parties to comply with such rules and regulations. Landlord shall not be responsible to Tenant for the non-compliance by any other tenant or occupant of the Building or Project with any of such rules and regulations, any other tenant's or occupant's lease or any Regulations, provided Landlord shall administer compliance with such rules in a nondiscriminatory manner.

6. RENT

A. BASE RENT. Tenant shall pay to Landlord and Landlord shall receive, without notice or demand throughout the Term, Base Rent as specified in the Basic Lease Information, payable in monthly installments in advance on or before the first day of each calendar month, in lawful money of the United States, without deduction or offset whatsoever (except as otherwise expressly set forth in this Lease), at the

Remittance Address specified in the Basic Lease Information or to such other place in the Continental United States as Landlord may from time to time designate in writing. Base Rent for the first full two (2) months of the Term shall be paid by Tenant upon Tenant's execution of this Lease in accordance with Paragraph 38.D. of this Lease. If the obligation for payment of Base Rent commences on a day other than the first day of a month, then Base Rent shall be prorated and the prorated installment shall be paid on the first day of the calendar month next succeeding the Term Commencement Date. The Base Rent payable by Tenant hereunder is subject to adjustment as provided elsewhere in this Lease, as applicable. As used herein, the term "Base Rent" shall mean the Base Rent specified in the Basic Lease Information as it may be so adjusted from time to time.

B. ADDITIONAL RENT. All monies other than Base Rent required to be paid by Tenant hereunder, including, but not limited to, Tenant's Proportionate Share of Operating Expenses, as specified in Paragraph 7 of this Lease, charges to be paid by Tenant under Paragraph 15, the interest and late charge described in Paragraphs 26.C. and D., and any monies spent by Landlord pursuant to Paragraph 30, shall be considered additional rent ("ADDITIONAL RENT"). "RENT" shall mean Base Rent and Additional Rent.

7. OPERATING EXPENSES

A. OPERATING EXPENSES. In addition to the Base Rent required to be paid hereunder, Tenant shall pay as Additional Rent, Tenant's Proportionate Share of the Building and/or Project (as applicable), as defined in the Basic Lease Information, of Operating Expenses (defined below) in the manner set forth below. Tenant shall pay the applicable Tenant's Proportionate Share of each such Operating Expenses. Landlord and Tenant acknowledge that if the number of buildings which constitute the Project increases or decreases, or if physical changes are made to the Building or Project or the configuration of any thereof, Landlord may at its discretion reasonably adjust Tenant's Proportionate Share of the Building or Project to reflect the change. Landlord's determination of Tenant's Proportionate Share of the Project shall be conclusive so long as it is reasonably and consistently applied. "OPERATING EXPENSES" shall mean all expenses and costs of every kind and nature which Landlord shall reasonably pay or become obligated to pay, because of or in connection with the management, maintenance, repair, preservation, replacement and operation of the Building or Project and its supporting facilities and such additional facilities now and in subsequent years as may be determined by Landlord to be necessary or desirable to the Building and/or Project (as determined in a reasonable manner) other than those expenses and costs which are specifically attributable to Tenant or which are expressly made the financial responsibility of Landlord or specific tenants of the Building or Project pursuant to this lease. Operating Expenses shall include, but are not limited to, the following:

(1) TAXES. All real property taxes and general assessments, possessory interest taxes, sales taxes, personal property taxes, business or license taxes or fees, gross receipts taxes, service payments in lieu of such taxes or fees, annual or periodic license or use fees, excises, transit charges imposed generally and not in connection with the initial development of the Project, and other impositions, general and special, ordinary and extraordinary, unforeseen as well as foreseen, of any kind (including fees "in-lieu" of any such tax or assessment) which are now or

hereafter assessed, levied, charged, confirmed, or imposed by any public authority upon the Building or Project, its operations or the Rent (or any portion or component thereof), or any tax, assessment or fee imposed in substitution, partially or totally, of any of the above. Operating Expenses shall also include any taxes, assessments, reassessments, or other fees or impositions with respect to the development, leasing, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises, Building or Project or any portion thereof, including, without limitation, by or for Tenant, and all increases therein or reassessments thereof whether the increases or reassessments result from increased rate and/or valuation (whether upon a transfer of the Building or Project or any portion thereof or any interest therein or for any other reason). Operating Expenses shall not include inheritance or estate taxes imposed upon or assessed against the interest of any person in the Project, or taxes computed upon the basis of the net income of any owners of any interest in the Project. If it shall not be lawful for Tenant to reimburse Landlord for all or any part of such taxes, the monthly rental payable to Landlord under this Lease shall be revised to net Landlord the same net rental after imposition of any such taxes by Landlord as would have been payable to Landlord prior to the payment of any such taxes. Notwithstanding anything set forth in this Lease to the contrary, in no event shall "Taxes" include any fees, costs or exactions incurred by Landlord in connection with obtaining the right to develop the Project (exclusive of Tenant Improvements), including, but not limited to, any fees for schools, parks, traffic, sewer and fire protection, or any special assessments used to finance any portion of the Project, including any off-site roadway or utility facilities.

(2) INSURANCE. All insurance premiums and costs, including, but not limited to, any deductible amounts, premiums and other costs of insurance reasonably and actually incurred by Landlord, including for the insurance coverage set forth in Paragraph 8.A. herein. In an event wherein a deductible may be greater than Fifty Thousand Dollars ($50,000.00) said deductible amount shall be amortized over the greater of (i) the remaining Term of this Lease or (ii) three (3) years.

(3) COMMON AREA MAINTENANCE.

(a) Repairs, replacements, and general maintenance of and for the Building and Project and public and common areas and facilities of and comprising the Building and Project, including, but not limited to, the roof and roof membrane, elevators, mechanical rooms, alarm systems, pest extermination, landscaped areas, parking and service areas, driveways, sidewalks, truck staging areas, rail spur areas, fire sprinkler systems, sanitary and storm sewer lines, utility services, heating/ventilation/air conditioning systems, electrical, mechanical or other systems, telephone equipment and wiring servicing, plumbing, lighting, and any other items or areas which affect the operation or appearance of the Building or Project, which determination shall be at Landlord's discretion, except for: those items expressly made the financial responsibility of Landlord pursuant to Paragraph 10 hereof; those items to the extent paid for by the proceeds of insurance or which are covered under warranties of the contractor, manufacturer or supplier thereof; and those items attributable solely or jointly to specific tenants of the Building or Project.

(b) Repairs, replacements, and general maintenance shall include the cost of any capital improvements made to or capital assets acquired for the Project or Building that are reasonably intended to reduce any other Operating Expenses, including future repair work not covered by applicable warranties, are reasonably necessary for the health and safety of the occupants of the Building or Project, or are required to comply with any change in Regulation not applicable to the Building as of the Term Commencement Date, such costs or allocable portions thereof to be amortized over such reasonable period as Landlord shall determine, together with interest on the unamortized balance at the publicly announced "prime rate" charged by Wells Fargo Bank, N.A. (San Francisco) or its successor at the time such improvements or capital assets are constructed or acquired, plus two (2) percentage points, or in the absence of such prime rate, then at the U.S. Treasury six-month market note (or bond, if so designated) rate as published by any national financial publication selected by Landlord, plus four (4) percentage points, but in no event more than the maximum rate permitted by law, plus reasonable financing charges. Landlord shall be responsible, at its sole cost and expense, for performing all work to each Building (exclusive of Tenant Improvements) or the common areas necessary to cause the Project to conform to Regulations applicable as of the Term Commencement Date.

(c) Payment under or for any easement, license, permit,

operating agreement, declaration, restrictive covenant or instrument relating to the Building or Project.

(d) All expenses and rental related to services and costs of supplies, materials and equipment used in operating, managing and maintaining the Premises, Building and Project, the equipment therein and the adjacent sidewalks, driveways, parking and service areas, including, without limitation, expenses related to service agreements regarding security, fire and other alarm systems, janitorial services to the extent not addressed in Paragraph 11 hereof, window cleaning, elevator maintenance, Building exterior maintenance, landscaping and expenses related to the administration, and operation of the Project, including without limitation salaries, wages and benefits.

(e) The cost of supplying any services and utilities which benefit all or a portion of the Premises, Building or Project to the extent not addressed in Paragraph 15 hereof.

(f) Reasonable legal expenses and the cost of audits by certified public accountants; provided, however, that legal expenses chargeable as Operating Expenses shall not include the cost of negotiating leases, collecting rents, evicting tenants nor shall it include costs incurred in legal proceedings with or against any tenant or to enforce the provisions of any lease.

(g) An administrative and accounting cost recovery fee equal to twenty percent (20%) of the sum of the Project's Operating Expenses.

If the rentable area of the Building and/or Project is not fully occupied during any fiscal year of the Term as determined by Landlord, an adjustment may be made in Landlord's discretion in computing the Operating Expenses for such year so that Tenant pays an equitable portion of all variable items (e.g., utilities, janitorial services and other component expenses that are affected by variations in occupancy levels) of Operating Expenses, as reasonably determined by Landlord; provided, however, that in no event shall Landlord be entitled to collect in excess of one hundred percent (100%) of the total Operating Expenses from all of the tenants in the Building or Project, as the case may be.

Operating Expenses shall not include the following:

(i) costs incurred in connection with the original construction of the Building or the Project;

(ii) interest, principal, late charges, default fees, prepayment penalties or premiums on any debt owed by Landlord, including any mortgage debt;

(iii) costs of correcting defects in or inadequacy of the initial design or construction of the Building;

(iv) expenses directly resulting from the gross negligence of the Landlord, its agents, servants or employees, or another tenant;

(v) legal fees, space planners' fees, real estate brokers' leasing commissions and advertising expenses incurred in connection with the original development or original leasing of the Project or future leasing of the Project;

(vi) costs for which Landlord is reimbursed by any tenant or occupant of the Project or by insurance by its carrier or any tenant's carrier or by anyone else;

(vii) any bad debt loss, rent loss, or reserves for bad debts or rent loss;

(viii) expenses of extraordinary services provided to other tenants in the Project which are made available to Tenant at costs or for which Tenant is separately charged;

(ix) costs associated with the operation of the business of the partnership which constitutes Landlord, as the same are distinguished from the costs of operation of the Project, including partnership accounting and legal matters, costs of defending any lawsuits with any mortgagee (except as the actions of Tenant may be the issue), costs of selling, syndicating, financing, mortgaging or hypothecating any of Landlord's interest in the Project, or any portions thereof, costs (including attorney fees and costs of settlement, judgments and payments in lieu thereof) arising from claims, disputes or potential disputes in connection with potential or actual claims, litigation or arbitrations respecting Landlord and/or the Project and/or the site upon which the Project is situated;

(x) the wages and benefits of any employee who hoes not devote substantially all of his or her time to the Project unless such wages and benefits are prorated to reflect time spent on operating and managing the Project vis-a-vis time spent on matters unrelated to operating and managing the Project;

(xi) fines, penalties and interest;

(xii) amounts paid as ground rental by Landlord;

(xiii) capital expenditures to comply with applicable laws including costs arising from the presence of Hazardous Materials in or about the Project, or the site upon which the Project is situated, which are not caused by or connected with Tenant;

(xiv) costs incurred by Landlord with respect to goods and services (including utilities sold or supplied to tenants and occupants of the Project) to the extent that Landlord would be entitled to reimbursement for such costs if incurred by Tenant pursuant to this Lease;

(xv) costs, including permit, license and inspection costs, incurred with respect to the installation of tenant improvements made for new tenants in the Project or incurred in renovating or otherwise improving, decorating, painting or redecorating vacant space for tenants or other occupants of the Project;

(xvi) costs incurred by Landlord for alterations which are considered capital improvements and replacements under generally accepted accounting principles, consistently applied, except as expressly allowed for in Paragraph 7.A.(3)(b) of this Lease;

(xvii) costs of capital nature, including without limitation capital improvements, capital repairs, capital equipment and capital tools, all as determined in accordance with generally accepted accounting principles, consistently applied, except as expressly allowed for in Paragraph 7.A.(3)(b) of this lease;

(xviii) expenses in connection with services or other benefits which are not provided to Tenant or for which Tenant is charged directly but which are provided to another tenant or occupant of the Project without a separate charge;

(xix) costs paid to Landlord or to affiliates of Landlord for services in the Project to the extent the same exceed or would exceed the costs for such services if rendered by unaffiliated third parties on a competitive basis;

(xx) rentals and other related expenses incurred in leasing air conditioning systems, elevators or other equipment ordinarily considered to be of a capital nature if purchased, except equipment not affixed to the Project which is used in providing janitorial or similar services;

(xxi) all items and services for which Tenant or any other tenant in the Project reimburses Landlord or which Landlord provides selectively to one or more tenants (other than Tenant) without reimbursement;

(xxii) electric power costs for which any tenant directly contracts with the local public service company;

(xxiii) costs arising from Landlord's political or charitable contributions;

(xxiv) costs arising from latent defects in the Project or improvements installed by Landlord;

(xxv) costs, other than those incurred in ordinary maintenance, for sculpture, painting or other objects of art;

(xxvi) costs for which Landlord has been compensated by an administrative fee;

(xxvii) costs arising from the gross negligence of Landlord or its agents, or any vendors, contractors or providers of materials or services selected, hired or engaged by Landlord or its agents, including without limitation, the selection of building materials;

(xxviii) Landlord's general corporate overhead and general and administrative expenses; and

(xxix) costs incurred by Landlord due to the violation by Landlord or any tenant of the terms and conditions of any lease of space in the Project.

Notwithstanding anything herein to the contrary, in any instance wherein Landlord, in Landlord's reasonable discretion, deems Tenant to be responsible for any amounts greater than Tenant's Proportionate Share, Landlord shall have the right to reasonably allocate costs in any manner Landlord reasonably deems appropriate.

The above enumeration of services and facilities shall not be deemed to impose an obligation on Landlord to make available or provide such services or facilities except to the extent if any that Landlord has specifically agreed elsewhere in this Lease to make the same available or provide the same; provided that Landlord shall operate and maintain the Project in a manner reasonably comparable to other comparable first-class business park projects in San Diego County. Without limiting the generality of the foregoing, Tenant acknowledges and agrees that it shall be responsible for providing adequate security for its use of the Premises, the Building and the Project and that Landlord shall have no obligation or liability with respect thereto, except to the extent if any that Landlord has specifically agreed elsewhere in this Lease to provide the same.

B. PAYMENT OF ESTIMATED OPERATING EXPENSES. "ESTIMATED OPERATING EXPENSES" for any particular year shall mean Landlord's reasonable estimate of the Operating Expenses for such fiscal year made with respect to such fiscal year as hereinafter provided. Landlord shall have the right from time to time to revise its fiscal year and interim accounting periods so long as the periods as so revised are reconciled with prior periods in a reasonable manner. During the last month of each fiscal year during the Term, or as soon thereafter as practicable, but in any event by April 30 of the following year, Landlord shall give Tenant written notice of the Estimated Operating Expenses for the ensuing fiscal year. Tenant shall pay Tenant's Proportionate Share of the Estimated Operating Expenses with installments of Base Rent for the fiscal year to which the Estimated Operating Expenses applies in monthly installments on the first day of each calendar month during such year, in advance. Such payment shall be construed to be Additional Rent for all purposes hereunder. If at any time during the course of the fiscal year, Landlord determines that Operating Expenses are projected to vary from the then Estimated Operating Expenses by more than five percent (5%), Landlord may, by written notice to Tenant stating with specificity the basis for such readjustment, revise the Estimated Operating Expenses for the balance of such fiscal year, and Tenant's monthly installments for the remainder of such year shall be adjusted so that by the end of such fiscal year Tenant has paid to Landlord Tenant's Proportionate Share of the revised Estimated Operating Expenses for such year, such revised installment amounts to be Additional Rent for all purposes hereunder.

C. COMPUTATION OF OPERATING EXPENSE ADJUSTMENT. "OPERATING EXPENSE ADJUSTMENT" shall mean the difference between Estimated Operating Expenses and actual Operating Expenses for any fiscal year determined as hereinafter provided. Within one hundred twenty (120) days after the end of each fiscal year, or as soon thereafter as practicable but in any event by June 30 of such year, Landlord shall deliver to Tenant a statement of actual Operating Expenses for the fiscal year just ended, accompanied by a computation of Operating Expense Adjustment. If such statement shows that Tenant's payment based upon Estimated Operating Expenses is less than Tenant's Proportionate Share of Operating Expenses, then Tenant shall pay to Landlord the difference within thirty (30) days after receipt of such statement, such payment to constitute Additional Rent for all purposes hereunder. If such statement shows that Tenant's payments of Estimated Operating Expenses exceed Tenant's Proportionate Share of Operating Expenses, then (provided that Tenant is not in default under this Lease) Landlord shall pay to Tenant the difference within thirty (30) days after delivery of such statement to Tenant. If this Lease has been terminated or the Term hereof has expired prior to the date of such statement, then the Operating Expense Adjustment shall be paid by the appropriate party within thirty (30) days after the date of delivery of the statement. Should this Lease commence or terminate at any time other than the first day of the fiscal year, Tenant's Proportionate Share of the Operating Expense Adjustment shall be prorated based on a month of 30 days and the number of calendar months during such fiscal year that this Lease is in effect. Notwithstanding anything to the contrary contained in Paragraph 7.A or 7.B, Landlord's failure to provide any notices or statements within the time periods specified in those paragraphs shall in no way excuse Tenant from its obligation to pay Tenant's Proportionate Share of Operating Expenses.

D. NET LEASE. This shall be a triple net Lease and Base Rent shall be paid to Landlord absolutely net of all costs and expenses, except as specifically provided to the contrary in this Lease. The provisions for payment of Operating Expenses and the Operating Expense Adjustment are intended to pass on to Tenant and reimburse Landlord for all costs and expenses of the nature described in Paragraph 7.A. incurred in connection with the management, maintenance, repair, preservation, replacement and operation of

the Building and/or Project and its supporting facilities and such additional facilities now and in subsequent years as may be determined by Landlord to be necessary or desirable to the Building and/or Project.

E. TENANT AUDIT. If Tenant shall dispute the amount set forth in any statement provided by Landlord under Paragraph 7.B. or 7.C. above, Tenant shall have the right, not later than six (6) months following receipt of such statement and upon the condition that Tenant shall first deposit with Landlord the full amount in dispute, to cause Landlord's books and records with respect to Operating Expenses for such fiscal year to be audited by certified public accountants selected by Tenant and subject to Landlord's reasonably right of approval. The Operating Expense Adjustment shall be appropriately adjusted on the basis of such audit. If such audit discloses a liability for a refund in excess of five percent (5%) of Tenant's Proportionate Share of the Operating Expenses previously reported, the cost of such audit shall be borne by Landlord; otherwise the cost of such audit shall be paid by Tenant. If Tenant shall not request an audit in accordance with the provisions of this Paragraph 7.E. within six (6) months after receipt of Landlord's statement provided pursuant to Paragraph 7.B. or 7.C., such statement shall be final and binding for all purposes hereof, absent manifest error.

F. CALCULATION OF OPERATING EXPENSES. Operating Expenses shall be calculated and determined in accordance with the following general principles:

(1) RECOVERY LIMITED TO ACTUAL COSTS. Landlord shall not recover the cost of any item more than once.

(2) ARM's LENGTH. All services rendered to and materials supplied to the Project shall be rendered or supplied at a cost comparable to those charged in arm's length transactions for similar services or materials rendered or supplied for similar purposes to comparable buildings in San Diego County.

(3) REIMBURSEMENTS. All discounts, reimbursements, rebates, refunds or credits (collectively, "Reimbursements") attributable to Operating Expenses received by Landlord in a particular year shall be deducted from Operating Expenses in the year the same are received; provided, however, if a particular Reimbursement exceeds Fifty Thousand Dollars ($50,000.00) and applies to a prior year, such Reimbursement shall be applied to such prior year (and Tenant's Proportionate Share thereof shall be promptly refunded).

(4) NON-PROJECT EXCLUSIVE EXPENSES. Whenever expenses are paid or incurred by Landlord as a result of activities that are not exclusively rendered to the Project, only that portion that can be reasonably allocated to the Project shall be included within Operating Expenses.

(5) INSTALLMENTS. All assessments and premiums of Operating Expenses which can be paid or incurred by Landlord in annual installments shall be paid by Landlord in the maximum number of annual installments permitted by law and shall not be included as Operating Expenses except in the calculation year in which the installments are actually paid; provided, however, that if the then-prevailing practice in other comparable buildings is to pay such assessments or premiums on an earlier basis and Landlord shall pay the same on such basis, such assessments or premiums shall be included in Operating Expenses as paid by Landlord.

(6) REASONABLENESS. Landlord shall use its reasonable efforts to operate and maintain the Project in an economically reasonable manner.

8. INSURANCE AND INDEMNIFICATION

A. LANDLORD'S INSURANCE. All insurance maintained by Landlord shall be for the sole benefit of Landlord and under Landlord's sole control.

(1) PROPERTY INSURANCE. Landlord agrees to maintain property insurance insuring the Building against damage or destruction due to risk including fire, vandalism, and malicious mischief in an amount not less than the replacement cost thereof, in the form and with deductibles and endorsements as selected by Landlord. At its election, Landlord may instead (but shall have no obligation to) obtain "All Risk" coverage, and may also obtain earthquake, pollution, and/or flood insurance in amounts selected by Landlord.

(2) OPTIONAL INSURANCE. Landlord, at Landlord's option, may also (but shall have no obligation to) carry insurance against loss of rent, in an amount equal to the amount of Base Rent and Additional Rent that Landlord could be required to abate to all Building tenants in the event of condemnation or casualty damage for a period of twelve (12)

months. Landlord may also (but shall have no obligation to) carry such other insurance as Landlord may reasonably deem prudent or advisable, including, without limitation, liability insurance in such amounts and on such terms as Landlord shall determine. If and when Spieker Properties, L.P. or its successor by merger or acquisition, is not longer the "Landlord" under this Lease, then at all times Landlord shall carry a policy of Commercial General Liability Insurance with limits of liability of no less than Three Million Dollars ($3,000,000.00). Landlord shall not be obligated to insure, and shall have no responsibility whatsoever for any damage to, any furniture, machinery, goods, inventory or supplies, or other personal property or fixtures which Tenant may keep or maintain in the Premises, or any leasehold improvements, additions or alterations within the Premises except where such damage arises from the active negligence or willful misconduct of Landlord, its employees, agents, or contractors.

B. TENANT'S INSURANCE.

So long as Franklin Resources, Inc. is "Tenant" under this Lease, the coverages Tenant is required to maintain under this Lease may be maintained under a program of Tenant's self-insurance or under policies that include self-insured retentions of deductibles that are typically carried by similarly situated tenants. Prior to any implementation of Tenant's self-insurance program, Tenant shall in writing advise Landlord of the self-insured retentions, or deductibles.

(1) PROPERTY INSURANCE. Tenant shall procure at Tenant's sole cost and expense and keep in effect from the date of this Lease and at all times until the end of the Term, insurance on all personal property and fixtures of Tenant and all improvements, additions or alterations made by or for Tenant to the Premises on an "All Risk" basis, insuring such property for the full replacement value of such property.

(2) LIABILITY INSURANCE. Tenant shall procure at Tenant's sole cost and expense and keep in effect from the date of this Lease and at all times until the end of the Term Commercial General Liability insurance covering bodily injury and property damage liability occurring in or about the Premises or arising out of the use and occupancy of the Premises and the Project, and any part of either, and any areas adjacent thereto, and the business operated by Tenant or by any other occupant of the Premises. Such insurance shall include contractual liability coverage insuring all of Tenant's indemnity obligations under this Lease. Such coverage shall have a minimum combined single limit of liability of at least Two Million Dollars ($2,000,000.00), and a

minimum general aggregate limit of Three Million Dollars ($3,000,000), with an "Additional Insured -- Managers or Lessors of Premises Endorsement" and the "Amendment of the Pollution Exclusion Endorsement." All such policies shall be written to apply to all bodily injury (including death), property damage or loss, personal and advertising injury and other covered loss, however occasioned, occurring during the policy term, shall be endorsed to add Landlord and any party holding an interest to which this Lease may be subordinated as an additional insured, and shall provide that such coverage shall be "PRIMARY" and non-contributing with any insurance maintained by Landlord, which shall be excess insurance only. Such coverage shall also contain endorsements including employees as additional insureds if not covered by Tenant's Commercial General Liability Insurance. All such insurance shall provide for the severability of interests of insureds; and shall be written on an "OCCURRENCE" basis, which shall afford coverage for all claims based on acts, omissions, injury and damage, which occurred or arose (or the onset of which occurred or arose) in whole or in part during the policy period.

(3) WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY INSURANCE. Tenant shall carry Workers' Compensation Insurance as required by any Regulation, throughout the Term at Tenant's sole cost and expense. To the extent required by any Regulation, Tenant shall also carry Employers' Liability Insurance in amounts not less than One Million Dollars ($1,000,000) each accident for bodily injury by accident; One Million Dollars ($1,000,000) policy limit for bodily injury by disease; and One Million Dollars ($1,000,000) each employee for bodily injury by disease, throughout the Term at Tenant's sole cost and expense.

(4) COMMERCIAL AUTO LIABILITY INSURANCE. Tenant shall procure at Tenant's sole cost and expense and keep in effect from the date of this Lease and at all times until the end of the Term commercial auto liability insurance with a combined limit of not less than One Million Dollars ($1,000,000) for bodily injury and property damage for each accident. Such insurance shall cover liability relating to any auto (including owned, hired and non-owned autos).

(5) GENERAL INSURANCE REQUIREMENTS. All coverages described in this Paragraph 8.B. shall be endorsed to (i) provide Landlord with thirty (30) days' notice of cancellation or material change in terms; and (ii) waive all rights of subrogation by the insurance carrier against Landlord. If at any time during the Term the amount or coverage of insurance which Tenant is required to carry under this Paragraph 8.B. is, in Landlord's reasonable judgment, materially less than the amount or type of insurance coverage typically carried by owners or tenants of properties located in the general area in which the Premises are located which are similar to and operated for similar purposes as the Premises or if Tenant's use of the Premises should change with or without Landlord's consent, Landlord shall have the right to require Tenant to increase the amount or change the types of insurance coverage required under this Paragraph 8.B. All insurance policies required to be carried by Tenant under this Lease shall be written by companies rated A VII or better in "Best's Insurance Guide" and authorized to do business in the State of California. Should Franklin Resources, Inc. or its successor by merger or acquisition, no longer be "Tenant" under this Lease, then deductible amounts under all insurance policies required to be carried by Tenant under this Lease shall not exceed Five Thousand Dollars ($5,000.00) per occurrence. Tenant shall deliver to Landlord on or before the Term Commencement Date, and thereafter at least thirty (30) days before the expiration dates of the expired policies, or a certificate evidencing the same issued by the insurer thereunder; and, if Tenant shall fail to procure such insurance, or to deliver such certificates, Landlord may, at Landlord's option and in addition to Landlord's other remedies in the event of a default by Tenant hereunder, procure the same for the account of Tenant, and the cost thereof shall be paid to Landlord as Additional Rent.

C. INDEMNIFICATION. Tenant shall indemnify, defend by counsel reasonably acceptable to Landlord, protect and hold Landlord harmless from and against any and all claims, liabilities, losses, costs, loss of rents, liens, damages, injuries or expenses, including reasonable attorneys' and consultants' fees and court costs, demands, causes of action, or judgements, directly or indirectly arising out of or related to: (1) claims of injury to or death of persons or damage to property occurring or resulting directly or indirectly from the use or occupancy of the Premises, Building or Project by Tenant or Tenant's Parties, or from activities or failures to act of Tenant or Tenant's Parties; (2) claims arising from work or labor performed, or for materials or supplies furnished to or at the request of Tenant in connection with performance of any work done for the account of Tenant within the Premises or Project; (3) claims arising from any breach or default on the part of Tenant in the performance of any covenant contained in this Lease; and (4) claims arising from the negligence or intentional acts or omissions of Tenant or Tenant's Parties. The foregoing indemnity by Tenant shall not be applicable to claims to the extent arising from the active negligence or willful misconduct of Landlord. Landlord shall not be liable to Tenant and Tenant hereby waives all claims against Landlord for any injury or damage to any person or property in or about the Premises, Building or Project by or from any cause whatsoever (other than Landlord's active negligence or willful misconduct) and, without limiting the generality of the foregoing, whether caused by water leakage of any character from the roof, walls, basement or other portion of the Premises, Building or Project, or caused by gas, fire, oil or electricity in, on or about the Premises, Building or Project. Landlord shall indemnify, defend by counsel reasonably acceptable to Tenant, protect and hold Tenant harmless form and against any and all claims, liabilities, losses, costs, liens, damages, injuries or expenses, including reasonable attorneys' fees and consultants' fees and court costs, demands, causes of action or judgements directly or indirectly arising from the active negligence or willful misconduct of Landlord or its employees, agents or contractors. The provisions of this Paragraph shall survive the expiration or earlier termination of this Lease.

9. WAIVER OF SUBROGATION

To the extent permitted by law and without affecting the coverage provided by insurance to be maintained hereunder or any other rights or remedies, Landlord and Tenant each waive any right to recover against the other for: (a) damages for injury to or death of persons; (b) damages to property, including personal property; (c) damages to the Premises or any part thereof; and (d) claims arising by reason of the foregoing due to hazards covered by insurance maintained or required to be maintained pursuant to this Lease to the extent of proceeds recovered therefrom, or proceeds which would have been recoverable therefrom in the case of the failure of any party to maintain any insurance coverage required to be maintained by such party pursuant to this Lease. This provision is intended to waive fully, any rights and/or claims arising by reason of the foregoing, but only to the extent that any of the foregoing damages and/or claims referred to above are covered or would be covered, and only to the extent of such coverage, by insurance actually carried or required to be maintained pursuant to this Lease by either Landlord or Tenant. This provision is also intended to waive fully, and for the benefit of each party, any rights and/or claims which might give rise to a right of subrogation on any insurance carrier. Subject to all qualifications of this Paragraph 9, Landlord waives its rights as specified in this Paragraph 9 with respect to any subtenant that it has approved pursuant to Paragraph 21 but only in exchange for the written waiver of such rights to be given by such subtenant to Landlord upon

such subtenant taking possession of the Premises or a portion thereof. Each party shall cause each insurance policy obtained by it to provide that the insurance company waives all right of recovery by way of subrogation against either party in connection with any damage covered by any policy.

10. LANDLORD'S REPAIRS AND MAINTENANCE

Landlord shall at Landlord's expense maintain in first-class condition and repair, reasonable wear and tear excepted, the structural soundness of the roof, foundations, and exterior walls of the Building. The term "exterior walls" as used herein shall not include windows, glass or plate glass, doors, dock bumpers or dock plates, special store fronts or office entries. Landlord shall perform on behalf of Tenant and other tenants of the Project the maintenance of the public and common areas of the Project including, but not limited to, the

landscaped areas, parking areas, driveways, sanitary and storm sewer lines, utilities services, HVAC systems, electric equipment (excluding Tenant's emergency electric generator(s) described in Paragraph 38 H. hereof) servicing the Building, exterior lighting, Project trash removal services, and anything which affects the operation and exterior appearance of the Project, which determination shall be at Landlord's reasonably discretion. Any damage caused by or repairs necessitated by any negligence or act of Tenant or Tenant's Parties may be repaired by Landlord at Landlord's option and Tenant's expense. Tenant shall immediately give Landlord written notice of any defect or need of repairs in such components of the Building for which Landlord is responsible, after which Landlord shall have a reasonably opportunity and the right to enter the Premises at all reasonably times to repair same. Tenant's liability with respect to any defects, repairs, or maintenance for which Landlord is responsible under any of the provisions of the Lease shall be limited to the cost of such repairs or maintenance, and there shall be no abatement of rent and no liability of Landlord by reason of any injury to or interference with Tenant's business arising from the making of repairs, alterations or improvements in or to any portion of the Premises, the Building or the Project or to fixtures, appurtenances or equipment in the Building, except as provided in Paragraph 24 or anywhere else in this Lease. By taking possession of the Premises, Landlord, subject to Paragraph 2.B of this Lease, accepts them "as is," as being in good order, condition and repair and the condition in which Landlord if obligated to deliver them and suitable for the Permitted Use and Tenant's intended operations in the Premises, whether or not any notice of acceptance is give.

11. TENANT'S REPAIRS AND MAINTENANCE

Tenant shall at all times during the Term at Tenant's expense maintain all interior non-structural parts of the Premises and such portions of the Building as are within the exclusive control of Tenant in a first-class, good, clean and secure condition and promptly make all necessary repairs and replacements, as reasonably determined by Landlord, including but not limited to, all windows, glass, doors, walls, including demising walls, and wall finishes, floors and floor coverings, ceiling insulation, truck doors, hardware, plumbing work and fixtures, downspouts, entries, skylights, smoke hatches, roof vents, electrical and lighting systems, and fire sprinklers, and the emergency generator(s) described in Paragraph 38.H. of this Lease, with materials and workmanship of the same character, kind and quality as the original. Tenant shall at Tenant's expense also perform regular removal of trash and debris. Notwithstanding anything to the contrary contained herein, Tenant shall, at its expense, promptly repair any damage to the Premises or the Building or Project resulting from or caused by any negligence or act of Tenant or Tenant's Parties. Nothing herein shall expressly or by implication render Tenant Landlord's agent or contractor to effect any repairs or maintenance required of Landlord under this Paragraph 11, as to all of which Tenant shall be solely responsible.

12. ALTERATIONS

A. Except for interior, nonstructural alterations costing less than Twenty-five Thousand Dollars ($25,000.00) to perform, Tenant shall not make, or allow to be made, any alterations, physical additions, improvements or partitions, in, about or to the Premises ("ALTERATIONS") without obtaining the prior written consent of Landlord, which consent shall not be unreasonably withheld, delayed or conditioned with respect to proposed Alterations which: (a) comply with all applicable Regulations; (b) are, in Landlord's opinion, compatible with the Building or the Project and its mechanical, plumbing, electrical, heating/ventilation/air conditioning systems, and will not cause the Building or Project or such systems to be required to be modified to comply with any Regulations (including, without limitation, the Americans With Disabilities Act) unless Tenant agrees to perform the same at its sole cost and expense; and (c) will not interfere with the use and occupancy of any other portion of the Project by any other tenant or its invitees. Specifically, but without limiting the generality of the foregoing, Landlord shall have the right of written consent (which consent shall not be unreasonably withheld, delayed or conditioned) for all plans and specifications for the proposed Alterations, construction means and methods, all appropriate permits and licenses, any contractor or subcontractor to be employed on the work of Alterations, and the time for performance of such work, and may impose reasonably rules and

regulations for contractors and subcontractors performing such work. Tenant shall also supply to Landlord any documents and information reasonably requested by Landlord in connection with Landlord's considerations of a request for approval hereunder. Tenant shall cause all Alterations to be accomplished in a first-class, good and workmanlike manner, and to comply with all applicable Regulations and Paragraph 27 hereof. If Landlord does not respond in writing within ten (10) days of Tenant's plan, stating with specificity its reasons therefor, Tenant shall deliver a second notice to Landlord, stating in bold type on the first page thereof "URGENT -- DELAY NOTICE," which notice may be delivered by facsimile to Landlord at Landlord's Notice Address and as otherwise set forth in Paragraph 32, and if Landlord fails to respond within five (5) days thereafter, Landlord's consent shall be deemed given. Tenant shall at Tenant's sole expense, perform any additional work required under applicable Regulations due to the Alterations hereunder. No review or consent by Landlord of or to any proposed Alteration or additional work shall constitute a waiver of Tenant's obligations under this Paragraph 12. Tenant shall reimburse Landlord for all third-party costs which Landlord may reasonably and actually incur in connection with granting approval to Landlord for any such Alterations, including any costs or expenses which Landlord may incur in electing to have outside architects and engineers review said plans and specifications to the extent it is reasonably necessary to do so. All such Alterations shall remain the property of Tenant until the expiration or earlier termination of this Lease, at which time they shall be and become the property of Landlord; provided, however, that Landlord may, at Landlord's option, require that Tenant, at Tenant's expense, remove any or all Alterations made by Tenant which Landlord indicated at the time consent thereto was granted would have to be removed and restore the Premises by the expiration or earlier termination of this Lease, to their condition existing prior to the construction of any such Alterations. All such removals and restoration shall be accomplished in a first-class and good and workmanlike manner so as not to cause any damage to the Premises or Project whatsoever. If Tenant fails to remove such Alterations or Tenant's trade fixtures or furniture or other personal property, Landlord may keep and use them or remove any of them and cause them to be stored or sold in accordance with applicable law, at Tenant's sole expense. In addition to and wholly apart from Tenant's obligation to pay Tenant's Proportionate Share of Operating Expense, Tenant shall be responsible for and shall pay prior to delinquency any taxes or governmental service fees, possessory interest taxes, fees or charges in lieu of any such taxes, capital levies, or other charges imposed upon, levied with respect to or assessed against its fixtures or personal property, on the value of Alterations within the Premises, and on Tenant's interest pursuant to this Lease, or any increase in any of the foregoing based on such Alterations. To the extent that any such taxes are not separately assessed or billed to Tenant, Tenant shall pay the amount thereof as invoiced to Tenant by Landlord.

The work necessary to make such Alterations shall be performed by employees, contractors or space planners employed by Landlord or, with Landlord's prior written consent which consent shall not be unreasonably withheld, delayed or conditioned, by space planners and/or contractors licensed in California which are employed by Tenant. In addition, if Landlord

elected at the time consent to any such Alterations was granted to require that any such Alterations be removed by Tenant upon the expiration or earlier termination of the Term, and the Landlord elects to be responsible for performing such removal, then notwithstanding the provisions of the preceding paragraph, Tenant shall pay to Landlord the cost of removing any such Alterations and restoring the Premises in their original condition such cost to include a reasonable charge for Landlord's overhead and profit as provided above, and such amount may be deducted from the Security Deposit or any other sums or amounts held by Landlord under this Lease.

B. In compliance with Paragraph 27 hereof, at least ten (10) business days before beginning construction of any Alteration, Tenant shall give Landlord written notice of the expected commencement date of that construction to permit Landlord to post and record a notice of non-responsibility. Upon substantial completion of construction, if the law so provides, Tenant shall cause a timely notice of completion to be recorded in the office of the recorder of the county in which the Building is located.

13. SIGNS

Tenant shall not place, install, affix, paint or maintain any signs, notices, graphics or banners whatsoever or any window decor which is visible in or from public view or corridors, the common areas or the exterior of the Premises or the Building, in or on any exterior window or window fronting upon any common areas or service area or upon any truck doors or man doors without Landlord's prior written approval which Landlord shall have the right to withhold in its absolute and sole discretion; provided that Tenant's name shall be included in any Building-standard door and directory signage, if any, and Tenant shall have the right to install at Tenant's sole cost, expense and responsibility, identifying signage on the existing monument sign at the entranceway to the Project, in accordance with Landlord's Building signage, criteria attached as EXHIBIT F hereto, including without limitation, payment by Tenant of any fee charged by Landlord for maintaining such signage, which fee shall constitute

Additional Rent hereunder. Any installation of signs, notices, graphics or banners on or about the Premises or Project approved by Landlord shall be subject to any Regulations and to any other requirements imposed by Landlord. Tenant shall remove all such signs or graphics by the expiration or any earlier termination of this Lease. Such installations and removals shall be made in such manner as to avoid injury to or defacement of the Premises, Building or Project and any other improvements contained therein, and Tenant shall repair any injury or defacement including without limitation discoloration caused by such installation or removal.

14. INSPECTION/POSTING NOTICES

After reasonable notice and subject to such security requirements as Tenant may reasonably impose, except in emergencies where no such notice or compliance with any such security requirements shall be required, Landlord and Landlord's agents and representatives, shall have the right to enter the Premises to inspect the same, to clean, to perform such work as may be permitted or required hereunder, to make repairs, improvements or alterations to the Premises, Building or Project or to other tenant spaces therein, to deal with emergencies, to post such notices as may be permitted or required by law to prevent the perfection of liens against Landlord's interest in the Project or to exhibit the Premises to prospective tenants (during the last twelve (12) months of the Term or extended Term), purchasers, encumbrancers or to others, or for any other purpose as Landlord may deem necessary or desirable; provided however, that Landlord shall use reasonable efforts not to unreasonably interfere with Tenant's business operations. Tenant shall have the right to require a representative of Tenant to accompany Landlord during any such entry or inspection. Tenant shall not be entitled to any abatement of Rent by reason of the exercise of any such right or entry. Tenant waives any claim for damages for any injury or inconvenience to or interference with Tenant's business, any loss of occupancy or quiet enjoyment of the Premises, and any other loss occasioned thereby except for any damage to persons as properly caused by the active negligence or willful misconduct of Landlord or its employees, agents or contractors. Landlord shall at all times have and retain a key with which to unlock all of the doors in, upon and about the Premises, excluding Tenant's vaults and safes or special security areas (designated in advance), and Landlord shall have the right to use any and all means which Landlord may deem necessary or proper to open said doors in an emergency, in order to obtain entry to any portion of the Premises, and any entry to the Premises or portions thereof obtained by Landlord by any of said means, or otherwise, shall not be construed to be a forcible or unlawful entry into, or a detainer of, the Premises, or an eviction, actual or constructive, of Tenant from the Premises or any portions thereof. At any time within six (6) months prior to the expiration of the Term or following any earlier termination of this Lease or agreement to terminate this Lease, Landlord shall have the right to erect on the Premises, Building and/or Project a suitable sign indicating that the Premises are available for lease.

15. SERVICES AND UTILITIES

A. Tenant shall pay directly for all water, gas, heat, air conditioning, light, power, telephone, sewer, sprinkler charges and other utilities and services used on or from the Premises, together with any taxes, penalties, surcharges or the like pertaining thereto, and maintenance charges for utilities and shall furnish all electric light bulbs, ballasts and tubes. Tenant shall have the right to conduct its business operations within the Premises, and to receive reasonable quantities of water, electricity and HVAC in connection therewith, seven (7) days per week, twenty-four (24) hours per day. If any such services are not separately billed or metered to Tenant, Tenant shall pay a proportion, as determined by Landlord, of all charges jointly serving other premises. All sums payable under this Paragraph 15 shall constitute Additional Rent hereunder. Landlord shall use reasonable efforts to reasonably capture any material benefit available through deregulation of electricity supply or of the supply of other utilities.

B. Tenant acknowledges that Tenant has inspected and accepts the water, electricity, heat and air conditioning and other utilities and services being supplied or furnished to the Premises as of the date Tenant takes possession of the Premises, if any, as being sufficient in their present condition, "as is," for the Permitted Use, and for Tenant's intended operations in the Premises.

C. Tenant shall not without written consent of Landlord (which consent shall not be unreasonably withheld, delayed or conditioned) use any apparatus, equipment or device in the Premises, including without limitation, computers, electronic data processing machines, copying machines, and other machines, using excess lighting or using electric current, water, or any other resource in excess of or which will in any way increase the amount of electricity, water, or any other resource being furnished or supplied for the use of the Premises for reasonable and normal office use, in each case as of the date Tenant takes possession of the Premises as reasonably determined by Landlord, or which will require additions or alterations to or interfere with the Building power distribution systems; nor connect with electric current, except through existing electrical outlets in the Premises or water pipes, any apparatus, equipment or device for the purpose of using electrical current, water, or any other resource. If Tenant shall require water or electric current or any other resource in excess of that being furnished or supplied for the use of the

Premises as of the date Tenant takes possession of the Premises, if any, as reasonably determined by Landlord, Tenant shall first procure the written consent of Landlord (which consent shall not be unreasonably withheld, delayed or conditioned), to the use thereof, and Landlord may cause a special meter to be installed in the Premises

so as to measure the amount of water, electric current or other resource consumed for any such other use. Tenant shall pay directly to Landlord as an addition to and separate from payment of Operating Expenses the cost of all such additional resources, energy, utility service and meters (and of installation, maintenance and repair thereof and of any additional circuits or other equipment necessary to furnish such additional resources, energy, utility or service). Landlord may add to the separate or metered charge a recovery of additional expense incurred in keeping account of the excess water, electric current or other resource so consumed. Landlord shall not be liable for any damages directly or indirectly resulting from nor shall the Rent or any monies owed Landlord under this Lease herein reserved be abated by reasons of: (a) the installation, use or interruption of use of any equipment used in connection with the furnishing of any such utilities or services, or any change in the character or means of supplying or providing any such utilities or services or any supplier thereof; (b) the failure to furnish or delay in furnishing any such utilities or services when such failure or delay is caused by acts of God or the elements, labor disturbances of any character, or any other accidents or other conditions beyond the reasonable control of Landlord or because of any interruption of service due to Tenant's use of water, electric current or other resource in excess of that being supplied or furnished for the use of the Premises as of the date Tenant takes possession of the Premises; or (c) the inadequacy, limitation, curtailment, rationing or restriction on use of water, electricity, gas or any other form of energy or any other service or utility whatsoever serving the Premises or Project otherwise; or (d) the partial or total unavailability of any such utilities or services to the Premises or the Building, whether by Regulation or otherwise; nor shall any such occurrence constitute an actual or constructive eviction of Tenant. Landlord shall further have no obligation to protect or preserve any apparatus, equipment or device installed by Tenant in the Premises. In addition, Landlord reserves the right to change the supplier or provider of any such utility or service from time to time. Landlord may, but shall not be obligated to, upon notice to Tenant, contract with or otherwise obtain any electrical or other such service for or with respect to the Premises or Tenant's operations therein from any supplier or provider of any such service. Tenant shall cooperate with Landlord and any supplier or provider of such services designated by Landlord from time to time to facilitate the delivery of such services to Tenant at the Premises and to the Building and Project, including without limitation allowing Landlord and Landlord's suppliers or providers, and their respective agents and contractors, reasonable access to the Premises for the purpose of installing, maintaining, repairing, replacing or upgrading such service or any equipment or machinery associated therewith.

Subject to Paragraph 35 of this Lease, for service or utilities that Landlord is required to supply to the Premises hereunder, but is actively negligent in adequately providing or altogether fails to provide, Tenant's Rent shall be abated or reduced for such period of time that the Premises or portion thereof is not supplied with such services or utilities, in proportion to the rentable square feet of the Premises that is so affected bears to the total rental square feet of the Premises.

D. Landlord acknowledges and agrees to Tenant's exclusive use, operation, maintenance, repair and security protection of those certain underground conduit, vault and equipment facilities within the Project for Tenant's telecommunication cabling and equipment. Furthermore, Tenant agrees to and accepts complete and full responsibility and control of the facilities described in the preceding sentence.

16. SUBORDINATION

Without the necessity of any additional document being executed by Tenant for the purpose of effecting a subordination, the Lease shall be and is hereby declared to be subject and subordinate at all times to: (a) all ground leases or underlying leases which may hereafter be executed affecting the Premises and/or the land upon which the Premises and Project are situated, or both; and (b) any mortgage or deed of trust which may be placed upon the Building, the Project and/or the land upon which the Premises or the Project are situated, or said ground leases or underlying leases, or Landlord's interest or estate in any of said items which is specified as security. Notwithstanding the foregoing, Landlord shall have the right to subordinate or cause to be subordinated any such ground leases or underlying leases or any such liens to this Lease. If any ground lease or underlying lease terminates for any reason or any mortgage or deed of trust is foreclosed or a conveyance in lieu of foreclosure is made for any reason, Tenant shall, notwithstanding any subordination, attorn to and become the Tenant of the successor in interest to Landlord provided that Tenant shall not be disturbed in its possession under this Lease by such successor in interest so long as Tenant is not in default under this Lease beyond the

expiration of all applicable grace, notice and cure periods. Within ten (10) days after request by Landlord, Tenant shall execute and deliver any commercially reasonable additional documents evidencing Tenant's attornment or the subordination of this Lease with respect to any such ground leases or underlying leases or any such mortgage or deed of trust, in the form reasonably requested by Landlord or by any ground landlord, mortgagee, or beneficiary under a deed of trust, subject to such nondisturbance requirement.

17. FINANCIAL STATEMENTS

At the request of Landlord from time to time, Tenant shall provide to Landlord Tenant's and any guarantor's current financial statements or other information discussing financial worth of Tenant and any guarantor, which Landlord shall use solely for purposes of this Lease and in connection with the ownership, management, financing and disposition of the Project.

18. ESTOPPEL CERTIFICATE

Tenant agrees from time to time, but not more than twice in any calendar year, within ten (10) business days after request of Landlord, to deliver to Landlord, or Landlord's designee, an estoppel certificate stating that this Lease is in full force and effect, that this Lease has not been modified (or stating all modifications, written or oral, to this Lease), the date to which Rent has been paid, the unexpired portion of this Lease, that there are no current defaults by Landlord or Tenant under this Lease (or specifying any such defaults), that the leasehold estate granted by this Lease is the sole interest of Tenant in the Premises and/or the land at which the Premises are situated (subject to such rights of first refusal and/or options to purchase as may be set forth herein), and such other matters pertaining to this Lease as may be reasonably requested by Landlord or any mortgage, beneficiary, purchaser or prospective purchaser of the Building or Project or any interest therein. If Tenant fails to execute such certificate within such ten (10) business day period, and such failure continues for more than five (5) days following delivery of a second request therefor, which second notice shall be labeled at the top in bold letters "URGENT - DELAY NOTICE," then the failure by Tenant to execute and deliver such certificate shall constitute a default under this Lease. Landlord and Tenant intend that any statement delivered pursuant to this Paragraph may be relied upon by any mortgagee, beneficiary, purchaser or prospective purchaser of the Building or Project or any interest therein. The parties agree that Tenant's obligation to furnish such estoppel certificates in a timely fashion is a material inducement for Landlord's execution of the Lease, and shall be an event of default (without any cure period that might be provided under Paragraph 26.A(3) of this Lease) if Tenant fails to fully comply or makes any material misstatement in any such certificate.

19. SECURITY DEPOSIT

In the event Tenant does not exercise its first and/or second option to extend the Term pursuant to Paragraph 38.B. of this Lease, Tenant agrees to deposit with Landlord no later than twelve (12) months prior to the expiration of the Term, or the extended Term, a security deposit as stated in the Basic Lease Information (the "SECURITY DEPOSIT"), which sum shall be held and owned by Landlord, without obligation to pay interest, as security for the performance of Tenant's covenants and obligations under this Lease. The Security Deposit is not an advance rental deposit or a measure of damages incurred by Landlord in case of Tenant's default. Upon the occurrence of any event of default by Tenant, Landlord may from time to time, without prejudice to any other remedy provided herein or by law, use such fund as a credit to the extent necessary to credit against any arrears of Rent or other payments due to Landlord hereunder, and any other damage, injury, expense or liability caused by such event of default, and Tenant shall pay to Landlord, on demand, the amount so applied in order to restore the Security Deposit to its original amount. Although the Security Deposit shall be deemed the property of Landlord, any remaining balance of such deposit shall be returned by Landlord to Tenant at such time after termination of this Lease that all of Tenant's obligations under this Lease have been fulfilled, reduced by such amounts as may be required by Landlord to remedy defaults on the part of Tenant in the payment of Rent or other obligations of Tenant under this Lease, to repair damage to the Premises, Building or Project caused by Tenant or any Tenant's Parties and to clean the Premises. Landlord may use and commingle the Security Deposit with other funds of Landlord.

20. LIMITATION OF TENANT'S REMEDIES

The obligations and liability of Landlord to Tenant for any default by Landlord under the terms of this Lease are not personal obligations of Landlord or of the individual or other partners of Landlord or its or their partners, directors, officers, or shareholders, and Tenant agrees to look solely to Landlord's interest in the Project (including the rents, issues and proceeds therefrom) for the recovery of any amount from Landlord, and shall not look to other assets of Landlord nor seek recourse against the assets of the individual or other partners of Landlord or its or their partners, directors, officers or shareholders. Any lien obtained to enforce any such judgment and any levy of

execution thereon shall be subject and subordinate to any lien, mortgage or deed of trust on the Project. Under no circumstances shall Tenant have the right to offset against or recoup Rent or other payments due and to become due to Landlord hereunder except as expressly provided in Paragraph 23.B. below or elsewhere in this Lease, which Rent and other payments shall be absolutely due and payable hereunder in accordance with the terms hereof.

21. ASSIGNMENT AND SUBLETTING

A. (1) GENERAL. Tenant shall not assign or pledge this Lease or sublet the Premises or any part thereof, whether voluntarily or by operation of law, or permit the use or occupancy of the Premises or any part thereof by anyone other than Tenant, or suffer or permit any such assignment, pledge, subleasing or occupancy, without Landlord's prior written consent except as provided herein which consent shall not be unreasonably withheld, delayed or conditioned. If Tenant desires to assign this Lease or sublet any or all of the Premises, Tenant shall give Landlord written notice (the "TRANSFER NOTICE") at least thirty (30) days prior to the anticipated effective date of the proposed assignment or sublease, which shall contain all of the information reasonably requested by Landlord to address Landlord's decision criteria specified hereinafter. Landlord shall then have a period of (15) business days following receipt of the Transfer Notice to notify Tenant in writing whether Landlord consents to the proposed assignment or sublease, subject, however, to Landlord's prior written consent of the proposed assignee or subtenant and of any related documents or agreements associated with the assignment or sublease and if Landlord withholds such consent, stating with specificity the reasons therefor. Consent to any assignment or subletting shall not constitute consent to any subsequent transaction to which this Paragraph 21 applies.

(2) CONDITIONS OF LANDLORD'S CONSENT. Without limiting the other instances in which it may be reasonable for Landlord to withhold Landlord's consent to an assignment or subletting, Landlord and Tenant acknowledge that it shall be reasonable for Landlord to withhold Landlord's consent in the following instances: if the proposed assignee does not agree to be bound by and assume the obligations of Tenant under this Lease in form and substance reasonably satisfactory to Landlord; the use of the Premises by such proposed assignee or subtenant would not be a Permitted Use or would violate any exclusivity or other arrangement which Landlord has with any other tenant or other occupant or any Regulation or would increase the Occupancy Density or Parking Density of the Building or Project, as reasonably determined by Landlord; the proposed assignee or subtenant is not of sound financial condition as determined by Landlord in Landlord's reasonable discretion; the proposed assignee or subtenant is a governmental agency that occupies more than twenty-five percent (25%) of the Premises; the proposed assignee or subtenant does not have a good reputation as a tenant of property or a good business reputation; the proposed assignee or subtenant is a person with whom Landlord is negotiating to lease space in the Project or is a present tenant of the Project; the assignment or subletting would entail any Alterations which would lessen the value of the leasehold improvements in the Premises or use of any Hazardous Materials or other noxious use or use which may disturb other tenants of the Project; or Tenant is in default of any obligation of Tenant under this Lease, or Tenant has defaulted under this Lease on three (3) or more occasions during any twelve (12) months preceding the date that Tenant shall request consent. Failure by or refusal of Landlord to consent to a proposed assignee or subtenant shall not cause a termination of this Lease. At the option of Landlord, a surrender and termination of this Lease shall operate as an assignment to Landlord of some or all subleases or subtenancies. Landlord shall exercise this option by giving notice of that assignment to such subtenants on or before the effective date of the surrender and termination. In connection with each request for assignment or subletting, Tenant shall pay to Landlord Landlord's standard fee for approving such requests, as well as all costs incurred by Landlord or any mortgage or ground lessor in approving each such request and effecting any such transfer, including, without limitation, reasonable attorney's fees in an amount not to exceed Twenty-five Hundred Dollars ($2,500.00).

B. BONUS RENT. For any subletting or assignment that is in the aggregate less than twenty-five percent (25%) of the Premises, any Rent or other consideration realized by Tenant under any such sublease or assignment, in excess of the Rent payable hereunder, after amortization of all transaction costs reasonably incurred in connection therewith, including but not limited to reasonable brokerage commission incurred by Tenant, legal fees, costs of improvements shall be divided and paid, fifty percent (50%) to Tenant, fifty percent (50%) to Landlord ("BONUS RENT"). However, for any subleasing or assignment that is in the aggregate twenty-five percent (25%) or more of the Premises, then the Bonus Rent shall be divided and paid twenty-five percent (25%) to Tenant

and seventy-five (75%) to Landlord. In any subletting or assignment undertaken by Tenant, Tenant shall diligently seek to obtain the maximum rental amount available in the marketplace for comparable space available for primary leasing.

C. CORPORATION. If Tenant is a corporation, a transfer of corporate shares by sale, assignment, bequest, inheritance, operation of law or other disposition (including such a transfer to or by a receiver or trustee in federal or state bankruptcy, insolvency or other proceedings) resulting in a change in the present control of such corporation or any of its parents corporations by the person or persons owning a majority of said corporate shares, shall constitute an assignment for purposes of this Lease. So long as Franklin Resources, Inc., is the "Tenant" in possession of the Premises, and Tenant is not in default of this Lease after the expiration of all applicable grace, notice and cure periods, Tenant shall have the right subject to the terms and conditions hereinafter set forth, without the consent of Landlord, to (a) assign its interest in this Lease (i) to any corporation which is a successor to Tenant either by merger or consolidation, or (ii) to a purchaser of all or substantially all of Tenant's assets (provided such purchaser shall have also assumed substantially all of Tenant's liabilities), or to a corporation or other entity which shall control, be under the control of, or be under common control with, Franklin Resources, Inc., (the term "control" as used herein shall be deemed to mean ownership of more than fifty percent (50%) of the outstanding voting stock of a corporation, or other majority equity and controlling interest if Tenant is not a corporation) (any such entity being a "Related Entity"), or (b) sublease all or any portion of the Premises to a Related Entity; upon the condition that (i) the principal purpose of such assignment or sublease is not the acquisition of Tenant's interest in this Lease (except if such assignment or sublease is made to a Related Entity and is made for a valid intra-corporate business purpose and is not made to circumvent the provisions of this Paragraph 21), and (ii) any such assignee shall have a net worth and annual income and cash flow, determined in accordance with generally accepted accounting principles, consistently applied, after giving effect to such assignment, in amounts necessary to perform its duties, obligations and liabilities hereunder, as reasonably determined by Landlord. Tenant shall within ten (10) business days after execution thereof, deliver to Landlord (a) a duplicate original instrument of assignment, in form and substance reasonably satisfactory to Landlord, duly executed by Tenant, (b) an instrument in form and substance reasonably satisfactory to Landlord, duly executed by the assignee, in which such assignee shall assume observance and performance of, and agree to be personally bound by all of the terms, covenants and conditions of this Lease on Tenant's part to be observed and performed, or (c) a duplicate original sublease in form and substance reasonably satisfactory to Landlord, duly executed by Tenant and subtenant, in which such assignee shall assume observance and performance of, and agree to be personally bound by all of the terms, covenants and conditions of this Lease on Tenant's part to be observed and performed.

D. UNINCORPORATED ENTITY. If Tenant is a partnership, joint venture, unincorporated limited liability company or other unincorporated business form, a transfer of the interest of persons, firms or entities responsible for managerial control of Tenant by sale, assignment, bequest, inheritance, operation of law or other disposition, so as to result in a change in the present control of said entity and/or of the underlying beneficial interests of said entity and/or a change in the identity of the persons responsible for the general credit obligations of said entity shall constitute an assignment for all purposes of this Lease.

E. LIABILITY. No assignment or subletting by Tenant, permitted or otherwise, shall relieve Tenant of any obligation under this Lease or alter the primary liability of the Tenant named herein for the payment of Rent or for the performance of any other obligations to be performed by Tenant, including obligations contained in Paragraph 25 with respect to any assignee or subtenant. Landlord may collect rent or other amounts or any portion thereof from any assignee, subtenant, or other occupant of the Premises, permitted or otherwise, and apply the net rent collected to the Rent payable hereunder, but no such collection shall be deemed to be a waiver of this Paragraph 21, or the acceptance of the assignee, subtenant or occupant as tenant, or a release of Tenant from the further performance by Tenant of the obligations of Tenant under this Lease. Any assignment or subletting which conflicts with the provisions hereof shall be void.

22. AUTHORITY

Landlord represents and warrants that it has full right and authority to enter into this Lease and to perform all of Landlord's obligations hereunder and that all persons signing this Lease on its behalf are authorized to do. Tenant and the person or persons, if any, signing on behalf of Tenant, jointly and severally represent and warrant that Tenant has full right and authority to enter into this Lease, and to perform all of Tenant's obligations hereunder, and that all persons signing this Lease on its behalf are authorized to do so.

23. CONDEMNATION

A. CONDEMNATION RESULTING IN TERMINATION. If the whole or any substantial part of the Premises should be taken or condemned for any public use under any Regulation, or by right of eminent domain, or by private purchase in lieu thereof, and the taking would prevent or materially interfere with the Permitted Use of the Premises, either party shall have the right to terminate this Lease at its option. If any material portion of the Building or Project is taken or condemned for any public use under any Regulation, or by right of

eminent domain, or by private purchase in lieu thereof, Landlord may terminate this Lease at its option. In either of such events, the Rent shall be abated during the unexpired portion of this Lease, effective when the physical taking of said Premises shall have occurred.

B. CONDEMNATION NOT RESULTING IN TERMINATION. If a portion of the Project of which the Premises are a part should be taken or condemned for any public use under any Regulation, or by right of eminent domain, or by private purchase in lieu thereof, and the taking prevents or materially interferes with the Permitted Use of the Premises, and this Lease is not terminated as provided in Paragraph 23.A. above, the Rent payable hereunder during the unexpired portion of the Lease shall be reduced, beginning on the date when the physical taking shall have occurred, to such amount as may be fair and reasonable under all of the circumstances, but only after giving Landlord credit for all sums received or to be received by Tenant by the condemning authority. Notwithstanding anything to the contrary contained in this Paragraph, if the temporary use or occupancy of any part of the Premises shall be taken or appropriated under power of eminent domain during the Term, this Lease shall be and remain unaffected by such taking or appropriation and Tenant shall continue to pay in full all Rent payable hereunder by Tenant during the Term; in the event of any such temporary appropriation or taking, Tenant shall be entitled to receive that portion of any award which represents compensation for the use of or occupancy of the Premises during the Term, and Landlord shall be entitled to receive that portion of any award which represents the cost of restoration of the Premises and the use and occupancy of the Premises.

C. AWARD. Landlord shall be entitled to (and Tenant shall assign to Landlord) any and all payment, income, rent, award or any interest therein whatsoever which may be paid or made in connection with such taking or conveyance and Tenant shall have no claim against Landlord or otherwise for any sums paid by virtue of such proceedings, whether or not attributable to the value of any unexpired portion of this Lease, except as expressly provided in this Lease. Notwithstanding the foregoing, any compensation specifically and separately awarded Tenant for Tenant's personal property and moving costs, shall be and remain in property of Tenant and the unamortized value of improvements to the Premises paid for by Tenant.

D. WAIVER OF CCP SECTION 1265.130. Each party waives the provisions of California Civil Code Procedure Section 1265.130 allowing either party to petition the superior court to terminate this Lease as a result of a partial taking.

24. CASUALTY DAMAGE

A. GENERAL. If the Premises or Building should be damaged or destroyed by fire, tornado, or other casualty (collectively, "CASUALTY"), Tenant shall give immediate written notice thereof to Landlord. Within thirty (30) days after Landlord's receipt of such

notice, Landlord shall notify Tenant whether in Landlord's estimation (based upon the certificate of a general contractor reasonably acceptable to Tenant) material restoration of the Premises can reasonably be made within one hundred eighty (180) days from the date of such notice and receipt of required permits for such restoration. Landlord's determination shall be binding on Tenant.

B. WITHIN 180 DAYS. If the Premises or Building should be damaged by Casualty to such extent that material restoration can in Landlord's estimation be reasonably completed within one hundred eighty (180) days after the date of such notice and receipt of required permits for such restoration, this Lease shall not terminate. Provided that insurance proceeds are received by Landlord to fully repair the damage (less the amount of any deductible), Landlord shall proceed to rebuild and repair the Premises in the manner reasonably determined by Landlord, except that Landlord shall not be required to rebuild, repair or replace any part of the Alterations which may have been placed on or about the Premises by Tenant. If the Premises are untenantable in whole or in part following such damage, the Rent payable hereunder during the period in which they are untenantable shall be abated proportionately.

C. GREATER THAN 180 DAYS. If the Premises or Building should be damaged by Casualty to such extent that rebuilding or repairs cannot in Landlord's estimation be reasonably completed within one hundred eighty (180) days after the date of such notice and receipt of required permits for such rebuilding or repair, then either party shall have the option, to be exercised within thirty (30) days following receipt of Landlord's estimate, of terminating this Lease effective upon the date of the occurrence of such damage, in which event the Rent shall be abated during the unexpired portion of this Lease. If neither party elects to so terminate, Landlord shall commence to rebuild or repair the Premises diligently and in the manner reasonably determined by Landlord. Notwithstanding the above, Landlord shall commence to rebuild, repair or replace any part of any Alterations which may have been placed, on or about the Premises by Tenant. If the Premises are untenantable in whole or in part following such damage, the Rent payable hereunder during the period in which they are

untenantable shall be abated proportionately.

D. TENANT'S FAULT. Notwithstanding anything herein to the contrary, if the Premises or any other portion of the Building are damaged by Casualty resulting from the fault, negligence, or breach of this Lease by Tenant or any of Tenant's Parties, Base Rent and Additional Rent shall not be diminished during the repair of such damage (to the extent Tenant is responsible for the loss and Landlord is not being covered by any other insurance proceeds) and Tenant shall be liable to Landlord for the cost and expense of the repair and restoration of the Building caused thereby to the extent such cost and expense is not covered by insurance proceeds.

E. INSURANCE PROCEEDS. Notwithstanding anything herein to the contrary, if the Premises or Building are damaged or destroyed and are not fully covered by the insurance proceeds received by Landlord or if the holder of any indebtedness secured by a mortgage or deed of trust covering the Premises requires, despite Landlord's commercially reasonable effort to obtain such proceeds, that the insurance proceeds be applied to such indebtedness, then in either case Landlord shall have the right to terminate this Lease by delivering written notice of termination to Tenant within thirty (30) days after the date of notice to Landlord that said damage or destruction is not fully covered by insurance or such requirement is made by any such holder, as the case may be, whereupon this Lease shall terminate.

F. WAIVER. This Paragraph 24 shall be Tenant's sole and exclusive remedy in the event of damage or destruction to the Premises or the Building. As a material inducement to Landlord entering into this Lease, Tenant hereby waives any rights it may have under Sections 1932, 1933(4), 1941 or 1942 of the Civil Code of California with respect to any destruction of the Premises, Landlord's obligation for tenantability of the Premises and Tenant's right to make repairs and deduct the expenses of such repairs, or under any similar law, statute or ordinance now or hereafter in effect.

G. TENANT'S PERSONAL PROPERTY. In the event of any damage or destruction of the Premises or the Building, under no circumstances shall Landlord be required to repair any injury or damage to, or make any repairs to or replacements of, Tenant's personal property.

25. HOLDING OVER

Unless Landlord expressly consents in writing to Tenant's holding over, Tenant shall be unlawfully and illegally in possession of the Premises, whether or not Landlord accepts any rent from Tenant or any other person while Tenant remains in possession of the Premises without Landlord's written consent. If Tenant shall retain possession of the Premises or any portion thereof without Landlord's consent following the expiration of this Lease or sooner termination for any reason, then Tenant shall pay to Landlord for each day of such retention two hundred percent (200%) the amount of daily rental as of the last month prior to the date of expiration or earlier termination. Tenant shall also indemnify, defend, protect and hold Landlord harmless from any loss, liability or cost, including consequential and incidental damages and reasonable attorneys' fees, incurred by Landlord resulting from delay by Tenant in surrendering the Premises within thirty (30) days following the expiration or earlier termination of the Term or extended Term of this Lease, including, without limitation, any claims made by the succeeding tenant founded on such delay. Acceptance of Rent by Landlord following expiration or earlier termination of this Lease, or following demand by Landlord for possession of the Premises, shall not constitute a renewal of this Lease, and nothing contained in this Paragraph 25 shall waive Landlord's right of reentry of any other right. Additionally, if upon expiration or earlier termination of this Lease, or following demand by Landlord for possession of the Premises, Tenant has not fulfilled its obligation with respect to repairs and cleanup of the Premises or any other Tenant obligations as set forth in this Lease, then Landlord shall have the right to perform any such obligations as it deems necessary at Tenant's sole cost and expense, and any time required by Landlord to complete such obligations shall be considered a period of holding over and the terms of this Paragraph 25 shall apply. The provisions of this Paragraph 25 shall survive any expiration or earlier termination of this Lease. If by written notice to Landlord delivered not later than twelve (12) months prior to the Term Expiration Date, or the expiration of the extended Term (the "Hold-Over Notice"), Tenant advises Landlord of its intent to hold-over specifying the period of such hold-over (which period must be for a period of no longer than six (6) months)(the "Hold-Over Term") then Tenant may, as a matter of right, remain in possession following the Term Expiration Date or the expiration of the extended Term, as the case may be, for the Hold-Over Term set forth in the Hold-Over Notice; provided, that the Base Rent for the Hold-Over Term shall be one hundred fifty percent (150%) of the sum of the Base Rent and other charges payable for the last month of the Term or extended Term. In no event under the preceding sentence shall Tenant have the right to hold-over in the Premises for more than one (1) six (6) month or shorter period beyond the Term Expiration Date or the expiration of the extended Term.

26. DEFAULT

A. EVENTS OF DEFAULT. The occurrence of any of the following shall constitute an

event of default on the part of Tenant:

(1) ABANDONMENT.

2. NONPAYMENT OF RENT. Failure to pay any installment of Rent or any other amount due and payable hereunder upon the date when said payment is due, as to which time is of the essence.

3. OTHER OBLIGATIONS. Failure to perform any obligation, agreement or covenant under this Lease other than those matters specified in subparagraphs (1) and (2) of this Paragraph 26.A., such failure continuing for twenty (20) days after written notice of such failure unless such default cannot reasonably be cured within such twenty (20) day period and Tenant shall within such period commence with due diligence and dispatch the curing of such default, and having so commenced, shall thereafter, with periodic written reports submitted to Landlord, prosecute or complete with due diligence and dispatch the curing of such default, as to which time is of the essence.

(4) GENERAL ASSIGNMENT. A general assignment by Tenant for the benefit of creditors.

(5) BANKRUPTCY. The filing of any voluntary petition in bankruptcy by Tenant, or the filing of an involuntary petition by Tenant's creditors, which involuntary petition remains undercharged for a period of thirty (30) days. If under applicable law, the trustee in bankruptcy or Tenant has the right to affirm this Lease and continue to perform the obligations of Tenant hereunder, such trustee or Tenant shall, in such time period as may be permitted by the bankruptcy court having jurisdiction, cure all defaults of Tenant hereunder outstanding as of the date of the affirmance of this Lease and provide to Landlord such adequate assurances as may be necessary to ensure Landlord of the continued performance of Tenant's obligations under this Lease.

(6) RECEIVERSHIP. The employment of a receiver to take possession of substantially all of Tenant's assets or the Premises, if such appointment remains undismissed or undischarged for a period of fifteen (15) days after the order therefor.

(7) ATTACHMENT. The attachment, execution or other judicial seizure of all or substantially all of Tenant's assets or Tenant's leasehold of the Premises, if such attachment or other seizure remains undismissed or undischarged for a period of fifteen (15) days after the levy thereof.

(8) INSOLVENCY. The admission by Tenant in writing of its inability to pay its debts as they become due.

B. REMEDIES UPON DEFAULT.

(1) TERMINATION. In the event of the occurrence of any event of default, Landlord shall have the right to give a written termination notice to Tenant, and on the date specified in such notice, Tenant's right to possession shall terminate, and this Lease shall terminate unless on or before such date all Rent in arrears and all costs and expenses incurred by or on behalf of Landlord hereunder shall have been paid by Tenant and all other events of default of this Lease by Tenant at the time existing shall have been fully remedied to the satisfaction of Landlord. At any time after such termination, Landlord may recover possession of the Premises or any part thereof and expel and remove therefrom Tenant and any other person occupying the same, including any subtenant or subtenants notwithstanding Landlord's consent to any sublease, by any lawful means, and again repossess and enjoy the Premises without prejudice to any of the remedies that Landlord may have under this Lease, or at law or equity by any reason of Tenant's default or of such termination. Landlord hereby reserves the right, but shall not have the obligation, to recognize the continued possession of any subtenant. The delivery or surrender to Landlord by or on behalf of Tenant of keys, entry codes, or other means to bypass security at the Premises shall not terminate this Lease.

(2) CONTINUATION AFTER DEFAULT. Even though an event of default may have occurred, this Lease shall continue in effect for so long as Landlord does not terminate Tenant's right to possession under Paragraph 26.B.(1) hereof, and Landlord may enforce all of Landlord's rights and remedies under this Lease and at law or in equity, including without limitation, the right to recover Rent as it becomes due, and Landlord, without terminating this Lease, may exercise all of the rights and remedies of a landlord under Section 1951.4 of the Civil Code of the State of California or any successor code section. Acts of maintenance, preservation or efforts to lease the Premises or the appointment of a receiver under application of Landlord to protect Landlord's interest under this Lease or other entry by Landlord upon the Premises shall not constitute an election to terminate Tenant's right to possession.

(3) INCREASED SECURITY DEPOSIT. If Tenant is in default under Paragraph 26.A.(2) hereof and such default remains uncured for ten (10)

days after such occurrence or such default occurs more than three times in any twelve (12) month period, Landlord may require that Tenant increase the Security Deposit to the amount of three times the current month's Rent at the time of the most recent default.

C. DAMAGES AFTER DEFAULT. Should Landlord terminate this Lease pursuant to the provisions of Paragraph 26.B.(1) hereof, Landlord shall have the rights and remedies of a Landlord provided by Section 1951.2 of the Civil Code of the State of California, or any successor code sections. Upon such termination, in addition to any other rights and remedies to which Landlord may be entitled under applicable law or at equity, Landlord shall be entitled to recover from Tenant: (1) the worth at the time of award of the unpaid Rent and other amounts which has been earned at the time of termination, (2) the worth at the time of award of the amount by which the unpaid Rent and other amounts that would have been earned after the date of termination until the time of award exceeds the amount of such Rent loss that Tenant proves could have been reasonably avoided; (3) the worth at the time of award of the amount by which the unpaid Rent and other amounts for the balance of the Term after the time of award exceeds the amount of such Rent loss that the Tenant proves could be reasonably avoided; and (4) any other amount and court costs necessary to compensate Landlord for all detriment proximately caused by Tenant's failure to perform Tenant's obligations under this Lease or which, in the ordinary course of things, would be likely to result therefrom. The "worth at the time of award" as used in (1) and (2) above shall be computed at the Applicable Interest Rate (defined below). The "worth at the time of award" as used in (3) above shall be computed by discounting such amount at the Federal Discount Rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%).

D. LATE CHARGE. In addition to its other remedies, Landlord shall have the right without notice or demand to add to the amount of any payment required to be made by Tenant hereunder, and which is not paid and received by Landlord on or before the fifth business day of each calendar month, an amount equal to (i) two and one-half percent (2.5%) for the first late payment during any calendar year, and (ii) five percent (5%) for the second and subsequent late payment during any calendar year of the delinquency for each month or portion thereof that the delinquency remains outstanding to compensate Landlord for the loss of the use of the amount not paid and the administrative costs caused by the delinquency, the parties agreeing that Tenant's damage by virtue of such delinquencies would be extremely difficult and impracticable to compute and the amount stated herein represents a reasonably estimate thereof, provided, however, that on one (1) occasion during any calendar year of the Term, Landlord shall give Tenant written notice of such late payment and Tenant shall have a period of five (5) calendar days thereafter in which to make such payment before any late charge shall be assessed. Any waiver by Landlord of any late charges or failure to claim the same shall not constitute a waiver of other late charges or any other remedies available to Landlord.

E. INTEREST. Interest shall accrue on all sums not paid when due hereunder at the lesser of fourteen percent (14%) per annum or the maximum interest rate allowed by law ("Applicable Interest Rate") from the due date until paid.

F. REMEDIES CUMULATIVE. All rights, privileges and elections or remedies of the parties are cumulative and not alternative, to the extent permitted by law and except as otherwise provided herein.

G. LANDLORD'S DEFAULT. Landlord shall not be in default hereunder unless Landlord fails to perform any material obligation required of Landlord under the terms of this Lease within a reasonable time, but in no event later than sixty (60) days after written notice by Tenant to Landlord, subject to Paragraph 35 of this Lease, specifying the nature of Landlord's failure to perform. If, however, the nature of Landlord's obligation is such that more than sixty (60) days are reasonably required for performance, then Landlord shall not be in default hereunder if Landlord commences performance within such sixty (60) day period, subject to Paragraph 35 of this Lease, and thereafter diligently prosecutes such cure to completion. If Landlord at the expiration of such notice and cure periods has failed to cure such default, then, subject to the exculpatory provisions of this Paragraph 26, Tenant may pursue any of its legal or equitable remedies, but Tenant shall have no right to otherwise terminate this Lease. Notwithstanding the foregoing, nothing contained in this Paragraph 26.G. shall be deemed to expand Tenant's remedies under circumstances where particular provisions of this Lease expressly provide for an available remedy and where such available remedies are so set forth they shall be deemed Tenant's exclusive remedy.

27. LIENS

Tenant shall at all times keep the Premises and the Project free from liens arising out of or related to work or services performed, materials or supplies

furnished or obligations incurred by or on behalf of Tenant or in connection with work made, suffered or done by or on behalf of Tenant in or on the Premises or Project. If Tenant shall not, within ten (10) days following the imposition of any such lien, cause the same to be released of record by payment or posting of a proper bond, Landlord shall have, in addition to all other remedies provided herein and by law, the right, but not the obligation, to cause the same to be released by such means as Landlord shall deem proper, including payment of the claim giving rise to such lien. All sums paid by Landlord on behalf of Tenant and all expenses incurred by Landlord in connection therefor shall be payable to Landlord by Tenant on demand with interest at the Applicable Interest Rate as Additional Rent. Landlord shall have the right at all times to post and keep posted on the Premises any notices permitted or required by law, or which Landlord shall deem proper, for the protection of Landlord, the Premises, the Project and any other party having an interest therein, from mechanics' and materialmen's liens, and Tenant shall give Landlord not less than ten (10) business days prior written notice of the commencement of any work in the Premises or Project which could lawfully give rise to a claim for mechanics' or materialmen's liens to permit Landlord to post and record a timely notice of non-responsibility, as Landlord may elect to proceed or as the law may from time to time provide, for which purpose, if Landlord shall so determine, Landlord may enter the Premises. Tenant shall not remove any such notice posted by Landlord without Landlord's consent, and in any event not before completion of the work which could lawfully give rise to a claim for mechanics' or materialmen's liens.

28. SUBSTITUTION

A.

29. TRANSFERS BY LANDLORD

In the event of a sale or conveyance by Landlord of the Building or a foreclosure by any creditor of Landlord, the same shall operate to release Landlord from any liability upon any of the covenants or conditions, express or implied, herein contained in favor of Tenant, to the extent required to be performed after the passing of title to Landlord's successor-in-interest. In such event, Tenant agrees to look solely to the responsibility of the successor-in-interest of Landlord under this Lease with respect to the performance of the covenants and duties of "Landlord" to be performed after the passing of title to Landlord's successor-in-interest provided such successor-in-interest assumes in writing Landlord's duties, obligations or liabilities hereunder. This Lease shall not be affected by any such sale and Tenant agrees to attorn to the purchaser or assignee. Landlord's successor(s)-in-interest shall not have liability to Tenant with respect to the failure to perform any of the obligations of "Landlord," to the extent required to be performed prior to the date such successor(s)-in-interest became the owner of the Building.

30. RIGHT OF LANDLORD TO PERFORM TENANT'S COVENANTS

All covenants and agreements to be performed by Tenant under any of the terms of this Lease shall be performed by Tenant at Tenant's sole cost and expense and without any abatement of Rent, except as otherwise expressly set forth herein. If Tenant shall fail to pay any sum of money, other than Base Rent, required to be paid by Tenant hereunder or shall fail to perform any other act on Tenant's part to be performed hereunder, including Tenant's obligations under Paragraph 11 hereof, and such failure shall continue for fifteen (15) days after notice thereof by Landlord, in addition to the other rights and remedies of Landlord, Landlord may make any such payment and perform any such act on Tenant's part. In the case of an emergency, no prior notification by Landlord shall be required. Landlord may take such actions without any obligation and without releasing Tenant from any of Tenant's obligations. All sums so paid by Landlord and all incidental costs incurred by Landlord and interest thereon at the Applicable Interest Rate, from the date of payment by Landlord, shall be paid to Landlord on demand as Additional Rent.

31. WAIVER

If either Landlord or Tenant waives the performance of any term, covenant or condition contained in this Lease, such waiver shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant or condition contained herein, or constitute a course of dealing contrary to the expressed terms of this Lease. The acceptance of Rent by Landlord shall not constitute a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease, regardless of Landlord's knowledge of such preceding breach at the time Landlord accepted such Rent. Failure by Landlord to enforce any of the terms, covenants or conditions of this Lease for any length of time shall not be deemed to waive or decrease the right of Landlord to insist thereafter upon strict performance by Tenant. Waiver by Landlord of any term, covenant or condition contained in this Lease may only be made by a written document signed by Landlord, based upon full knowledge of the circumstances.

32. NOTICES

Each provision of this Lease or of any applicable governmental laws, ordinances, regulations and other requirements with reference to sending, mailing, or delivery of any notice or the making of any payment by Landlord or Tenant to the other shall be deemed to be complied with when and if the following steps are taken:

A. RENT. All Rent and other payments required to be made by Tenant to Landlord hereunder shall be payable to Landlord at Landlord's Remittance Address set forth in the Basic Lease Information, or at such other address as Landlord may specify from time to time by written notice delivered in accordance herewith. Tenant's obligation to pay Rent and any other amounts to Landlord under the terms of this Lease shall not be deemed satisfied until such Rent and other amounts have been actually received by Landlord.

B. OTHER. All notices, demands, consents and approvals which may or are required to be given by either party to the other hereunder shall be in writing and either personally delivered, sent by commercial overnight courier, mailed, certified or registered, postage prepaid or sent by facsimile with confirmed receipt (and with an original sent by commercial overnight courier), and in each case addressed to the party to be notified at the Notice Address for such party as specified in the Basic Lease Information or to such other place as the party to be notified may from time to time designate by at least fifteen (15) days notice to the notifying party. Notices shall be deemed served upon receipt or refusal to accept delivery.

C. REQUIRED NOTICES. Tenant shall immediately notify Landlord in writing of any notice of a violation or a potential or alleged violation of any Regulation that relates to the Premises or the Project, or of any inquiry, investigation, enforcement or other action that is instituted or threatened by any governmental or regulatory agency against Tenant or any other occupant of the Premises, or any claim that is instituted or threatened by any third party that relates to the Premises or the Project.

33. ATTORNEYS' FEES

If Landlord places the enforcement of this Lease, or any part thereof, or the collection of any Rent due, or to become due hereunder, or recovery of possession of the Premises in the hands of an attorney, Tenant shall pay to Landlord, upon demand, Landlord's reasonable attorneys' fees and court costs, whether incurred at trial, appeal or review. In any action which Landlord or Tenant brings to enforce its respective rights hereunder, the unsuccessful party shall pay all costs incurred by the prevailing party including reasonable attorneys' fees, to be fixed by the court, and said costs and attorneys' fees shall be a part of the judgment in said action.

34. SUCCESSORS AND ASSIGNS

This Lease shall be binding upon and inure to the benefit of Landlord, its successors and assigns, and shall be binding upon and inure to the benefit of Tenant, its successors, and to the extent assignment is approved by Landlord as provided hereunder, Tenant's assigns.

35. FORCE MAJEURE

If performance by a party of any portion of this Lease is made impossible by any prevention, delay, or stoppage caused by strikes, lockouts, labor disputes, acts of God, inability to obtain services, labor, or materials or reasonable substitutes for those items, government actions, civil commotions, fire or other casualty, or other causes beyond the reasonable control of the party obligated to perform, performance by that party for a period equal to the period of that prevention, delay, or stoppage is excused. Tenant's obligation to pay Rent, however, is not excused by this Paragraph 35.

36. SURRENDER OF PREMISES

Tenant shall, upon expiration or sooner termination of this Lease, surrender the Premises to Landlord in the same condition as existed on the date Tenant originally took possession thereof (reasonable wear and tear, casualty damage and acts of God excepted), including, but not limited to, all holes in walls repaired, all HVAC equipment in operating order and in good repair, and all floors cleaned, waxed, and free of any Tenant-introduced marking or painting, all to the reasonable satisfaction of Landlord. Tenant shall remove all of its debris from the Project. At or before the time of surrender, Tenant shall comply with the terms of Paragraph 12.A. hereof with respect to Alterations to the Premises and all other matters addressed in such Paragraph. If the Premises are not so surrendered at the expiration or sooner termination of this Lease, the provisions of Paragraph 25 hereof shall apply. All keys to the Premises or any part thereof shall be surrendered to Landlord upon expiration or sooner termination of the Term. Tenant shall meet with Landlord for a joint inspection of the Premises fifteen (15) days prior to vacating, but nothing contained herein shall be construed as an extension of the Term or as a consent by

Landlord to any holding over by Tenant. In the event of Tenant's failure to give such notice or participate in such joint inspection, Landlord's inspection at or after Tenant's vacating the Premises shall conclusively be deemed correct for purposes of determining Tenant's responsibility for repairs and restoration. Any delay caused by Tenant's failure to carry out its obligations under this Paragraph 36 beyond the term hereof, shall constitute unlawful and illegal possession of Premises under Paragraph 25 hereof.

37. MISCELLANEOUS

A. GENERAL. The term "Tenant" or any pronoun used in place thereof shall indicate and include the masculine or feminine, the singular or plural number, individuals, firms or corporations, and their respective successors, executors, administrators and permitted assigns, according to the context hereof.

B. TIME. Time is of the essence regarding this Lease and all of its provisions.

C. CHOICE OF LAW. This Lease shall in all respects be governed by the laws of the State of California.

D. ENTIRE AGREEMENT. This Lease, together with its Exhibits, addenda and attachments and the Basic Lease Information, contains all the agreements of the parties hereto and supersedes any previous negotiations. There have been no representations made by the Landlord or understandings made between the parties other than those set forth in this Lease and its Exhibits, addenda and attachments and the Basic Lease Information.

E. MODIFICATION. This Lease may not be modified except by a written instrument signed by the parties hereto. Tenant accepts the area of the Premises as specified in the Basic Lease Information as the approximate area of the Premises for all purposes under this Lease, and acknowledges and agrees that no other definition of the area (rentable, usable or otherwise) of the Premises shall apply. Tenant shall in no event be entitled to a recalculation of the square footage of the Premises, rentable, usable or otherwise, and no recalculation, if made,

irrespective of its purpose, shall reduce Tenant's obligations under this Lease in any manner, including without limitation the amount of Base Rent payable by Tenant or Tenant's Proportionate Share of the Building and of the Project.

F. SEVERABILITY. If, for any reason whatsoever, any of the provisions hereof shall be unenforceable or ineffective, all of the other provisions shall be and remain in full force and effect.

G. RECORDATION. Tenant shall have the right to record a mutually acceptable short form memorandum hereof, provided that Tenant agrees upon the expiration or earlier termination of this Lease to execute and deliver to Landlord a quitclaim deed terminating said short form memorandum.

H. EXAMINATION OF LEASE. Submission of this Lease to Tenant does not constitute an option or offer to lease and this Lease is not effective otherwise until execution and delivery by both Landlord and Tenant.

I. ACCORD AND SATISFACTION. No payment by Tenant of a lesser amount than the total Rent due nor any endorsement on any check or letter accompanying any check or payment of Rent shall be deemed an accord and satisfaction of full payment of Rent, and Landlord may accept such payment without prejudice to Landlord's right to recover the balance of such Rent or to pursue other remedies. All offers by or on behalf of Tenant of accord and satisfaction are hereby rejected in advance.

J. EASEMENTS. Landlord may grant easements on the Project and dedicate for public use portions of the Project without Tenant's consent; provided that no such grant or dedication shall materially interfere with Tenant's Permitted Use of the Premises. Upon Landlord's request, Tenant shall execute, acknowledge and deliver to Landlord documents, instruments, maps and plats reasonably necessary to effectuate Tenant's covenants hereunder.

K. DRAFTING AND DETERMINATION PRESUMPTION. The parties acknowledge that this Lease has been agreed to by both the parties, that both Landlord and Tenant have consulted with attorneys with respect to the terms of this Lease and that no presumption shall be created against Landlord because Landlord drafted this Lease. Except as otherwise specifically set forth in this Lease, with respect to any consent, determination or estimation of Landlord required or allowed in this Lease or requested of Landlord, Landlord's consent, determination or estimation shall be given or made solely by Landlord in Landlord's good faith and reasonable opinion.

L. EXHIBITS. The Basic Lease Information, and the Exhibits, addenda and

attachments attached hereto are hereby incorporated herein by this reference and made a part of this Lease as though fully set forth herein.

M. NO LIGHT, AIR OR VIEW EASEMENT. Any diminution or shutting off of light, air or view by any structure which may be erected on lands adjacent to or in the vicinity of the Building shall in no way affect this Lease or impose any liability on Landlord.

N. NO THIRD PARTY BENEFIT. This Lease is a contract between Landlord and Tenant and nothing herein is intended to create any third party benefit.

O. QUIET ENJOYMENT. Upon payment by Tenant of the Rent, and upon the observance and performance of all of the other covenants, terms and conditions on Tenant's part to be observed and performed, Tenant shall peaceably and quietly hold and enjoy the Premises for the term hereby demised without hindrance or interruption by Landlord or any other person or persons lawfully or equitably claiming by, through or under Landlord, subject, nevertheless, to all of the other terms and conditions of this Lease. Landlord shall not be liable for any hindrance, interruption, interference or disturbance by other tenants or third persons, nor shall Tenant be released from any obligations under this Lease because of such hindrance, interruption, interference or disturbance.

P. COUNTERPARTS. This Lease may be executed in any number of counterparts, each of which shall be deemed an original.

Q. MULTIPLE PARTIES. If more than one person or entity is named herein as Tenant, such multiple parties shall have joint and several responsibility to comply with the terms of this Lease.

R. PRORATIONS. Any Rent or other amounts payable to Landlord by Tenant hereunder for any fractional month shall be prorated based on a month of 30 days. As used herein, the term "fiscal year" shall mean the calendar year or such other fiscal year as Landlord may deem appropriate.

S. OPERATING POLICIES. During the Term of this Lease, Landlord shall operate and maintain the Building in a manner generally consistent with other comparable first-class business park projects in San Diego County.

T. LANDLORD'S COVENANT. In connection with the exercise by Landlord of the rights and reservations granted or afforded by this Lease, Landlord hereby covenants and agrees to:

(1) use its reasonable good faith efforts to avoid taking any actions (excepting any actions to comply with Regulations) which may materially adversely affect Tenant's use of or normal business operations within the Premises;

(2) use its reasonable good faith efforts to provide Tenant with prior written notice of any such actions by Landlord (excepting any actions to comply with Regulations) which may materially adversely affect Tenant's use of or normal business operations within the Premises and at least forty-eight (48) hours prior written notice of any scheduled work to be performed by Landlord which may materially adversely interfere with Tenant's normal business operations; it being understood, however, that the giving of such prior written notice may be impossible or impractical under emergency circumstances;

(3) in a manner consistent with the prudent and efficient operation of the Project, to reasonably coordinate and reasonably cooperate with Tenant to reasonably minimize any cessation or degradation of Tenant's use of or normal business operations within the Premises; and

(4) use its reasonable good faith efforts to perform all work in an expeditious and workmanlike manner and to restore access to the Premises and the availability of Building services as soon as reasonably practicable.

Notwithstanding anything contained in this Paragraph 37.T. to the contrary, in no event shall Landlord be liable or responsible for any consequential or exemplary damages.

U. CONSENT/DUTY TO ACT REASONABLY. Except for the provisions of this Lease which expressly grant a party the right to act in its sole discretion, whereupon in each such case, Landlord's and Tenant's duty is to act in good faith (but shall not otherwise be subject to a

"reasonableness" standard) (i) any time the consent of Landlord or Tenant is required, such consent shall not be unreasonably withheld, delayed or conditioned, and (ii) whenever this Lease grants Landlord or Tenant the right to take action, exercise discretion, establish rules and regulations or make allocations or other determinations, Landlord and Tenant shall act reasonably and in good faith and take no action which might result in the frustration of the other party's reasonable expectations concerning the benefits to be enjoyed under this Lease.

V. YEAR 2000 COMPLIANCE. Landlord hereby represents, warrants and covenants to the best of its knowledge to Tenant that all of the Project's mechanical, electrical, elevator, fire and life safety systems (the "Building Systems") will operate on and after January 1, 2000 without normal operations being impaired by dates in and after the year 2000. At Tenant's request, Landlord shall provide Tenant with reasonably satisfactory evidence of the Building Systems' compliance with the foregoing.

38. ADDITIONAL PROVISIONS

A. BASE RENT. The monthly Base Rent during the initial Term shall be as follows:

<TABLE>
<CAPTION>

Period	Monthly Base Rent
<S>	<C>
December 1, 1998 - January 31, 1999	
February 1, 1999 - March 31, 1999	
April 1, 1999 - March 31, 2000	
April 1, 2000 - March 31, 2001	
April 1, 2001 - March 31, 2002	
April 1, 2002 - March 31, 2003	
April 1, 2003 - March 31, 2004	
April 1, 2004 - March 31, 2005	
April 1, 2005 - March 31, 2006	
April 1, 2006 - March 31, 2007	
April 1, 2007 - March 31, 2008	
April 1, 2008 - March 31, 2009	

</TABLE>

B. RENEWAL OPTION. Provided Tenant is not, and has not been, in material default of any of its obligations under this Lease or any other lease Tenant may have in the Project, after expiration of all applicable grace, notice and cure periods, it shall have an option to renew this Lease for the Premises in "as is" condition for two (2) five (5) year periods on the same terms and conditions as set forth in this Lease except that the Base Rent of each option period shall be the then prevailing fair market rental rate for comparable space of at least one hundred thousand (100,000) square feet at comparable buildings within the Eastgate Technology Park and University Towne Centre areas, as defined and determined by Subparagraph 38B.(1) and/or 38B.(2) below. In no event will the Base Rent for each option period be less than that of the previous period. Tenant shall give Landlord written notice to exercise option no earlier than eighteen (18) months but not less than fifteen (15) months prior to the expiration of the Term, or extended Term.

Notwithstanding anything to the contrary herein contained, Tenant's right to extend the Term by exercise of the foregoing option shall be conditioned upon the following: (a) at the time of the exercise of the option, and at the time of the commencement of the extended Term, Tenant shall be in possession of and occupying at least seventy-five percent (75%) of the Premises and at least seventy-five percent (75%) of all other premises under any other lease Tenant may have in the Project, for the conduct of its business therein and the same shall not be occupied by any assignee, subtenant, or licensee; and (b) the notice of exercise shall constitute a representation, by commencement of the extended Term, that Tenant does not intend to seek to assign or sublet more than twenty-five percent (25%) of the Premises, or assign or sublet more than twenty-five percent (25%) of any other premises under any other leases Tenant may have in the Project.

(1) "Fair Market Rental" shall mean the rate being charged to tenants recently renewing existing leases for comparable space in buildings within the Eastgate Technology Park and University Towne Centre areas, taking into consideration all relevant factors, including but not limited to, the following: size, location, floor level, proposed term of the lease, expense stops, extent of building services to be provided, and the time the rental rate under consideration is to become effective. Fair Market Rental as of the commencement of each option period shall be determined by Landlord with written notice (the "Notice") given to Tenant not later than thirty (30) days after the receipt of the option notice, subject to Tenant's right to arbitration as provided in Subparagraph 38.B(2) below. Failure on the part of Tenant to demand arbitration within thirty (30) days after receipt of the Notice from Landlord shall bind Tenant to the Fair Market Rental as determined by Landlord. Notwithstanding anything to contrary herein, Tenant's right to arbitrate shall conclude no later than ninety (90) days after the date of the Notice.

(2) If Tenant disputes the amount claimed by Landlord as Fair Market Rental, Tenant may require that Landlord submit the dispute to arbitration. The arbitration shall be conducted and determined in San Diego, California, in accordance with the then prevailing rules of the American Arbitration Association or its successor for arbitration of commercial disputes, except that the procedures mandated by such rules shall be modified as follows:

(a) Tenant shall make demand for arbitration in writing within thirty (30) days after service of the Notice, specifying therein the name and address of the person to act as the arbitrator on Tenant's behalf. The arbitrator shall be M.A.I. designated and independent real estate appraiser with at least ten (10) years full-time commercial appraisal experience who is familiar with the Fair Market Rental of first-class business park space in San Diego County. (In the event M.A.I. appraisers are no longer available, a comparable designation with at least ten (10) years experience with commercial property appraisal in San Diego County will be acceptable.) Failure on the part of Tenant to make the timely and proper demand for such arbitration shall constitute a waiver of the right thereto. Within ten (10) business days after the service of the demand for arbitration, Landlord shall give notice to Tenant specifying the name and address of the person designated by Landlord to act as arbitrator on its behalf, which arbitrator shall be

similarly qualified. If Landlord fails to notify Tenant of the appointment of its arbitrator, within or by the time specified, then the arbitrator appointed by Tenant shall be the arbitrator to determine the Fair Market Rental for the Premises.

(b) If two arbitrators are chosen pursuant to Subparagraph 38.B.(2)(a) above, the arbitrators so chosen shall meet within ten (10) business days after the second arbitrator is appointed and shall appoint a third arbitrator, who shall be a competent and impartial person with qualifications similar to those required of the first two arbitrators pursuant to Subparagraph 38.B(2)(a) above. If they are unable to agree upon such appointment within five (5) business days after expiration of such ten (10) day period, the third arbitrator shall be selected by the parties themselves. If the parties do not agree on the third arbitrator within five (5) business days after expiration of the foregoing five (5) business day period, then either party, on behalf of both, may request appointment of such a qualified arbitrator by (i) the majority of board members of the San Diego County Chapter of M.A.I. appraisers, or (ii) the chief arbitrator of the San Diego County Chapter of the American Arbitration Association. The three arbitrators shall decide the dispute, if it has not been previously resolved, by following the procedures set forth in Subparagraph 38.B(2)(c) below. Each party shall pay the fees and expenses of its respective arbitrator and both shall share the fees and expenses of the third arbitrator. Attorney's fees and expenses of counsel and of witnesses or other experts for the respective parties shall be paid by the respective party engaging such counsel or calling such witnesses or other experts.

(c) The Fair Market Rental shall be fixed by the three arbitrators in accordance with the following procedures. Each of the arbitrators selected by the parties shall state in writing, his or her determination of the Fair Market Rental supported by the reasons therefor and shall make counterpart copies for each of the other arbitrators. The arbitrators shall arrange for a simultaneous exchange of such proposed resolutions within ten (10) business days after appointment of the third arbitrator. If either arbitrator fails to deliver to the other arbitrators his or her determination within such ten (10) business day period, then the determination of the other arbitrator shall be final and binding upon the parties. The role of the third arbitrator shall be to select which of the two proposed resolutions most closely approximates his or her determination of Fair Market Rental. The third arbitrator shall have no right to propose a middle ground or any modification of either of the two proposed resolutions. The resolution he or she chooses as the most closely approximating his or her determination of the Fair Market Rental shall constitute the decision of the arbitrators and shall be final and binding upon the parties. If either party fails to pay it share of the fees of the third arbitrator within thirty (30) days after receipt of an invoice, or fails to execute and deliver any documents reasonably required by the third arbitrator within thirty (30) days after receipt thereof, then the Fair Market Rental shall be determined solely by the arbitrator selected by the other party.

(d) In the event of a failure, refusal or inability of any arbitrator to act, his or her successor shall be appointed by him or her, but in the case of the third arbitrator, his or her successor shall be appointed in the same manner as that set forth herein with respect to the appointment of the original third arbitrator. The arbitrators shall attempt to decide the issue within ten (10) business days after the appointment of the third arbitrator. Any decision in which the arbitrator appointed by Landlord and the arbitrator appointed by Tenant concur shall be binding and conclusive upon the parties, except that such arbitrators shall not attempt by themselves to mutually ascertain the Fair Market Rental and any such determination, in a manner other than that provided for in Subparagraph 38.B(2)(c) hereof, shall not be binding on the parties.

C. ALTERNATIVE TERM EXPIRATION DATE. Subject to a certain lease dated September 2, 1998 for approximately 150,000 square feet within Phase B of the Project which adjoins the Premises ("Phase B Premises") and Tenant taking full occupancy and commencing the payment of Rent, Tenant shall have the right to alter the Term Expiration Date upon written notice to Landlord no earlier than twenty-four (24) months and not less than eighteen (18) months prior to the scheduled Term Expiration Date. This alteration of the Premises' Term Expiration Date shall consist of exchanging the term expiration date of the Phase B Premises with the Term Expiration Date for the Premises. In this event, monthly Base Rent for the period beyond the scheduled Term Expiration Date and through the new Term Expiration Date, as modified by the immediately preceding sentence, shall be the then prevailing fair market rental rate for comparable space of at least one hundred thousand (100,000) square feet at comparable buildings within the Eastgate Technology Park and University Towne Centre areas as reasonably determined by Landlord. In no event will the Base Rent be less than that of the previous period. Landlord shall submit to Tenant the then prevailing market rate by a written notice given to Tenant not later than thirty (30) days after the receipt of the Tenant's notice to alter the Term Expiration Date. Tenant shall have fifteen (15) days to accept said rental rate or Tenant's right to alter the Term Expiration Date hereunder shall terminate.

D. PREPAID RENT. Upon execution of this Lease, Tenant shall pay the first and second month's Base Rent for the entire Premises, totaling Three Hundred Seventy-one Thousand Seven Hundred Sixty Dollars $371,760.00 ("Pre-paid Rent"). Landlord shall apply the Pre-paid Rent to the Base Rent for the Premises as they become due during the initial months of the Term.

E. FIRST RIGHT OF OFFER TO LEASE. Tenant is granted a first right of offer to lease Building 2 of Phase A of the Project located at 4790 Eastgate Mall, which is approximately sixty thousand nine hundred 60,900 rentable square feet, ("Building 2") when it comes available (termination of the Building 2 tenant's lease obligation, right and interest to Building 2) at the end of the initial term of such lease, or at the end of any option period for Building 2, if the existing tenant thereof elects to extend the term of such lease, on the following terms: Before Landlord enters into a lease for Building 2, and provided Tenant is not then in default under this Lease, or any other lease Tenant may have in the Project, after any applicable grace, notice and cure periods, and has not been in material default of any terms or conditions of this Lease, or any other lease Tenant may have in the Project, and provided Tenant has not assigned or sublet more than twenty-five percent (25%) of its Premises, or any other premises under any other leases Tenant may have in the Project. Landlord will so notify Tenant in writing and propose a rent and other lease terms and conditions ("Landlord's Notice"). Tenant shall have five (5) days after notification to notify Landlord in writing of its intent to pursue negotiations. Thereafter, Landlord and Tenant shall negotiate in good faith in an attempt to reach an agreement on the terms of the lease for Building 2. If Tenant exercises this first right of offer in the manner prescribed, Tenant shall immediately deliver to Landlord payment for the first month's rent for Building 2 (in the same manner as provided for in this Lease), and the lease for Building 2 will be consummated without delay in accordance with the terms and conditions set forth in Landlord's Notice. If Landlord and Tenant are unable to agree in writing within ten (10) days after Landlord's notice to Tenant, Landlord may lease Building 2 to another tenant. Thereafter, Tenant's first right of offer to lease Building 2 shall terminate, and Landlord shall be relieved from any further obligations to lease Building 2 to Tenant.

F. TERMINATION RIGHTS. Notwithstanding anything to the contrary contained in this Lease, if Tenant is notified by Landlord, or Tenant becomes aware and notifies Landlord of the occurrence of a Trigger Event (defined below), and such Trigger Event materially adversely affects the operation of Tenant's normal business in, use of, prevents Tenant's reasonable access to the Premises, and such Trigger Event continues for such a time greater than twelve (12) months (the "Maximum Restoration Period"), then Tenant may elect to exercise an ongoing right to terminate this Lease, upon thirty (30) days' prior written notice sent to Landlord within a period of sixty (60) days following the later of the occurrence of the Trigger Event or Tenant's receipt (or giving) of notice thereof (such notice, in the case of a Trigger Event described in subparagraphs (1) and (2) below, to contain a reasonably detailed description of the scope of the Trigger Event). Notwithstanding the forgoing, Tenant shall not have a right to so terminate this Lease if Landlord takes action within said sixty (60) day period (but no later than the expiration of the thirty (30) day period) which will result in the restoration of the Tenant's normal

business operations in, Tenant's reasonable access to, and Tenant's use of the Premises in a condition suitable for the efficient conduct of Tenant's normal business (including, without limitation, utilities required or necessary for the operation of Tenant's normal business in the Premises) prior to the end of the Maximum Restoration Period.

As used herein, the term "TRIGGER EVENT" shall mean and refer to:

(1) continuous interruption of electrical, water, telecommunication, telephone, gas, sewer or other essential utility services used or required in connection with Tenant's occupancy of the Premises or interruption of Tenant's access to the Premises;

(2) discovery of Hazardous Materials or any other material environmental condition in, on or around the land, Building, Project, common areas or Premises, which, taking into account applicable environmental laws, either is unlawful or represents a significant health risk to occupants of the Premises, excepting those Hazardous Materials either:

(a) used by Tenant's contractor in the construction of Alterations in the Premises; or

(b) generated by Tenant or brought onto or into the Project, Building, Premises or common areas, by Tenant as more particularly described in Paragraph 4.D. of this Lease.

G. ROOFTOP COMMUNICATIONS EQUIPMENT. During the Term of this Lease (and any renewal or extensions thereof), Tenant shall have the right, without payment of any fee or charge therefor, to install and operate, for Tenant's personal use only, one (1) microwave transmitter-receiver or satellite dish (the "Satellite Dish") on one Building rooftop (the "Designated Building") of a weight, height, and width reasonably acceptable to Landlord. Landlord shall not withhold consent to the installation of a Satellite Dish reasonably comparable to those installed within the Project. Tenant's rights pursuant to this Paragraph 38.G are subject to the following:

(1) All costs for the installation of the Satellite Dish including, but not limited to, electrical equipment and connections, mounting fixtures, engineering studies, inspections, permits, etc. will be at the Tenant's sole cost, expense and responsibility.

(2) Prior to installing the Satellite Dish, Tenant must notify Landlord in writing, specifying the type, character, size, location, amount of space required, installation details and electrical requirements. Landlord in its reasonable discretion shall approve of said specifications of the Satellite Dish within ten (10) days following receipt of Tenant's written request to install a Satellite Dish on the roof of the Designated Building.

(3) Tenant shall pay any federal, state and local taxes applicable to the installation and use of the Satellite Dish and Tenant shall procure, maintain and pay for and obtain all fees, permits and governmental agency licenses necessary in connection with all installation, maintenance and operation of the Satellite Dish; provided, however, that Landlord shall reasonably cooperate with the efforts of Tenant in connection with any governmental application or filing required thereby. Tenant shall reimburse Landlord for any actual costs Landlord may incur to assist Tenant as detailed in the preceding sentence.

(4) Tenant shall be permitted, at its sole cost, expense and responsibility, but without separate charge other than any charges permitted to be imposed by Landlord under Paragraph 7, to install, modify, alter, repair , maintain, operate and replace one (1) existing chaseway of the Designated Building in an area in the core of the Designated Building, one (1) non-dedicated conduit for its cabling use (and the use of the Satellite Dish and cable contained therein connecting to such Building's roof for operation of Tenant's Satellite Dish). All installations required in connection with the Satellite Dish shall be made by means of conduits, wires or cables that will pas through existing openings in the walls or roof decks of the Designated Building, and all cable and wires located on the roof of the Designated Building used in connection with Satellite Dish shall be covered by rust-proof conduits and attachments. In no event shall any of Tenant's installations be made through the roof surface or membrane of the Designated Building without the prior written consent of Landlord, which consent may be withheld in Landlord's sole and absolute discretion. The installation of the Satellite Dish shall be subject to Landlord's review and approval and shall conform to the engineering standards commonly used for installing similar satellite dishes within the Project.

(5) Tenant, at its sole cost, expense, and responsibility, will comply with all present and future laws, and with any reasonable requirements of any applicable fire rating bureau relating to the maintenance, use, installation and operation of the Satellite Dish. Tenant shall install, maintain and operate all of its equipment used in connection with the Satellite Dish in conformity with all Regulations of all governmental agencies having jurisdiction over the installation, use and operation of the Satellite dish, including, without limitation, the Federal Aviation Administration and the Federal Communications Commission; provided, however, that if compliance with such laws or regulations would require a

change in the size, configuration or location of the Satellite Dish, such changes shall be subject to Landlord's prior written consent.

(6) Prior to the expiration or earlier termination of the Term of this Lease, or any extended Term, Tenant shall remove the Satellite Dish and all wires and cables used in connection with the Satellite Dish, and shall restore and repair all damage to the Designated Building occasioned by the installation, maintenance or removal of the Satellite Dish. If Tenant fails to timely complete such removal, restoration and repair, all sums incurred by Landlord to complete such work shall be paid by Tenant to Landlord upon demand.

(7) Landlord makes no representations or warranties whatsoever with respect to the fitness or suitability of the Designated Building for the installation, maintenance and operation of the Satellite Dish, including, without limitation, with respect to the quality and clarity or any receptions and transmissions to or from the Satellite Dish and the presence of any interference with such signals, whether emanating from the Designated Building or otherwise. Landlord shall permit Tenant to have reasonable access to such other parts of the Designated Building as are open to the public or for which access is otherwise reasonably necessary in order to install, maintain and operate the Satellite Dish. Notwithstanding anything set forth in this Paragraph 38.G. to the contrary, if Landlord reasonably determines that the installation of the Satellite Dish will be detrimental to the design or structural soundness of the Designated Building or will create risk of injury or damage to persons or property, Tenant shall not be permitted to install said Satellite Dish.

(8) Tenant must notify Landlord in writing to the scheduled date Tenant proposes to install the Satellite Dish on the roof of the Designated Building in order to make arrangements for the movement of materials needed in connection with the Installation of the Satellite Dish.

(9) Tenant shall provide at its sole cost, expense and responsibility, adequate maintenance personnel in order to ensure the safe operation of the Satellite Dish. In addition, Tenant shall install, maintain and operate all of its equipment used in connection with the Satellite Dish in a fashion and manner so as not to interfere with the use and operation of any: (a) other televisions or radio equipment in the Designated Building; (b) present or future electronic control system for any operating services or the operation of elevators in any Building within the Project; (c) other transmitting, receiving or master television, telecommunications or microwave antenna equipment currently located on the roof of the Designated Building or

other buildings within the Project; or (d) any radio communication system now used by Landlord and/or other tenants of the Project. In addition, Tenant shall use its commercially reasonable efforts to ensure that Tenant will not interfere with any equipment installed by Landlord and/or other tenants of the Project in the future. Landlord shall use its commercially reasonable efforts to ensure that Tenant's equipment will not be unreasonably interfered with.

H. Emergency Generator. During the Term or extended Term of this Lease, upon written approval by Landlord, which shall not be unreasonably withheld, delayed or conditioned, Tenant shall have the right, at its sole cost, expense and responsibility, in accordance with all applicable laws and in a location as determined by Landlord, to install one (1) emergency electrical generator per Building and all appurtenant equipment. The maintenance and operation of said equipment shall be at Tenant's sole cost, expense and responsibility and subject to Paragraph 11 of this Lease.

I. Measurement of the Premises. Within thirty (30) days after the date on which Landlord's Base Building Work is substantially complete for Tenant Improvements construction, but in no event later than the Term Commencement Date, Landlord shall cause the Premises to be measured by a mutually acceptable and professionally qualified architect (other than Landlord's or Tenant's architect) licensed in the state of California. The rentable square feet of the Premises shall be based on a dripline measurement. If the rentable square footage of the Premises is other than the stated rentable feet of the Premises in the Basic Lease Information, the Base Rent shall correspondingly be adjusted, at the same rate per square foot as set forth in the Basic Lease Information. Any modification or adjustment to the rentable square feet of the Premises and any other terms of the Lease must be made and agreed to in writing by the parties within fifteen (15) days after Landlord's receipt of architect's measurement. Failure on the part of the parties to agree within fifteen (15) days or any dispute between Landlord and Tenant pertaining this Paragraph 38.I shall be resolved by submitting to binding arbitration, conducted and determined in San Diego County according to the prevailing rules of the American Arbitration Association for arbitration of commercial disputes.

39. JURY TRIAL WAIVER

EACH PARTY HERETO (WHICH INCLUDES ANY ASSIGNEE, SUCCESSOR HEIR OR PERSONAL

REPRESENTATIVE OF A PARTY) SHALL NOT SEEK A JURY TRIAL, HEREBY WAIVES TRIAL BY JURY, AND HEREBY FURTHER WAIVES ANY OBJECTION TO VENUE IN THE COUNTY IN WHICH THE BUILDING IS LOCATED, AND AGREES AND CONSENTS TO PERSONAL JURISDICTION OF THE COURTS OF THE STATE IN WHICH THE PROPERTY IS LOCATED, IN ANY ACTION OR PROCEEDING OR COUNTERCLAIM BROUGHT BY ANY PARTY HERETO AGAINST THE OTHER ON ANY MATTER WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT, TENANT'S USE OR OCCUPANCY OF THE PREMISES, OR ANY CLAIM OF INJURY OR DAMAGE, OR THE ENFORCEMENT OF ANY REMEDY UNDER ANY STATUTE, EMERGENCY OR OTHERWISE, WHETHER ANY OF THE FOREGOING IS BASED ON THIS LEASE OR ON TORT LAW. EACH PARTY REPRESENTS THAT IT HAS HAD THE OPPORTUNITY TO CONSULT WITH LEGAL COUNSEL CONCERNING THE EFFECT OF THIS PARAGRAPH 39. THE PROVISIONS OF THE PARAGRAPH 39 SHALL SURVIVE THE EXPIRATION OR EARLIER TERMINATION OF THIS LEASE.

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the day and the year first above written.

LANDLORD

Spieker Properties, L.P.,
a California limited partnership

By: Spieker Properties, Inc.,
a Maryland corporation,
its general partner

By: /s/ RICHARD L. ROMNEY

Richard L. Romney
Its: Senior Vice President

Date: 9/2/98

TENANT

Franklin Resources, Inc., a Delaware corporation

By: /s/ MICHAEL J. McCULLOCH

Michael J. McCulloch
Its: Director of Corporate Services

Date: 9/2/98

EXHIBIT A
INDUSTRIAL LEASE
RULES AND REGULATIONS

1. Driveways, sidewalks, halls, passages, exits, entrances, elevators, escalators and stairways shall not be obstructed by tenants or used by tenants for any purpose other than for ingress to and egress from their respective premises. The driveways, sidewalks, halls, passages, exits, entrances, elevators and stairways are not for the use of the general public and Landlord shall in all cases retain the right to control and prevent access thereto by all persons whose presence, in the judgment of Landlord, shall be prejudicial to the safety, character, reputation and interests of the Building, the Project and its tenants, provided that nothing herein contained shall be construed to prevent such access to persons with whom any tenant normally deals in the ordinary course of such tenant's business unless such persons are engaged in illegal activities. No tenant, and no employees or invitees of any tenant, shall go upon the roof of any Building, except as authorized by Landlord.

2. No sign, placard, banner, picture, name, advertisement or notice, visible from the exterior of the Premises or the Building or the common areas of the Building shall be inscribed, painted, affixed, installed or otherwise displayed by Tenant either on its Premises or any part of the Building or Project without the prior written consent of Landlord in Landlord's sole and absolute discretion. Landlord shall have the right to remove any such sign, placard, banner, picture, name, advertisement, or notice without notice to and at the expense of Tenant, which were installed or displayed in violation of this rule. If Landlord shall have given such consent to Tenant at any time, whether before or after the execution of Tenant's Lease, such consent shall in no way operate as a waiver or release of any of the provisions hereof or of the Lease, and shall be deemed to relate only to the particular sign, placard, banner, picture, name, advertisement

or notice so consented to by Landlord and shall not be construed as dispensing with the necessity of obtaining the specific written consent of Landlord with respect to any other such sign, placard, banner, picture, name, advertisement or notice. All approved signs or lettering on doors and walls shall be printed, painted, affixed or inscribed at the expense of Tenant by a person or vendor approved by Landlord and shall be removed by Tenant at the time of vacancy at Tenant's expense.

3. The directory of the Building or Project will be provided exclusively for the display of the name and location of tenants only.

4. No curtains, draperies, blinds, shutters, shades, screens or other coverings, awnings, hangings or decorations shall be attached to, hung or placed in, or used in connection with, any window or door on the Premises without the prior consent of Landlord. In any event with the prior written consent of Landlord, all such items shall be installed inboard of Landlord's standard window covering and shall in no way be visible from the exterior of the Building. All electrical ceiling fixtures hung in offices or spaces along the perimeter of the Building must be fluorescent or of a quality, type, design, and bulb color approved reasonably by Landlord. No articles shall be placed or kept on the window sills so as to be visible from the exterior of the Building. No articles shall be placed against glass partitions or doors which Landlord considers unsightly from outside Tenant's Premises.

5. Each tenant shall be responsible for all persons for whom it allows to enter the Building or the Project and shall be liable to Landlord for all acts of such persons. Landlord and it agents shall not be liable for damages for any error concerning the admission to, or exclusion from, the Building or the Project of any person. During the continuance of any invasion, mob, riot, public excitement or other circumstance rendering such action advisable in Landlord's opinion, Landlord reserves the right (but shall not be obligated) to prevent access to the Building and the Project during the continuance of that event by any means it considers appropriate for the safety of tenants and protection of the Building, property in the Building and the Project.

6. Tenant shall not alter any lock or access device or install a new or additional lock or access device or bolt on any door of its Premises, without the prior written consent of Landlord which consent shall not be unreasonably withheld, delayed or conditioned. If Landlord shall give its consent, Tenant shall in each case furnish Landlord with a key for any such lock. Tenant, upon the termination of its tenancy, shall delivery to Landlord the keys for all doors which have been furnished to Tenant, and in the event of loss of any keys so furnished, shall pay Landlord therefor.

7. The restrooms, toilets, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed and no foreign substance of any kind whatsoever shall be thrown into them. The expense of any breakage, stoppage, or damage resulting from violation of this rule shall be borne by the tenant who, or whose employees or invitees, shall have caused the breakage, stoppage, or damage.

8. Tenant shall not use or keep in or on the Premises, the Building or the Project any kerosene, gasoline, or inflammable or combustible fluid or material except in strict accordance with the terms of the Lease.

9. Tenant shall not use, keep or permit to be used or kept in its Premises any foul or noxious gas or substance. Tenant shall not allow the Premises to be occupied or used in a manner offensive or objectionable to Landlord or other occupants of the Building by reason of noise, odors and/or vibrations or interfere in any way with other tenants or those having business therein, nor shall any animals or birds be brought or kept in or about the Premises, the Building, or the Project.

10. Except with the prior written consent of Landlord, Tenant shall not sell, or permit the sale, at retail, of newspapers, magazines, periodicals, theater tickets or any other goods or merchandise in or on the Premises, nor shall Tenant carry on, or permit or allow any employee or other person to carry on, the business of stenography, typewriting or any similar business in or from the Premises for the service or accommodation of occupants of any other portion of the Building, or the business of a public barber shop, beauty parlor, nor shall the Premises be used for any illegal purpose, or any business or activity other than that specifically provided for in such Tenant's Lease. Tenant shall not accept hairstyling, barbering, shoeshine, nail, massage or similar services in the Premises or common areas except as authorized by Landlord.

11. If Tenant requires telegraphic, telephonic, telecommunications, data processing, burglar alarm or similar services, it shall first obtain, and comply with, Landlord's instructions in their installation. The cost of purchasing, installation and maintenance of such services shall be borne solely by Tenant.

12. Landlord will direct electricians as to where and how telephone, telegraph

and electrical wires are to be introduced or installed. No boring or cutting for wires will be allowed without the prior written consent of Landlord which consent shall not be unreasonably withheld, delayed or conditioned. The location of burglar alarms, telephones, call boxes and other office equipment affixed to the Premises shall be subject to the prior written approval of Landlord which consent shall not be unreasonably withheld, delayed or conditioned.

13. Tenant shall not install any radio or television antenna, satellite dish, loudspeaker or any other device on the exterior walls or the roof of the Building, without Landlord's consent which consent shall not be unreasonably withheld, delayed or conditioned. Tenant shall not interfere with radio or television broadcasting or reception from or in the Building,the Project or elsewhere.

14. Tenant shall not mark, or drive nails, screws or drill into the partitions, woodwork or drywall or in any way deface the Premises or any part thereof other than in connection with the hanging of artwork. Tenant shall not lay linoleum, tile, carpet or any other floor covering so that the same shall be affixed to the floor of its Premises in any manner except as reasonably approved in writing by Landlord. The expense of repairing any damage resulting from a violation of this rule or the removal of any floor covering shall be borne by the tenant by whom, or by whose contractors, employees or invitees, the damage shall have been caused.

15. Tenant shall not place a load upon any floor of its Premises which exceeds the load per square foot which such floor was designed to carry or which is allowed by law. Business machines and mechanical equipment belonging to Tenant which cause noise or vibration that may be transmitted to the structure of the Building or to any space therein to such a degree as to be objectionable to Landlord or to any tenants in the Building shall be placed and maintained by Tenant, at Tenant's expense, on vibration eliminators or other devices sufficient to eliminate noise or vibration. The persons employed to move such equipment in or out of the Building must be acceptable to Landlord.

16. Each tenant shall store all of its trash and garbage within the interior of the Premises or as otherwise directed by Landlord from time to time. Tenant shall not place in the trash boxes or receptacles any personal trash or any material that may not or cannot be disposed of in the ordinary and customary manner of removing and disposing of trash and garbage in the city, without violation of any law or ordinance governing such disposal.

17. Canvassing, soliciting, distribution of handbills or any other written material and peddling in the Building and the Project are prohibited and each tenant shall cooperate to prevent the same. No tenant shall make room-to-room solicitation of business from other tenants in the Building or Project, without the written consent of the Landlord.

18. Landlord shall have the right, exercisable upon not less than six (6) months prior notice but without liability to any tenant, to change the name and address of the Building and the Project.

19. Landlord reserves the right to exclude or expel from the Project any person who, in the Landlord's judgment, is under the influence of alcohol or drugs or who commits any act in violation of any of these Rules and Regulations.

20. Without the prior written consent of Landlord, Tenant shall not use the name of the Building or the Project or any photograph or other likeness of the Building or the Project in connection with, or in promoting or advertising, Tenant's business except that Tenant may include the Building's or Project's name in Tenant's address.

21. Tenant shall comply with all safety, fire protection and evacuation procedures and regulations reasonably established by Landlord or any governmental agency.

22. Tenant assumes any and all responsibility for protecting its Premises from theft, robbery and pilferage, which includes keeping doors locked and other means of entry to the Premises closed.

23. Landlord reserves the right to designate the use of the parking spaces on the Project. Tenant or Tenant's guests shall park between designated parking lines only, and shall not occupy two parking spaces with one car. No trucks, truck tractors, trailers or fifth wheel are allowed to be parked anywhere at any time within the Project other than in Tenant's own truck dock well. Vehicles in violation of the above shall be subject to tow-away, at vehicle owner's expense. Vehicles parked on the Project overnight without prior written consent of the Landlord shall be deemed abandoned and shall be subject to two-away at vehicle owner's expense. No tenant of the Building shall park in visitor or reserved parking areas or loading areas. Any tenant found parking in such designated visitor or reserved parking areas or loading areas or unauthorized areas shall be subject to tow-away at vehicle owner's expense. The parking areas shall not be used to provide car wash, oil changes, detailing, automotive repair or other services unless otherwise approved or furnished by Landlord. Tenant will from

time to time, upon the request of Landlord, supply Landlord with a list of license plate numbers of vehicles owned or operated by its employees or agents.

24. No Tenant is allowed to unload, unpack, pack or in any way manipulate any products, materials or goods in the common areas of the Project including the parking and driveway areas of the Project. All products, goods and materials must be manipulated, handled, kept, and stored within the Tenant's Premises and not in any exterior areas, including, but not limited to, exterior dock platforms, against the exterior of the Building, parking areas and driveway areas of the Project. Tenant also agrees to keep the exterior of the Premises clean and free of nails, wood, pallets, packing materials, barrels and any other debris produced from their operation. All products, materials and goods are to enter and exit the Premises by being loaded or unloaded through dock high doors into trucks and or trailers, over dock high loading platforms into trucks and or trailers or loaded or unloaded into trucks and or trailers within the Premises through grade level door access.

25. Tenant shall be responsible for the observance of all of the foregoing Rules and Regulations by Tenant's employees, agents, clients, customers, invitees and guests.

26. These Rules and Regulations are in addition to, and shall not be construed to in any way modify, alter or amend, in whole or in part, the terms, covenants, agreements and conditions of any lease of any premises in the Project.

27. Landlord may waive any one or more of these Rules and Regulations for the benefit of any particular tenant or tenants, but no such waiver by Landlord shall be construed as a waiver of such Rules and Regulations in favor of any other tenant or tenants, nor prevent Landlord from thereafter enforcing any such Rules and Regulations against any or all tenants of the Building.

28. Landlord reserves the right to make such other and reasonable rules and regulations as in its judgment may from time to time be needed for safety and security, for care and cleanliness of the Building and the Project and for the preservation of good order therein. Tenant agrees to abide by all such Rules and Regulations herein stated and any additional rules and regulations which are adopted.

EXHIBIT B

SITE PLAN, PREMISES

Bridge Pointe Corporate Centre consists of approximately of 29 acres and up to approximately 591,000 square feet in up to 9 buildings. Phase A consists of four buildings indicated on the site plan below as 4760, 4770, 4780 and 4790 Eastgate Mall, totaling 215,800 square feet consisting of approximately 12.5 net acres. Phase B will consist of two buildings totaling approximately 150,000 square feet and consisting of approximately 8.5 acres. Phase C will consist of three buildings totaling up to approximately 225,000 square feet and consisting of approximately 8 acres.

The Premises consists of the buildings located at 4760, 4770 and 4780 Eastgate Mall in San Diego, California.

The Site Plan detailing the Premises and the Project follows this page and consists of two (2) pages.

[FLOOR PLAN]

Franklin Resources, Inc.
BRIDGE POINTE CORPORATE CENTRE -- SAN DIEGO, CALIFORNIA

EXHIBIT D

TENANT'S HAZARDOUS MATERIALS DECLARATION

This exhibit shall be completed by Tenant upon occupancy of the entire Premises, but not later than May 1, 1999. The final Exhibit D, to be mutually agreed upon by the parties, shall be inserted to replace this Exhibit D.

33
CLUP
Comprehensive Land Use Plan
1990

[PHOTO]

Naval Air Station Miramar
San Diego, California

AIRPORT NOISE/LAND USE COMPATIBILITY MATRIX
IMPLEMENTATION DIRECTIVES

All the uses specified are "compatible" up to the noise level indicated. Specified uses are also allowed as "conditionally compatible" in the noise levels shown if two specific conditions are met and certified by the local general purpose agency:

1. Proposed buildings will be noise attenuated to the level shown on the matrix based on an acoustical study submitted along with building plans.

2. In the case of discretionary actions, such as approval of subdivisions, zoning changes, or conditional use permits, an aviation easement for noise shall be required to be recorded with the County Recorder as a condition of approval of the project. A copy shall also be filed with the affected airport operator. For all property transactions, appropriate legal notice shall be given to all purchasers, lessees and renters of property in "conditionally compatible" areas which clearly describes the potential for impacts from airplane noise associated with airport operations. Notice will also be provided as required on the State Real Estate Disclosure form.

Identified uses proposed in noisier areas than the level indicated on the matrix are considered "incompatible."

The directives below relate to the specific "conditionally compatible" land use categories identified by number on the matrix.

3. New schools, preschools and libraries located within the CNEL 60-65 contours must be subjected to an acoustical study to assure that interior levels will not exceed CNEL 45.

4. New residential and related uses located within the CNEL 60-65 contours must be subjected to an acoustical study to assure that the interior levels will not exceed CNEL 45. Appropriate legal notice shall be provided to purchasers, lessees, and renters of properties in this conditionally compatible zone in the manner previously described.

   "Residential hotels" are defined as those that have 75% or more of accommodations occupied by permanent guests (staying more than 30 days) or those hotels which have at least 50 percent of their accommodations containing kitchens.

5. Transient Lodging is defined as hotels and motels, membership lodgings (Y's etc.), suite or apartment hotels, hotels, or other temporary residence units, not defined as residential hotels, above. Within the CNEL 60-70 contours, buildings must be subjected to an acoustical study to assure that interior levels do not exceed CNEL 45. Appropriate legal notice shall be provided to purchasers, lessees, and renters of properties in this conditionally compatible zone in the manner previously described.

6. Office buildings include many types of office and service uses: business and business services, finance, insurance, real estate; personal services; professional (medical, legal and educational); and government, research and development and others. Within the CNEL 65-70 contours, buildings must be subjected to an acoustical study to assure that interior levels do not exceed CNEL 50. Appropriate legal notice shall be provided to purchasers, lessees, and renters of properties in this conditionally compatible zone in the manner

previously described.

8. For new commercial retail uses located within the CNEL 65-75 contours, buildings must be subjected to an acoustical study to assure that interior levels do not exceed CNEL 50. Appropriate legal notice shall be provided to purchasers, lessees, and renters of properties in this conditionally compatible zone in the manner previously described.

EXHIBIT E

MCAS Miramar Comprehensive Land Use Plan

The MCAS Miramar Comprehensive Land Use Plan follows this page, and consists of four (4) pages.

What is the CLUP?

The Naval Air Station (NAS) Miramar Comprehensive Land Use Plan (CLUP) represents Navy and community recommendations for achieving compatible development near the air station. The CLUP was prepared by the San Diego Association of Governments (SANDAG) under authority of Article 3.5 of the California Public Utilities Code. The CLUP also incorporates recommendations of the Navy's Air Installation Compatible Use Zones (AICUZ) program, part of a nation-wide planning effort by the Department of Defense to look at accident potential and noise impacts around each military air installation in the United States. The goals of the CLUP are to:

- Protect NAS Miramar from incompatible land uses;
- Provide criteria for the orderly growth of the area surrounding the air station;
- Safeguard the general welfare of those inhabitants within the vicinity of the air station by protecting them from the adverse effects of aircraft noise and accident potential; and
- Ensure that no obstructions or other hazards affect navigable airspace.

Why is there a Problem?

Many military and civilian airfields were originally constructed in the open countryside. Over the years pressures to house a growing population meant people tended to move onto land near airfields. This nearby land normally has established access routes, and in many cases offers the advantages of living or working close to a major employment base. Meanwhile the level of air traffic has increased. These counteracting trends can cause problems for the air facility as well as local residents. Specifically, problems arise when use of the land is not controlled for compatibility with air operations.

Although noise impact areas no longer grow at rates experienced in the 1970's (and have actually decreased at NAS Miramar), the land near all airfields will continue to have high noise levels and potential for aircraft accidents. Land near airfields is suitable for certain types of development, such as agriculture or industrial uses, but may not be suitable for other types of development. Land near NAS Miramar consists of a mix of residential, commercial and industrial uses. For the most part, these developments are considered compatible with the current land use plan.

Community Participation

Land use compatibility is a shared concern of the Navy, the public, and the local government agencies who have planning and zoning authority. The decision makers for the local government have the key responsibility for taking actions that preserve land use compatibility. The cooperative action of all parties helps to resolve land use compatibility problems.

Navy Role in the Economy

More than 11,000 military and 2,500 civilian personnel work at NAS Miramar. Nearly 2,500 bachelor and 615 married military personnel (with 1,000 dependents) live at the air facility. An additional 1,800 military, with 5,500 dependents live in military housing off station with the rest living in the surrounding communities. All totalled -- military, civilians and dependents -- NAS Miramar has an extended family of nearly 30,000.

NAS Miramar is part of the naval complex in San Diego County. Over 175,000 Department of Defense personnel work in San Diego with a total economic impact to the community of $9.5 billion annually. NAS Miramar accounts for over $700 million of this total. Overall, one in five dollars in the San Diego economy is a Navy dollar.

Installation Mission

NAS Miramar is the home of the jet fighter and early warning aircraft of the Pacific Fleet. The mission of the station is to maintain and operate facilities and provide services and materials to support operations of aviation activities and units of the operating forces of the Navy.

What is NAS Miramar doing?

The people stationed at NAS Miramar are aware of their responsibility to minimize noise levels and hazards for the residents of nearby communities. Since 1974, noise complaints at NAS Miramar have decreased from a high of over 2,000 to 210 in 1991. This decrease resulted from the installation of hush houses to suppress ground engine runups, noise abatement procedures, and changes in aircraft mix.

More Information

Copies of the NAS Miramar CLUP may be obtained from SANDAG. Information on height restrictions and obstruction determination can be obtained from the Federal Aviation Administration or NAS Miramar. Information on land use compatibility may be obtained from the Community Planning Liaison Office at NAS Miramar.

NAS Miramar
NOISE COMPLAINTS
(619) 537-4277

Community Planning Liaison Office
Code: 00M, NAS Miramar
San Diego, CA 92145-5000
(619) 537-1235

San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101
(619) 595-5300

Federal Aviation Administration
13006 Aviation Blvd.
Hawthorne, CA 90261
(310) 297-1667

[MAP]

CLUP COMPOSITE MAP
CLUP AREA

The NAS Miramar CLUP Composite Map shows a combination of noise and Accident Potential Zones (APZs). The noise descriptor used in this study is CNEL, which stands for Community Noise Equivalent Level. CNEL is the weighted average sound level for a 24-hour day. It is calculated by weighing evening and night operations five and ten times more than day operations, respectively, to adjust for the increased irritation caused by noise during evening and night hours. The depicted noise footprint ranges from 60 dB CNEL to 75 dB CNEL. The Accident Potential Zones represent areas that are overflown by aircraft and, therefore, more susceptible to accidents. The three APZs are APZ II, APZ I, and the Clear Zone; each progressively closer to the runway and potentially of more concern. The Land Use Compatibility Guidelines for noise and APZs promote compatible development near the air station. The guidelines recommend restricting noise sensitive development in the high noise zones, and restricting population density within the APZs. Zones of highest noise and accident potential have the smallest range of compatible land uses.

[VICINITY MAP]

HEIGHTS AND OBSTRUCTIONS

In addition to noise and APZ considerations, height restrictions are necessary to insure that no object will interfere with safe operation of aircraft or deny operational capability of the air station. Any development proposal that includes an object over 200 feet above ground level (AGL) or which penetrates the 100:1 slope extending 20,000 feet from the nearest point of the nearest runway must be submitted to the Federal Aviation Administration (FAA) for an obstruction evaluation. SANDAG and NAS Miramar must also be notified of these proposals by the applicant. The following should also be examined for compatibility:

* Uses that release into the air any substance that would impair

visibility or otherwise interfere with the operation of aircraft (e.g., dust, smoke, or steam).

* Uses which emit or reflect light that would interfere with aircrew vision.

* Uses that produce emissions which would interfere with aircraft communications systems, navigation systems or other electrical systems.

* Uses which attract birds, such as (but not limited to) sanitary landfills, maintenance of feed stations, growing certain types of vegetation, etc.

AIRPORT NOISE/LAND USE COMPATIBILITY MATRIX

<TABLE>
<CAPTION>

LAND USE	Annual Community Noise Equivalent Level (CNEL) in decibels 55	60	65	70	75	
<S>	<C>	<C>	<C>	<C>	<C>	<C>
1. OUTDOOR AMPHITHEATERS						
2. NATURE PRESERVES, WILDLIFE PRESERVES, LIVESTOCK FARMING, NEIGHBORHOOD PARKS AND PLAYGROUNDS						[ ] COMPATIBLE The outdoor community noise equivalent
3. SCHOOLS, PRESCHOOLS, LIBRARIES			45			level is sufficiently attenuated by conventional construction that the indoor
4. RESIDENTIAL-SINGLE FAMILY, MULTIPLE FAMILY MOBILE HOMES, RESIDENTIAL HOTELS, RETIREMENT HOMES, INTERMEDIATE CARE FACILITIES, HOSPITALS, NURSING HOMES			45			noise level is acceptable, and both indoor and outdoor activities associated with the land use may be carried out with essentially no interference from aircraft noise.
5. HOTELS AND MOTELS, OTHER TRANSIENT LODGING, AUDITORIUMS, CONCERT HALLS, INDOOR ARENAS, CHURCHES			45	45		[45] CONDITIONALLY COMPATIBLE The outdoor community noise equivalent
6. OFFICE BUILDINGS-BUSINESS, EDUCATION, PROFESSIONAL AND PERSONAL SERVICES; R & D OFFICES AND LABORATORIES			50			level will be attenuated to the indoor level shown, and the outdoor noise level is acceptable for associated outdoor activities.
7. RIDING STABLES, WATER RECREATION FACILITIES, REGIONAL PARKS AND ATHLETIC FIELDS, CEMETERIES, OUTDOOR SPECTATOR SPORTS, GOLD COURSES						[ ] INCOMPATIBLE The community noise equivalent level is severe. Although extensive mitigation techniques could make the indoor environment acceptable for performance of activities the outdoor environment would be intolerable for outdoor activities associated with the land use.
8. COMMERCIAL-RETAIL; SHOPPING CENTERS, RESTAURANTS, MOVIE THEATERS				50	50	
9. COMMERCIAL-WHOLESALE; INDUSTRIAL; MANUFACTURING						
10. AGRICULTURE (EXCEPT RESIDENCES AND LIVESTOCK), EXTRACTIVE INDUSTRY, FISHING, UTILITIES, & PUBLIC R-O-W.						

</TABLE>

This matrix should be used with reference to the Implementation Directives shown on the reverse.

LAND USE COMPATIBILITY IN ACCIDENT POTENTIAL ZONES

<TABLE>
<CAPTION>

LAND USE	APZ 1	APZ 2	
<S>	<C>	<C>	<C>
RESIDENTIAL(?) APARTMENTS, AND TRANSIENT LODGING			
ASSEMBLY AREAS			[ ] COMPATIBLE
Schools, Churches, Libraries, Auditoriums, Sports Arenas, etc., Preschools, Nurseries, and Restaurants			[50 or fewer Persons/Acre] CONDITIONALLY COMPATIBLE
			[ ] INCOMPATIBLE
Hospitals, Sanitariums, and Nursing Homes			
OFFICES, RETAIL SHOPS(?)	50		
WHOLESALE STORES, MANUFACTURING(?)	50		
OUTDOOR USES: Playgrounds, Neighborhood Parks, Golf Courses, Riding Stables, Public Right-of-Way	50		

</TABLE>

(?) Residential land uses include single-family homes, multi-family, and retirement homes.

(?) See 1992 CLUP revision for siting of flammable, hazardous, and toxic materials within the APZs.

(?) It is suggested that for coverage in APZ1 should be less than 25% and less than 40% in APZ2.

For further information on determining compatibility in APZs, please see the NAS Miramar CLUP.

EXHIBIT F

SIGNAGE CRITERIA
FOR
BRIDGE POINTE CORPORATE CENTRE

The final Exhibit F, to be mutually agreed upon by the parties, shall be inserted to replace this Exhibit F.

EXHIBIT F

SIGNAGE CRITERIA
FOR
BRIDGE POINTE CORPORATE CENTRE

The Signage Criteria for Bridge Pointe Corporate Centre follows this page and consists of nine (9) pages.

35
SIGNAGE CRITERIA
FOR
BRIDGE POINTE CORPORATE CENTRE

INTRODUCTION

The purpose of Exhibit 'F' is to establish signage standards necessary to balance maximum tenant identification with an overall unity of design for Bridge Pointe Corporate Centre. All tenant signs shall conform to the overall criteria outlined herein as well as to any additional criteria that may be specified elsewhere on the drawings of Exhibit 'F'. In addition, the following definitions shall apply:

Copy Area

The area of a sign, exclusive of margins, in which copy and graphics may be placed.

Letter Height

The height of a normal capital letter of a type font exclusive of swashes, descenders and ascenders.

Logo

An image composed of a collection of symbols, figures, design elements, and letters which together for a distinct and unique identifying mark.

Major Tenant

A tenant of a site or building who occupies at least 47,000 square feet of leased floor space, or as designated by owner.

Monument

A ground structure forming a continuous mass including the sign face, base and its connection to the earth and existing solely for the purpose of displaying signs.

Owner

The party holding legal title to the site and/or building(s) or its agents (e.g. landlord, developer, architect or other consultant).

Project

Development composed of one or more buildings of consistent character where the principal use is commercial office space.

Sign Background Area

The area of a building wall or fascia which is designated for signage applications.

Sign Face Area

The area of a sign, including margins, potentially available for display of copy and graphics. The sign face area of monument signs and signs on garden walls shall be computed by drawing a line around each graphic element and/or line of copy and calculating the area contained within the lines. The architectural screening surrounding posts and forming the base of ground signs shall not be calculated as part of the sign face area.

Wall Sign

Any sign affixed to the elevation of a building wall, or letters, figures or signs affixed to a freestanding garden or retaining wall.

TERMS AND CONDITIONS FOR SIGNAGE IMPLEMENTATION

In signing this lease, Tenant acknowledges receipt of the Tenant Sign Criteria and Guidelines, and agrees to the requirements contained therein and specifically the following requirements with regard to signage:

1. Each tenant shall provide a minimum of one primary identification sign in accordance with the approved criteria.

2. Tenant shall be responsible for the expenses relating to its signage, including but not limited to:

   - design fees

   - permit processing costs and application fees

   - 100% of costs for sign fabrication and installation including review of shop drawings and patterns by the Owner or its authorized agent

   Tenant shall also be responsible for maintaining the appearance and operating condition of all signs once installed.

3. Tenant shall submit to Owner for approval sign design and shop drawing in accordance with the provisions contained herein (see "Submittals and Approvals" section). ALL SIGN DESIGNS ARE SUBJECT TO REVIEW AND APPROVAL BY OWNER, INCLUDING LOCATIONS, NUMBER AND SIZE OF ALL SIGNS.

4. Tenant agrees to abide by all provisions, guidelines, and criteria contained within this Exhibit 'F', as well as with applicable City of San Diego sign regulations.

5. Only those sign types provided for and specifically approved in writing by the Owner will be allowed. Owner may, at its sole discretion, and at Tenant's expense, correct, replace or remove any sign that is installed without its written approval and/or that is deemed not to be in conformance with the plans as submitted and with requirements and documents referenced herein.

6. Tenant shall maintain its signage in like-new condition. Owner may, at its sole discretion and at Tenant's expense, replace, refurbish or remove any sign that has become deteriorated. The Tenant shall, upon termination of this lease and at its own expense, remove all signs associated with this lease and restore building walls to their original condition.

BUILDING WALL SIGNS

General Criteria

1. Configuration: Individual, internally illuminated channel letters with luminous faces. (See Example 1.)

2. Location: Signs to be affixed to building wall in the Sign Background Area designated and approved by Owner. See "Sign Location Plan" for possible locations.

3. Color: All tenant wall signs are to have translucent bronze acrylic letterfaces with five inch deep returns painted tan to match Sign Background Area building color. In cases where Tenant has a regionally or nationally recognized corporate identity, Owner may allow Tenant to utilize a letter color in accordance with its corporate specifications subject to Owner's prior written approval.

4. Letter Style: In cases where Tenant has a regionally or nationally recognized corporate identity, Owner may allow Tenant to utilize a letterstyle in accordance with its corporate specifications subject to Owner's prior written approval.

Sign Type 'E': Tenant Identification Wall Sign

Intended as primary identification signage for all tenant spaces. One (1) wall sign allowed per building elevation with a maximum of two (2) wall signs per major tenant, for a maximum total of four (4) tenant wall signs per building. Maximum three feet six inches (3'6") letter height, with maximum of one hundred square feet of copy area.

MONUMENT SIGNS

General Criteria

1. Configuration: Concrete rectangular structure. Layout must be approved in writing by Owner. See examples on Page 8.

2. Location: See "Sign Location Plan" for possible locations.

3. Color: To be determined by Owner.

4. Letter Style: For Project Identification Monument Signs ('A'), in cases where Tenant has a regionally or nationally recognized corporate identity, Owner may allow Tenant to utilize a letterstyle in accordance with its corporate specifications subject to Owner's prior written approval. Lettering shall be centered within the copy panel.

Sign Type 'A': Project Identification Monument with Tenant Listings

- Single-faced project identification monument sign including tenant listings and project address. Located at the southwest corner facing intersection of Judicial Drive and Eastgate Mall, and at the southeast entry facing Eastgate Mall.
- 5 feet 10 inches maximum height
- 12 square feet maximum copy area
- Eleven feet ten inches (11'10") maximum copy width
- May be internally and/or front-illuminated
- Two (2) signs only

Sign Type 'F': Vehicular Directional Monument

- Single-faced vehicular directional monument sign including tenant copy. Located at the Judicial Drive entrance.
- 6 feet maximum height
- .4 square feet maximum copy area per tenant

- One foot maximum copy width
- May be internally and/or front-illuminated
- Two (2) signs only

GENERAL PROVISIONS

1. Signs shall be designed in a manner that is compatible with and complementary to the overall project and adjacent facades.

2. Only those sign types provided for in the Sign Criteria & Guidelines and/or specifically approved in writing by the Owner will be allowed.

3. Signage that incorporates logos, business identity, and/or images denoting the type of business shall be encouraged. Logo design and colors to be approved by the Owner.

4. Logo, letter heights and sign square footages, where specified, shall be determined by measuring the normal capital letter of type exclusive of typographic swashes, ascenders, descenders or exaggerated initial capitals.

   For purposes of calculating copy area, wall signage shall be considered to be composed of two elements:

   A. Lettering and Logos

      Includes the letters and characters that form the sign copy, exclusive of any figures, symbols and decorative elements. Where extended spacing between letters is used, copy area may be measured by calculating the area of each individual letter exclusive of space between letters.

      Logos and/or images that are in use on similar buildings operated by the tenant in California may be used, provided that said images are architecturally compatible and approved by the Owner and shall be counted in overall allowable square footage for tenant signs.

   Where lettering and logos are placed on architectural background, the height of the lettering and logos shall not exceed 80% of the height of the architectural background. Logo height may be greater than letter height but shall conform to sign are guidelines.

   Maximum copy areas shall be calculated exclusive of display surfaces, backings, architectural elements, and mounting devices.

5. Notwithstanding the maximum square footages specified for copy area allowances, signs and typography in all cases shall appear balanced and in scale within the context of the sign spaces - monuments and building walls - as a whole. Thickness, height, and color of sign lettering shall be visually balanced and in proportion to other signs on the building.

6. Wall signs shall be affixed without visible means of attachment, unless attachments make an intentional statement. Wall signs need not be attached directly to the lease space to which they refer.

7. Ground signs or monument signs may be located within landscaped zones between property lines and building setback lines, allowing for adequate site-lines for approaching vehicular traffic at street intersections and project entries, but may not be located in the public right-of-way.

8. All sign fabrication work shall be of excellent quality. All logo images and typestyles shall be accurately reproduced. Lettering that approximates typestyles shall not be acceptable. The Owner reserves the right to reject any fabrication work deemed to below standard.

9. Sign contractor shall be approved in writing by Owner. Contractor shall be licensed and carry insurance in accordance with Owner's requirements.

CONSTRUCTION REQUIREMENTS

1. All formed metal, such as letter forms, shall be fabricated using full-weld construction.

2. All ferrous and non-ferrous metals shall be separated with non-conductive gaskets to prevent electrolysis. In addition to gaskets, stainless steel fasteners shall be used to secure ferrous to nor-ferrous metals.

3. Threaded rods or anchor bolts shall be used to mount sign letters which are spaced out from background panel. Angle clips attached to letter sides will not be permitted.

4. Surfaces with color mixes and hues prone to fading (e.g., pastels, fluorescent, complex mixtures, and intense reds, yellows and purples) shall be coated with ultraviolet-inhibiting clear coat in a matte, gloss, or semi-gloss finish.

5. Joining of materials (e.g., seams) shall be finished in such a way as to be unnoticeable. Visible welds shall be continuous and ground smooth. Rivets, screws, and other fasteners that extend to visible surfaces shall be flush, filled, and finished so as to be unnoticeable.

6. Finished surfaces of metal shall be free from canning and warping. All sign finishes shall be free of dust, orange peel, drips, and runs and shall have a uniform surface conforming to the highest standards of the industry.

7. Reverse channel letters shall be pinned 2" off building wall. Return depth shall be 2-1/4", maximum, for letters less than 12" in height and such signs shall have a clear acrylic backing. Double tube neon shall be used when width of letter stroke exceeds 2-1/4".

8. Depth of open channel letters shall not exceed 2". All hardware and neon tube supports inside open channel letters shall be painted to match interior letter color. Neon tubing shall be sufficient to make letters read "solid" and shall be installed to that top surface of neon is flush with front edges of open channel.

9. Signs illuminated with neon shall use 30 m.a. transformers. The ballot for fluorescent lighting shall be 430 m.a. Fluorescent lamps shall be single pin (slimline) with 12" center-to-center lamp separation. All lighting must match the exact specifications of the approval shop drawings.

10. Surface brightness of all illuminated materials shall be consistent in all letters and components of the sign. Light leaks will not be permitted.

11. The back side of all bare neon used for signage shall be painted to provide an opaque finish. Paint color shall exactly match the Owner-approved specifications.

12. All conduit, raceways, crossovers, wiring, ballast boxes, transformers, and other equipment necessary for sign connection shall be concealed. All bolts, fastenings and clips shall consist of enameling iron with porcelain enamel finish, stainless steel, anodized aluminum, brass or bronze; or carbon-bearing steel with painted finish. No black iron material will be allocated.

13. Underwriter's Laboratory-approved labels shall be affixed to all electrical fixtures. Fabrication and installation of electrical signs shall comply with all national and local building and electrical codes.

14. Penetrations into building walls, where required, shall be made waterproof. Walls shall be restored to their original condition upon removal of attachments.

15. Location of all openings for conduit sleeves and support in sign panels and building walls shall be indicated by the sign contractor on drawings submitted to the Owner. Sign contractor shall install same in accordance with the approved drawings.

16. In no case shall any manufacturer's label be visible from normal viewing angles.

17. Sign permit stickers shall be affixed to the bottom edge of signs, and only that portion of the permit sticker that is legally required to be visible shall be exposed.

SUBMITTALS AND APPROVALS

Tenant signs shall be themed and designed to contribute to the overall Project design theme. Tenant sign designs shall be consistent with the Project theme, the provisions of the Team Sign Criteria and Guidelines.

Tenant shall submit all sign designs to Owner and obtain its written approval prior to sign fabrication. Approval or disapproval shall remain the sole right and discretion of Owner. Approval shall not be unreasonably withheld. Tenant must continue to revise and resubmit rejected designs until approval is obtained.

Prior to sign fabrication, Tenant shall submit for Owner approval three (3) sets of complete and fully-dimensioned shop drawings reflecting the sign design approved by the Owner. Shop drawings are to be submitted to Owner within twenty (20) calendar days after design has been approved. Two (2) separate submittals

will be required prior to implementation of signage:

a. Design Review
Tenant shall submit all sign designs to Owner and obtain its written approval prior to sign fabrication. Approval or disapproval shall remain the sole right and discretion of Owner. Tenant must continue to revise and resubmit rejected designs until approval is obtained.

b. Shop Drawings
Prior to sign fabrication, Tenant shall submit for Owner approval three (3) sets of complete and fully-dimensioned shop drawings reflecting the sign design approved by the Owner. Tenant must continue to revise and resubmit rejected designs until approval is obtained. The shop drawings submittal shall include:

a. Name, address and phone number of tenant/user.

b. Name, address and phone number of Sign Contractor, Designer.

c. Elevation of structure showing all proposed signs indicating sign type, design, location, size and layout of sign drawn to scale and indicating dimensions, attachment devices and construction details, colors, materials and lighting details.

d. Section detail of letters and/or sign element showing the dimensioned projection of the face of letters, method and intensity of illumination.

e. Color board with actual sample colors (8-1/2" x 11" format).

f. Site plan showing property lines, buildings, location and dimensions from public right of way.

All Tenant sign submittals shall be reviewed by Owner for conformance with the provisions of the Bridge Pointe Corporate Centre Sign Criteria and Guidelines, this Exhibit 'F', and the design intent drawings approved by Owner.

Within fifteen (15) business days after receipt of Tenant's shop drawings, Owner shall either approve the submittal continent upon any required modifications or disapprove Tenant's sign submittal, which approval or disapproval shall remain the sole right and discretion of Owner. Tenant must continue to resubmit rejected plans until approval is obtained. A full set of final plans must be approved in writing by the Owner prior to permit application or sign fabrication.

Following Owner's approval of proposed signage, Tenant or its agent shall submit to the City of San Diego sign plans signed by Owner and applications for all permits for fabrication and installation by sign contractor. Tenant shall furnish Owner with a copy of said permits prior to installation of Tenant's sign(s).

Fabrication and installation of all sign shall be performed in accordance with the standards and specifications outline in this Exhibit 'F' and in the final approved plans and shop drawings. Owner may perform an in-shop inspection and buy-off of the signage prior to installation. Any work deemed unacceptable shall be rejected and shall be corrected or modified at Tenant's expense as required by the Owner or its agent.

Tenant shall install the minimum required signage within 60 calendar days after receipt of permit from the City of San Diego. If signage is not in place by that date, Owner may order fabrication and installation on Tenant's behalf. Tenant shall reimburse Owner for these costs.

SIGN CONTRACTOR RESPONSIBILITIES

Tenant shall require its sign contractor to do the following:
- provide to the Owner, prior to commencing fabrication, an original certificate of insurance naming the Owner as an additional insured for liability coverage.
- obtain approved sign permits from the City of San Diego prior to sign fabrication and deliver copies of same to Owner.
- prepare for approval prior to fabrication complete and fully-dimensioned shop drawings along with items listed under "Submittals and Approvals" section.

[PREMISES LAYOUT]

Page 6
[DIAGRAM]

Page 7
[PREMISES LAYOUT]

Page 8

[BRIDGE POINTE LOGO]
CORPORATE CENTRE

SCANNED LOGO

BRIDGE POINTE
CORPORATE CENTRE

COMPUTER SET - GARAMOND REGULAR

ABCDEFGHIJKLM
NOPQRSTUVWXYZ

ALPHABET - GARAMOND REGULAR

1234567890

ADDRESS NUMBERS - GARAMOND REGULAR

EXHIBIT "C"
DEMISING PLAN
The Demising Plan follows this page and consists of two (2) pages.

C-1.

4760 EAST GATE MALL
SAN DIEGO, CA. FIRST FLOOR PLAN

4760 EAST GATE MALL
SAN DIEGO, CA. SECOND FLOOR PLAN

EXHIBIT "D"

WORK LETTER AGREEMENT

This Work Letter Agreement ("WORK LETTER") sets forth the terms and conditions relating to construction of the initial tenant improvements described in the Plans to be prepared and approved as provided below (the "TENANT IMPROVEMENTS") in the Sublease Premises. Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Sublease (the "SUBLEASE") to which this Work Letter is attached and forms a part.

1. Base Building Work. The "Base Building Work" described on SCHEDULE 1 to this EXHIBIT D, if any, has been performed by Landlord at Landlord's sole cost and expense. Furthermore, a) Landlord represents that no Hazardous Materials were used, to Landlord's actual knowledge, in the construction of the Sublease Premises, except in compliance with all Regulations applicable to Hazardous Material and the environment; and b) Landlord shall deliver the Sublease Premises to Subtenant in compliance with all laws, rules, regulations and ordinances, including the Americans with Disabilities Act of 1990.

2. Plans and Specifications.

2.1 Subtenant shall retain the services of Ware & Malcomb (the "SPACE PLANNER") to prepare a detailed space plan (the "SPACE PLAN") mutually satisfactory to Landlord, Sublandlord and Subtenant for the construction of the Tenant Improvements in the Sublease Premises. Subtenant shall submit the Space Plan and any proposed revisions thereto to Landlord and Sublandlord for their approval.

2.2 Based on the approved Space Plan, Subtenant shall cause the Space Planner to prepare detailed plans, specifications and working drawings mutually satisfactory to Landlord, Sublandlord and Subtenant for the construction of the Tenant Improvements (the "PLANS") no later than thirty (30) days after full execution of the Sublease Agreement. Landlord, Sublandlord and Subtenant shall diligently pursue the preparation of the Plans and any proposed revisions thereto, including the estimated cost of the Tenant Improvements. All necessary revisions to the Space Plan and the Plans shall be made within three (3) business days after Landlord's and Sublandlord's response thereto, until Landlord and Sublandlord ultimately approve the Space Plan and Plans.

2.3 Subtenant shall be responsible for ensuring that the Plans are compatible with the design, construction and equipment of the Building, comply with applicable Regulations and the Standards (defined below), and contain all

such information as may be required to show locations, types and requirements for all heat loads, people loads, floor loads, power and plumbing, regular and special HVAC needs, telephone communications, telephone and electrical outlets, lighting, light fixtures and related power, and electrical and telephone switches, B.T.U. calculations, electrical requirements and special receptacle requirements. The Plans shall also include mechanical, electrical, plumbing, structural and engineering drawings mutually satisfactory to Landlord, Sublandlord and Subtenant. Notwithstanding Landlord's and Sublandlord's preparation, review and approval of the Space Plan and the Plans and any revisions thereto, Landlord and Sublandlord shall have no responsibility or liability whatsoever

for any errors or omissions contained in the Space Plan or Plans or any revisions thereto, or to verify dimensions or conditions, or for the quality, design or compliance with applicable Regulations of any improvements described therein or constructed in accordance therewith. Subtenant hereby waives all claims against Landlord and Sublandlord relating to, or arising out of the design or construction of, the Tenant Improvements.

2.4 Landlord and/or Sublandlord shall approve or disapprove the Space Plan or Plans or any proposed revision thereto submitted to Landlord and Sublandlord in Landlord's and Sublandlord's reasonable discretion, provided that Landlord and Sublandlord shall not unreasonably withhold such approval. Landlord and Sublandlord shall approve or disapprove any Space Plan, Plans or proposed revisions thereto submitted to Landlord and Sublandlord for Landlord's and Sublandlord's approval within three (3) business days after Landlord's and Sublandlord's receipt thereof. If Landlord or Sublandlord has not approved or disapproved in writing any Space Plan, Plans, or proposed revisions thereto submitted to Landlord and Sublandlord within five (5) business days after Landlord's and Sublandlord's receipt thereof, Landlord and Sublandlord shall be deemed to have approved the same.

3. Specifications for Standard Tenant Improvements.

3.1 Specifications and quantities of standard building components which will comprise and be used in the construction of the Tenant Improvements ("STANDARDS") are set forth in SCHEDULE 2 to this EXHIBIT D. As used herein, "STANDARDS" OR "BUILDING STANDARDS" shall mean the standards for a particular item selected from time to time by Landlord for the Building, including those set forth on SCHEDULE 2 of this EXHIBIT D, or such other standards of equal or better quality as may be mutually agreed between Landlord and Subtenant in writing.

3.2 No deviations from the Standards are permitted without Landlord's prior written approval, which will not be unreasonably withheld, conditioned or delayed.

4. Tenant Improvement Cost.

4.1 The cost of the Tenant Improvements shall be paid for by Subtenant, including, without limitation, the cost of Standards; space plans and studies; architectural and engineering fees; permits, approvals and other governmental fees; labor, material, equipment and supplies; construction fees and other amounts payable to contractors or subcontractors; remediation and preparation of the Sublease Premises for construction of the Tenant Improvements; taxes; filing and recording fees; premiums for insurance and bonds; attorneys' fees; financing costs; and all other costs expended or to be expended in the construction of the Tenant Improvements.

4.2 Provided Subtenant is not in default under the Sublease, including this Work Letter, beyond any applicable notice and cure period, Landlord shall contribute a tenant improvement allowance not to exceed $1,504,000.00 ("TENANT IMPROVEMENT ALLOWANCE") toward the cost of the initial Tenant Improvements (including without limitation all construction costs, cabling, architecture, design and engineering fees, permit fees and construction management fees) and shall disburse the Tenant Improvement Allowance to Subtenant as follows: (a) Twenty Percent (20%) of the Tenant Improvement Allowance within ten (10) days of execution of the Sublease; (b) Seventy Percent (70%) of the Tenant Improvement Allowance

at Substantial Completion (as defined below) of the entire Sublease Premises; and (c) the remaining balance of Ten Percent (10%) of the Tenant Improvement Allowance upon submission by Subtenant to Landlord copies of a certificate of completion executed by the Space Planner and Subtenant's contractor, and unconditional mechanics' lien releases (which mechanics' lien releases shall be

executed by the subcontractors, labor suppliers and materialmen in addition to Subtenant's contractor), in each case in form and substance reasonably satisfactory to Landlord, and all appropriate bills and supporting documentation for the work ordered by Subtenant or its contractor or any subcontractor reasonably required by Landlord.

4.3 In the event the estimated cost of the design and construction of the Tenant Improvements exceeds the Tenant Improvement Allowance, Subtenant shall pay such excess cost to Subtenant's contractor.

4.4 For the purposes of this Work Letter, "Substantial Completion" shall mean (A) all of the Sublease Premises' plumbing, heating, life safety, ventilation, air conditioning and electrical systems are operational to the extent necessary to service the Sublease Premises, (B) Landlord has substantially completed all work required to be performed by Landlord in accordance with this Work Letter, except minor "punch-list" items which shall thereafter be promptly completed, (C) Subtenant has obtained a certificate of occupancy for the Sublease Premises or its equivalent in accordance with this Work Letter, and (D) Subtenant has been tendered access to the Sublease Premises.

5. Construction of Tenant Improvements.

5.1 Within ten (10) days after Subtenant's, Sublandlord's and Landlord's approval of the Plans and the estimated costs of the Tenant Improvements, Subtenant shall cause the contractor to proceed to secure a building permit and commence construction of the Tenant Improvements.

5.2 Subtenant shall be responsible for obtaining all governmental approvals to the full extent necessary for the construction and installation of the Tenant Improvements and for Subtenant's occupancy of the Sublease Premises, in compliance with all applicable Regulations. Subtenant shall employ Reno Contractors as the contractor or such other contractor or contractors as shall be reasonably approved by Landlord in writing to construct the Tenant Improvements in conformance with the approved Space Plan and Plans. The construction contracts between Subtenant and the approved contractor shall be subject to Landlord's prior reasonable approval and shall provide for progress payments. The contractor(s) shall be duly licensed and Landlord's approval of the contractor(s) shall be conditioned, among other things, upon the contractor's reputation for quality of work, timeliness of performance and integrity.

5.3 Sublandlord and Landlord shall not be liable for any direct or indirect damages suffered by Subtenant as a result of delays in construction beyond Landlord's and Sublandlord's reasonable control, including, but not limited to, delays due to strikes or unavailability of materials or labor, or delays caused by Subtenant (including delays by the Space Planner, the contractor or anyone else performing services on behalf of Landlord or Subtenant).

5.4 All work to be performed on the Sublease Premises by Subtenant or Subtenant's contractor or agents shall be subject to the following conditions:

(a) Such work shall proceed upon Landlord's written approval of Subtenant's contractor, and public liability and property damage insurance carried by Subtenant's contractor, and shall further be subject to the provisions of Paragraphs 12 and 27 of the Master Lease.

(b) All work shall be done in conformity with a valid building permit when required, a copy of which shall be furnished to Sublandlord and Landlord before such work is commenced, and in any case, all such work shall be performed in a good and workmanlike and first-class manner, and in accordance with all applicable Regulations and the requirements and standards of any insurance underwriting board, inspection bureau or insurance carrier insuring the Sublease Premises pursuant to the Sublease. Notwithstanding any failure by Sublandlord or Landlord to object to any such work, neither Sublandlord nor Landlord shall have any responsibility for Subtenant's failure to comply with all applicable Regulations. Subtenant shall be responsible for ensuring that construction and installation of the Tenant Improvements will not affect the structural integrity of the Building.

(c) Landlord or Landlord's agents shall have the right to inspect the construction of the Tenant Improvements by Subtenant during the progress thereof. If Landlord shall give notice of faulty construction or any other deviation from

the approved Space Plan or Plans, Subtenant shall cause its contractor to make corrections promptly. However, neither the privilege herein granted to Landlord to make such inspections, nor the making of such inspections by Landlord, shall operate as a waiver of any right of Landlord to require good and workmanlike construction and improvements erected in accordance with the approved Space Plan or Plans.

(d) Subtenant shall cause its contractor to complete the Tenant Improvements as soon as reasonably possible.

(e) Subtenant's construction of the Tenant Improvements shall comply with the following: (i) the Tenant Improvements shall be constructed in strict accordance with the approved Space Plan or Plans; (ii) Subtenant and its contractor shall submit schedules of all work relating to the Tenant Improvements to Landlord for Landlord's approval within two (2) business days following the later to occur of the selection of the contractor and the approval of the Plans. Landlord shall within three (3) business days after receipt thereof inform Subtenant of any changes which are necessary and Subtenant's contractor shall adhere to such corrected schedule; and (iii) Subtenant shall abide by

all reasonable rules made by Landlord with respect to the use of freight, loading dock, and service elevators, storage of materials, coordination of work with the contractors of other tenants, and any other matter in connection with this Work Letter, including, without limitation, the construction of the Tenant Improvements.

(f) Subtenant or Subtenant's contractor or agents shall arrange for necessary utility, hoisting and elevator service with Landlord's contractor and shall pay such reasonable charges for such services as may be charged by Subtenant's or Landlord's contractor.

(g) Subtenant's entry to the Sublease Premises for any purpose, including, without limitation, inspection or performance of Subtenant construction by Subtenant's agents, prior to the date Subtenant's obligation to pay Rent commences shall be subject to all the terms and conditions of the Sublease except the payment of Rent. Subtenant's entry shall mean entry by Subtenant, its officers, contractors, licensees, agents, servants, employees, guests, invitees, or visitors. Landlord and Sublandlord shall have the right to post the appropriate notices of non-responsibility and to require Subtenant to provide Landlord and Sublandlord with evidence that Subtenant has fulfilled its obligation to provide insurance pursuant to the Sublease.

(h) Subtenant shall promptly reimburse Landlord upon demand for any reasonable expense actually incurred by Landlord by reason of faulty work done by Subtenant or its contractors or by reason of inadequate clean-up.

(i) Subtenant hereby indemnifies and holds Sublandlord and Landlord harmless with respect to any and all costs, losses, damages, injuries and liabilities relating in any way to any act or omission of Subtenant or Subtenant's contractor or agents, or anyone directly or indirectly employed by any of them, in connection with the Tenant Improvements and any breach of Subtenant's obligations under this Work Letter, or in connection with Subtenant's non-payment of any amount arising out of the Tenant Improvements. Such indemnity by Subtenant, as set forth above, shall also apply with respect to any and all costs, losses, damages, injuries, and liabilities related in any way to Sublandlord's and Landlord's performance of any ministerial acts reasonably necessary (i) to permit Subtenant to complete the Tenant Improvements, and (ii) to enable Subtenant to obtain any building permit or certificate of occupancy for the Sublease Premises, except to the extent Landlord's actions are associated with completing the Building shell or core.

(j) Subtenant's contractor and the subcontractors utilized by Subtenant's contractor shall guarantee to Subtenant and for the benefit of Sublandlord and Landlord that the portion of the Tenant Improvements for which it is responsible shall be free from any defects in workmanship and materials for a period of not less than one (1) year from the date of completion thereof. Each of Subtenant's contractor and the subcontractors utilized by Subtenant's contractor shall be responsible for the replacement or repair, without additional charge, of all work done or furnished in accordance with its contract that shall become defective within one (1) year after the later to occur of (i) completion of the work performed by such contractor of subcontractors and (ii) the Sublease Commencement Date. The correction of such work shall include, without additional charge, all additional expenses and damages incurred in connection with such removal or replacement of all or any part of the Tenant Improvements, and/or the Building and/or common areas that may be damaged or disturbed thereby. All such warranties or guarantees as to materials or workmanship of or with respect to the Tenant Improvements shall be contained in the construction contract or subcontract and shall be written such that such guarantees or warranties shall inure to the benefit of Sublandlord, Landlord and Subtenant, as their respective interests may appear, and can be directly enforced by any of the parties. Subtenant covenants to give to Landlord and Sublandlord any assignment or other assurances which may be reasonably necessary to effect such rights of direct enforcement.

(k) Commencing upon the execution of the Sublease, Subtenant shall hold weekly meetings at a reasonable time with the Space Planner and the contractor regarding the progress of the preparation of the Plans and the construction of the Tenant Improvements, which meetings shall be held at a location designated by Subtenant, and Landlord and/or its agents shall receive prior notice of, and shall have the right to attend, all such meetings, and upon Landlord's advance request, certain of Subtenant's contractors shall attend such meetings.

6. Insurance Requirements.

6.1 All of Subtenant's contractors shall carry worker's compensation insurance covering all of their respective employees, and shall also carry public liability insurance, including property damage, all with limits, in form and with companies as are required to be carried by Subtenant as set forth in the Sublease.

6.2 Subtenant shall carry "Builder's All Risk" insurance in an amount approved by Landlord covering the construction of the Tenant Improvements, and such other insurance as Landlord may reasonably require, it being understood and agreed that the Tenant Improvements shall be insured by Subtenant pursuant to the Sublease immediately upon completion thereof. Such insurance shall be in amounts and shall include such extended coverage endorsements as

may be reasonably required by Landlord including, but not limited to, the requirement that all of Subtenant's contractors shall carry excess liability and Products and Completed Operation coverage insurance, each in amounts not less than $500,000 per incident, $1,400,000 in aggregate, and in form and with companies as are required to be carried by Subtenant as set forth in the Sublease.

6.3 Certificates for all insurance carried pursuant to this Work Letter must comply with the requirements of the Sublease and shall be delivered to Landlord before the commencement of construction of the Tenant Improvements and before the contractor's equipment is moved onto the site. In the event the Tenant Improvements are damaged by any cause during the course of the construction thereof, Subtenant shall immediately repair the same at Subtenant's sole cost and expense. Subtenant's contractors shall maintain all of the foregoing insurance coverage in force until the Tenant Improvements are fully completed and accepted by Landlord, except for any Product and Completed Operation Coverage insurance required by Landlord, which is to be issued on an "occurrence" (as opposed to a "claims made") basis and be maintained for five (5) years following completion of the work and acceptance by Landlord and Subtenant. All policies carried under this Paragraph 6 shall insure Landlord and

Subtenant, as their interests may appear, as well as the contractors. All insurance maintained by Subtenant's contractors shall preclude subrogation claims by the insurer against anyone insured thereunder. Such insurance shall provide that it is primary insurance as respects the owner and that any other insurance maintained by owner is excess and noncontributing with the insurance required hereunder.

6.4 Any insurance required to be carried by Subtenant under this Work Letter may be carried under blanket insurance policies.

7. Notice of Completion. Within ten (10) days after completion of construction of the Tenant Improvements, Subtenant shall cause a Notice of Completion to be recorded in the office of the Recorder of the county in which the Building is located in accordance with Section 3093 of the Civil Code of the State of California or any successor statute, and shall furnish a copy thereof to Landlord upon such recordation. If Subtenant fails to do so, Landlord may execute and file the same on behalf of Subtenant as Subtenant's agent for such purpose, at Subtenant's sole cost and expense. At the conclusion of construction, (i) Subtenant shall cause the Space Planner and the contractor (i) to update the approved working drawings as necessary to reflect all changes made to the approved working drawings during the course of construction, (ii) to certify to the best of their knowledge that the "record-set" of as-built drawings are true and correct, which certification shall survive the expiration or termination of the Lease, and (c) to deliver to Landlord two (2) sets of copies of such record set of drawings within ninety (90) days following issuance of a certificate of occupancy for the Sublease Premises, and (iii) Subtenant shall deliver to Sublandlord and Landlord a copy of all warranties, guarantees, and operating manuals and information relating to the improvements, equipment, and systems in the Sublease Premises installed on behalf of Subtenant.

8. Work Letter Default. A default under this Work Letter shall constitute a default under the Sublease, and the parties shall be entitled to all rights and remedies under the Sublease in the

event of a default hereunder by the other party (notwithstanding that the Sublease Term thereof has not commenced).

IN WITNESS WHEREOF, the parties have entered into this Work Letter which is of even date with the Sublease of which this is a part.

SUBLANDLORD:

FRANKLIN TEMPLETON CORPORATE
SERVICES, INC.,a Delaware corporation

By: /s/ LESLIE M. KRATTER

LESLIE N. KRATTER
Its: VICE PRESIDENT & SECRETARY

SUBTENANT:

INTUIT INC., a Delaware corporation

By: [SIGNATURE ILLEGIBLE]

Its: CFO, SVP of FInance

By: [SIGNATURE ILLEGIBLE]

Its: VP, Investor Relations and Treasurer

LANDLORD:

SPIEKER PROPERTIES, L.P., a California limited partnership

By: Spieker Properties, Inc., a Maryland corporation
Its: General Partner

By: /S/ RICHARD L. ROMNEY

Richard L. Romney
Senior Vice President

By: /s/ MITCH J. RITSCHEL

Its: Vice President

Mitch J. Ritschel

SCHEDULE 1
TO EXHIBIT D

BASE BUILDING WORK

Completed according to the plans and specifications prepared by Pacific Cornerstone Architects consisting of sheets TS-1 to L-7 and dated June 1, 1998. Landlord and Subtenant hereby acknowledge that Landlord has provided CAD drawings of said plans to Subtenant.

SCHEDULE 2
TO EXHIBIT D

BUILDING STANDARDS

The following constitutes the Building Standard tenant improvements ("STANDARDS") in the quantities specified:

With respect to all construction standards and guidelines, the ADC Telecommunication initial tenant improvements in Building 2, located at 4790 Eastgate Mall, San Diego, CA 92121 shall be considered "Building Standards". Landlord and Subtenant hereby acknowledge that Landlord has provided CAD drawings of said plans to Subtenant.

1. RIGHT OF FIRST REFUSAL TO LEASE BUILDING 8.

(a) Provided Tenant satisfies the conditions set forth in Section 3 below, Tenant shall have the ongoing option to lease Building 8 from Landlord (the "Building 8 Option") as follows:

(i) Landlord shall notify Tenant in writing ("Landlord's Building 8 Notice") at the time Landlord intends to accept a bona fide written letter of intent from a third party to lease Building 8 (the "Building 8 Offer"). Landlord's Building 8 Notice shall include the terms of the Building 8 Offer including the square footage, whether it be for a portion of Building 8, the entire building or several buildings within the Project ("Building 8 Designated Space").

(ii) Within five (5) business days after Tenant's receipt of Landlord's Building 8 Notice, Tenant shall notify Landlord in writing as to Tenant's election to either (A) decline to lease the entire Building 8 Designated Space; or (B) commit to lease the entire Building 8 Designated Space on the same economic terms as the Building 8 Offer ("Tenant's Building 8 Acceptance Notice").

(b) In the event Tenant commits to lease the entire Building 8 Designated Space, Landlord and Tenant shall enter into a new lease for the entire Building 8 Designated Space, substantially in the form of the Phase A Lease (as expressly modified by the Sublease), provided, that the economic teens and conditions shall be the same as those in the Building 8 Offer, and provided (i) Tenant's parking ratio is not less than that granted under the Phase A Lease and (ii) the roof rights granted under Paragraph 38 (G) shall also apply to Building 8, subject to any charges for such uses as agreed to in the Building 8 Offer.

(c) If Landlord has not executed a lease on the terms set forth in the Building 8 Offer for the Building 8 Designated Space within six (6) months of Landlord's Building 8 Notice to Tenant, the Building 8 Option shall be reinstated.

2. OPTION TO RENEW THE LEASE OF THE PHASE A-2 PREMISES. Provided Tenant

satisfies the conditions set forth in Section 3 below, Tenant shall have the option to enter into a new lease directly with Landlord, for one (1) additional teen of five (5) years, commencing April 1, 2009 and expiring on March 31, 2014 (the "Renewal Option") pursuant to the procedure set forth below.

(a) If Tenant elects to exercise such option, then Tenant shall provide Landlord with written notice no earlier then October 1, 2007, but no later than January 1, 2008 ("Tenant's Intent to Renew Notice"). If Tenant fails to provide such notice, Tenant shall have no further or additional right to the Renewal Option.

(b) The Base Rent in effect at the expiration of the Sublease shall be adjusted to reflect the current fair market rental for comparable space in the Project and in other similar buildings in the Eastgate Technology Park area as of April 1, 2009, taking into account the specific provisions of the Sublease which will remain constant, and the Building amenities,

location, identity, quality, age, conditions, term of lease, tenant improvements, services provided, and other pertinent items, including tenant concessions then offered in the market place.

(c) Landlord shall advise Tenant ("Landlord's Notice") of the new Base Rent for the Phase A-2 Premises for the renewal term which will be based on Landlord's good faith determination of fair market rental value ("Fair Market Rate"), as well as additional terms and conditions for the renewal term, no later than fifteen (15) days after receipt of Tenant's Intent to Renew Notice.

(d) Tenant shall notify Landlord of its election to exercise (the "Exercise Notice") the Renewal Option within ten (10) days of Tenant's receipt of Landlord's Notice.

(e) If Tenant disputes the amount claimed by Landlord as the Fair Market Rate, Tenant may require that Landlord submit the dispute to arbitration. The arbitration shall be conducted and determined in San Diego, California, in accordance with the then prevailing rules of the American Arbitration Association or its successor for arbitration of commercial disputes, except that the procedures mandated by such rules shall be modified as follows:

(i) Tenant shall make demand for arbitration in writing on or before it sends Tenant's Exercise Notice to Landlord hereunder, specifying therein the name and address of the person to act as the arbitrator on Tenant's behalf. The arbitrator shall be an independent real estate broker with at least ten (10) years full-time commercial real estate experience in San Diego office properties, prior to the date of Tenant's Intent to Renew Notice, who is familiar with the Fair Market Rate of first-class business park space in San Diego County. Failure on the part of Tenant to make the timely and proper demand for such arbitration shall constitute a waiver of the right thereto. Within ten (10) business days after the service of the demand for arbitration, Landlord shall give notice to Tenant specifying the name and address of the person designated by Landlord to act as arbitrator on its behalf, which arbitrator shall be similarly qualified. If Landlord fails to notify Tenant of the appointment of its arbitrator, within or by the time specified, then the arbitrator appointed by Tenant shall be the arbitrator to determine the Fair Market Rate for the subject premises. The arbitration shall be concluded within sixty (60) days after the date of Tenant's Exercise Notice.

(ii) If two arbitrators are chosen as set forth above, the arbitrators so chosen shall meet within ten (10) business days after the second arbitrator is appointed and shall determine the Fair Market Rate. If the two arbitrators shall be unable to agree upon a determination of Fair Market Rent within such ten (10) business day period, they, themselves, shall appoint a third arbitrator, who shall be a competent and impartial person with qualifications similar to those required of the first two arbitrators pursuant to this paragraph. In the event the arbitrators are unable to agree upon such appointment within seven (7) days after expiration of such ten (10) day period, the third arbitrator shall be selected by the parties themselves, if they can agree thereon, within a further period of fifteen (15) business days. If the parties do not agree on the third arbitrator within fifteen (15) business days after expiration of the foregoing seven (7) day period, then either party, on behalf of both, may request appointment of such a qualified arbitrator by (i) the President of the San Diego Board of Realtors, or (ii) the chief arbitrator of the San Diego County Chapter of the American Arbitration Association. The three arbitrators shall decide the dispute, if it has not been previously resolved, by following the procedures set

forth in Subparagraph (iii) below. Each party shall pay the fees and expenses of its respective arbitrator and both shall share the fees and expenses of the third arbitrator. Attorneys' fees and expenses of counsel and of witnesses or other experts for the respective parties shall be paid by the respective party engaging such counsel or calling such witnesses or other experts.

(iii) The Fair Market Rate shall be fixed by the three arbitrators in accordance with the following procedures. Each of the two (2) arbitrators selected by the parties shall state, in writing, his or her determination of the Fair Market Rate supported by the reasons therefor and shall make counterpart copies for each of the other arbitrators. The arbitrators shall arrange for a simultaneous exchange of such proposed resolutions within ten (10) business days after appointment of the third arbitrator. If either arbitrator fails to deliver to the other arbitrators his or her determination within such ten (10) business day period, then the determination of the other arbitrator shall be final and binding upon the parties. The role of the third arbitrator shall be to select which of the two proposed resolutions most closely approximates his or her determination of Fair Market Rate. The third arbitrator shall have no right to propose a middle ground or any modification of either of the two proposed resolutions. The resolution he or she chooses as the most closely approximating his or her determination of the Fair Market Rate shall constitute the decision of the arbitrators and shall be final and binding upon the parties. If either party fails to pay its share of the fees of the third arbitrator within thirty (30) days after receipt of an invoice, or fails to execute and deliver any documents reasonably required by the third arbitrator within thirty (30) days after receipt thereof, then the Fair Market Rate shall be determined solely by the arbitrator selected by the other party.

(iv) In the event of a failure, refusal or inability of any arbitrator to act, his or her successor shall be appointed by him or her, but in the case of the third arbitrator, his or her successor shall be appointed in the same manner as that set forth herein with respect to the appointment of the original third arbitrator. The arbitrators shall attempt to decide the issue within ten (10) business days after the appointment of the third arbitrator.

(f) Any exercise by Tenant of any option to renew under this Paragraph shall be irrevocable. Tenant agrees to execute a new lease agreement substantially in the form of the Phase A Lease, as expressly modified by the Sublease, reflecting the foregoing terms and conditions, prior to the commencement of the renewal term. The option to renew granted under this Paragraph is not transferable; the parties hereto acknowledge and agree that they intend that the option to renew the Sublease under this Paragraph shall be "personal" to the specific Tenant named in this Lease and that in no event will any assignee or sublessee have any rights to exercise such option to renew (except for affiliates, subsidiaries or successors of Tenant). Furthermore, Subtenant's parking ratio provided in the Basic Lease Information of the Master Lease and the roof rights pursuant to Paragraph 38(G) of the Master Lease shall be reflected in the renewal lease, except that Landlord shall have the right to charge Tenant for such uses to the extent any such charges would not be inconsistent with parking and roof right charges then imposed at similarly situated office buildings in San Diego.

3. CONDITIONS TO EXERCISE OF RIGHTS TO LEASE AND OPTIONS TO RENEW. Tenant's exercise of its right to lease Building 8 and Tenant's exercise of its options to renew pursuant to Section 2 of this Agreement, is subject to Tenant's satisfaction of each of the following conditions:

(a) Tenant shall not be in material default (beyond any applicable notice and cure periods) under the Sublease or lease at the time of exercise of the right and has not committed more than one (1) material default (beyond any applicable notice and cure periods set forth in the Sublease) during the Sublease Term (as defined in the Sublease); and

(b) as to the Renewal Option, Tenant does not intend to assign or sublet more than twenty-five percent (25%) of the Subleased Premises (excluding its affiliates, subsidiaries or successors); or as to Tenant's right to lease Building 8, Tenant (or its affiliates, subsidiaries or successors) is in occupancy of not less than seventy-five percent (75%) of the Subleased Premises.

4. NOTICES. All notices, demands and requests shall be in writing and shall be sent either by hand delivery or by a nationally recognized overnight courier service (e.g., Federal Express), in either case return receipt requested, to the address of the appropriate party. Notices, demands and requests so sent shall be deemed given when the same are received. Notices to Landlord shall be sent to the attention of:

Spieker Properties, L.P.

9255 Towne Centre Drive, Suite 100
San Diego, California 92121
Attn: Tambra Martinez

Notices to Tenant shall be sent to the attention of

Intuit Inc.
6220 Greenwich Drive
San Diego, California 92122
Attn: Facilities Director
Fax No.: 858/1784-1399

With copies of all notices to:

Intuit Inc. 2550 Garcia Avenue, Second Floor
Mountain View, California 94043
Attn: General Counsel
Fax No.: 650/944-6622

And to:

Intuit Inc.
2550 Garcia Avenue, Second Floor
Mountain View, California 94043
Attn: Vice President - Finance and Administration
Fax No.: 650/1944-5499

5. CONFIDENTIALITY. The covenants, obligations and conditions contained in this Agreement shall remain strictly confidential. Tenant agrees to keep such terms, covenants, obligations and conditions strictly confidential and not to disclose such matters to any other landlord, tenant, or broker (other than Tenant's brokers, attorneys and advisors).

6. ENTIRE AGREEMENT. It is understood and acknowledged that there are no oral agreements between the parties hereto affecting this Agreement and this Agreement supersedes and cancels any and all previous negotiations, arrangements, brochures, agreements and understandings, if any, between the parties hereto or displayed by Landlord to Tenant with respect to the subject matter thereof, and none thereof shall be used to interpret or construe this Agreement. None of the terms, covenants, conditions or provisions of this Agreement can be modified, deleted or added to except in writing signed by the parties hereto. All negotiations and oral agreements acceptable to both parties have been merged into and are included herein. There are no other representations or warranties between the parties, and all reliance with respect to representations is based totally upon the representations and agreements contained in this Agreement.

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the date first written above.

LANDLORD:

SPIEKER PROPERTIES, L.P., a California limited partnership

By: Spieker Properties, Inc., a Maryland corporation
Its: General Partner

By: /s/ RICHARD L. ROMNEY

Richard L. Romney
Senior Vice President

TENANT:

Intuit Inc., a Delaware corporation

By: [SIGNATURE ILLEGIBLE]

Its: CFO, SVP of Finance

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