EXPANSION OPTION (Fixed Area)

Provided that Tenant is not in default of any of the terms, conditions or covenants of this Lease, Tenant (but not any assignee or subtenant of Tenant) holds and may exercise an option to add to the Premises certain space located on the _____ floor of the Building, depicted on Exhibit A as the “Expansion Area.” Tenant must exercise this option as to the entire Expansion space and not as to a portion thereof.

This option shall be exercised by Tenant by giving Landlord written notice of Tenant’s desire to exercise such option on or before ____________, 20__, with Tenant’s possession of the Expansion Area to commence no earlier than __________, 20__ (the “Effective Expansion Date”), unless the Landlord and Tenant shall agree otherwise in writing. In the event Tenant fails to provide such written notice in a timely manner, Tenant shall be deemed to have waived its right to the Expansion Area.

[This option is expressly subject and subordinate to rights as to the Expansion Area previously granted to _______________. In the event ___________ exercises its prior rights as to the Expansion Area, Tenant shall have no right or option whatsoever to the Expansion Area, nor any claim against Landlord relating thereto.] [NOTE: Include this paragraph only if previous lease contains conflicting Expansion Area rights.]

The granting of rights in and to the Expansion Area shall not preclude or prohibit Landlord from leasing the Expansion Area to other tenants prior to the Effective Expansion Date.

If Tenant exercises its option, the Expansion Area will be added to the Premises on the following terms and conditions:

(a) Base Rent payable with respect to the Expansion Area shall be calculated by multiplying the square footage of the Expansion Area by $_________ per square foot.

(b) Landlord and Tenant shall enter into an amendment of the Lease for the purpose of incorporating the Expansion Area into the Premises and applying all terms and conditions of the Lease onto Tenant’s possession of the Expansion Area.

[(c) Landlord and Tenant shall enter into an agreement, substantially in the form of Exhibit ____, with respect to the improvement of the Expansion Area. Landlord shall provide Tenant a tenant improvement allowance of $_______ with respect to the improvement of the Expansion Area.] [Note: Include this paragraph only if Landlord will be providing an allowance for tenant improvements or finish work.]

[(d) Include any other changes needed on account of expansion, such as increases in parking rights.]
EXPANSION OPTION (Flexible)

Provided that Tenant is not in default of any of the terms, conditions or covenants of this Lease, Tenant (but not any assignee or subtenant of Tenant) holds and may exercise a right of first refusal to lease additional space defined herein as the Expansion Area. This right of first refusal shall extend to the “Potential Expansion Area,” which shall include any space that is adjacent to the Premises and that is not presently subject to a lease granting its tenant renewal rights upon the expiration of the current term. Landlord shall notify Tenant, at least one (1) year prior to the expiration of the lease for any space in the Potential Expansion Area, of the expiration date of such lease. Landlord may solicit offers to lease said space, but upon receipt of any offer acceptable to Landlord, Landlord must provide Tenant with thirty (30) days’ notice and opportunity to lease said space (or any portion thereof) upon the same terms and conditions (and at the same rental rate) contained in such offer. If Tenant does not exercise its right of first refusal within such 30-day period, Tenant shall be deemed to have waived its right of first refusal with respect to that particular space, so long as Landlord proceeds to negotiate a binding lease agreement with such offeror. If Landlord has not received an acceptable offer for that space on or before 60 days prior to the expiration of the existing lease for that space, Landlord shall so notify Tenant in writing and provide Tenant with 30 days in which Tenant may opt to lease said space (or any portion thereof) upon the same terms and conditions as contained in this Lease, at a rental rate of $________ per square foot (or such other rate as Landlord and Tenant may hereafter agree to in writing). If Tenant fails to exercise this option within such 30-day period, Tenant shall be deemed to have waived such option with respect to that particular space.

The term “adjacent” shall include any space that shares a common wall, floor, or ceiling with the existing premises.

If Tenant does exercise its right of first refusal, then within such 30-day period Landlord and Tenant shall execute an amendment to this Lease specifying the area to be covered by the expansion (the “Expansion Area”), incorporating the Expansion Area into the Premises, and applying all terms and conditions of the Lease onto Tenant’s possession of the Expansion Area. Without limiting the generality of this paragraph, this amendment shall include a recalculation or redefinition of the terms Base Rent, Premises, and Tenant’s Pro Rata Share so as to take account of the terms and conditions upon which Tenant exercised its first refusal or option rights.