**BUILD TO SUIT OPTION AGREEMENT**

**Featured Build-to-Suit Agreements**

BUILD TO SUIT OPTION AGREEMENT

THIS BUILD TO SUIT OPTION AGREEMENT ("Agreement") is made and entered into

as of this 25th day of October, 1996, by and between MARTIN/CAMPUS ASSOCIATES, L.P.,

a Delaware limited partnership ("Owner"), and AT HOME CORPORATION, a Delaware corporation

("AtHome").

R E C I T A L S

This Agreement is made and entered into with reference to and upon the

basis of the following facts, intentions and understandings of the parties:

A. Owner is the owner of (a) that certain real property situated in

the City of Redwood City, County of San Mateo, State of California, which is described

on Exhibit A hereto (the "North Expansion Parcel"); provided, however, that Owner

holds an unconditional option to purchase, but does not own, the so-called "Sears

Parcel," as further described on Exhibit A-1 hereto (the "Sears Parcel"); and (b)

that certain unimproved real property situated in the City of Redwood City, County

of San Mateo, State of California, which is described on Exhibit B hereto (the "South

Expansion Parcel"). The North Expansion Parcel and the South Expansion Parcel shall

be hereinafter from time to time collectively referred to as the "Property".

B. Owner and AtHome have entered into that certain Lease dated as

of October 18, 1996 (the "Broadway Lease") pursuant to which Owner is leasing to

AtHome, and AtHome is leasing from Owner, that certain real property commonly known

as 425 Broadway, situated in the City of Redwood City, County of San Mateo, State

of California (the "Broadway Premises").

C. As part of the consideration for the Broadway Lease, Owner desires

to give to AtHome, and AtHome desires to obtain from Owner, the option to lease

all or certain portions of the conditions, and the option to acquire a portion of

the Property on certain agreed terms and conditions.

D. Owner and AtHome now desire to enter into this Agreement to set

forth their agreement with respect to the above-described options and rights to

make a first offer.

E. All capitalized terms no specifically defined in this Agreement

shall have the same meanings given to them in the Broadway Lease.

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NOW, THEREFORE, in consideration of the payment by AtHome to Owner of the

sum of One Hundred Dollars ($100) and for other good and valuable consideration,

the receipt and adequacy of which are hereby acknowledged by Owner, Owner and AtHome

hereby agree as follows:

1. Term. The term of this Agreement shall commence upon the execution

of this Agreement by Owner and AtHome, and shall expire upon the expiration or

earlier termination of this Agreement in accordance with the terms set forth below;

provided, however, that if the First Option is not validly and timely exercised

in accordance with the provisions of Paragraph 2.5, then the First Option, the

Second Option, and the Third Option (all as defined below), and the option to purchase

the Second Option Subparcel, shall immediately expire (if this Agreement has not

already expired or been terminated) on the First Option Notice Date (as defined

below), and this Agreement shall automatically terminate as of the First Option

Notice Date; if the Second Option is not validly and timely exercised in accordance

with the provisions of Paragraph 2.6, then the Second Option and the Third Option,

and the option to purchase the Second Option Subparcel, shall immediately expire

(if this Agreement has not already expired or been terminated) on the Second Option

Notice Date (as defined below); and if the Third Option is not validly and timely

exercised in accordance with the provisions of Paragraph 2.7, then the Third Option

shall immediately expire (if this Agreement has not already expired or been terminated)

on the Third Option Notice Date (as defined below); and provided further, that

if the owner of the Sears Parcel defaults under the option agreement with Owner

for the Sears Parcel, this Agreement shall terminate with respect to the Sears

Parcel. Notwithstanding the foregoing, if the owner of the Sears Parcel defaults

under the option agreement with Owner for the Sears Parcel, and Owner nevertheless

obtains title to the Sears Parcel, then so long as Owner and AtHome agree that

it is feasible to do so, this agreement shall again apply to the Sears Parcel,

with the same force and effect as if the Sears Parcel had always been part of the

North Expansion Parcel; provided however, that the foregoing shall not be interpreted

to require Owner to take any action to enforce the option agreement for the Sears

Parcel, including without limitation commencing an action for specific performance

of the option agreement.

1.1 Other Documents. Upon expiration of the term of this Agreement

with respect to any portion of the Property, or upon the expiration of the First

Option, the Second Option, or the Third Option, AtHome shall execute, acknowledge

and deliver to Owner an appropriate instrument prepared by Owner which Owner may

then record in the Official Records of San Mateo County to expunge this Agreement

and any memorandum thereof from the public record with respect to such portion

of the Property. In addition, AtHome hereby irrevocably constitutes and appoints

Owner as its true and lawful attorney in fact, in its name and in its behalf, to

make, execute, acknowledge, deliver, and file any

2 3 and all such instruments that AtHome

so fails or refuses to execute. AtHome expressly understands and acknowledges that

the foregoing special power of attorney is coupled with an interest, is irrevocable,

and shall survive the dissolution or insolvency of AtHome, or the transfer by AtHome

of the whole or any portion of its interest in this Agreement (provided that any

such transfer shall be subject to the restrictions set forth in this Agreement).

2. AtHome's Options. AtHome shall have the option to lease certain

property located in the Project on a build-to-suit basis (each, a "Build to Suit

Option", and collectively, the "Build to Suit Options") on the terms and conditions

described in this Agreement.

2.1. Option Deposit. AtHome shall, upon the execution of this

Agreement by Owner and AtHome, deposit with Owner the sum of Five Hundred Thousand

Dollars ($500,000.00) (the "Option Deposit"), as both consideration for Owner's

willingness to grant the Build to Suit Options, and as security for AtHome performance

of its obligations under the Build to Suit Options. As and when AtHome validly

and timely exercises any of the Build to Suit Options in accordance with the provisions

of this Agreement, Owner shall refund to AtHome that portion of the Option Deposit

that equals Five Hundred Thousand Dollars ($500,000.00) multiplied by a fraction,

the numerator of which shall be the amount of square feet of Rentable Area to be

located in the Proposed Building (as defined below) that is the subject of the

Build to Suit Option then being exercised, and the denominator of which shall equal

Four Hundred Ten Thousand (410,000); provided, however, that in no event shall

AtHome be entitled to receive a refund in excess of the total remaining amount

of the Option Deposit then being held by Owner; provided further, that if the total

aggregate amount of Rentable Area approved by the City of Redwood City for the

First Option Building, the Second Option Building and the Third Option Building

(as those terms are defined below) is less than Four Hundred Ten Thousand (410,000)

square feet, the denominator of such fraction shall equal the greater of (a) the

total aggregate amount of Rentable Area approved by the City of Redwood City for

the First Option Building, the Second Option Building and the Third Option Building,

or (b) Three Hundred Eighty-Five Thousand (385,000) square feet. Notwithstanding

anything to the contrary set forth above, in no event shall Owner be required to

refund more than Five Hundred Thousand Dollars ($500,000.00) to Tenant pursuant

to this Paragraph 2. If AtHome fails to exercise any Build to Suit Option in accordance

with the provisions of this Paragraph 2, or if any Build to Suit Option terminates

as set forth in this Paragraph 2, then (i) AtHome shall immediately reimburse Owner

for any and all costs, expenses and fees incurred by Owner to third parties in

the process of carrying out any and all actions described or permitted under this

Paragraph 2 (including without limitation causing Architect to work on the conceptual

plans, the Preliminary Plans and/or the Final Plans

3 4 (as those terms are defined below)),

so long as such costs, expenses and fees have been approved as part of the budgeting

process described in Paragraph 2.1.1, and (ii) the entire remaining balance of

the Option Deposit shall immediately become the property of Owner, and AtHome shall

have no further right, title, claim, or interest in or to any portion of the Option

Deposit. Owner shall not be required to segregate the Option Deposit from Owner's

general funds; Owner's obligations with respect to the Option Deposit shall be

those of a debtor and not a trustee, and AtHome shall not be entitled to any interest

on the Option Deposit.

2.1.1. Approval of Budget. From time to time during the design

and planning process for the Proposed Buildings described in this Paragraph 2, Owner

shall present to AtHome a budget (each, a "Budget") showing in reasonable detail

the upcoming actions Owner intends to undertake pursuant to this Paragraph 2, and

the amount of costs, expenses and fees Owner estimates it will incur to third parties

in the course of carrying out such actions. AtHome shall have ten (10) days after

its receipt of any such Budget to review and approve the same, provided that its

approval of any such Budget shall not be unreasonably withheld. If AtHome disapproves

any matter or line item contained in such Budget, then Owner may at its election

either submit a revised Budget for AtHome's review and approval (in which event

AtHome and Owner shall continue to follow the procedures set forth in this Paragraph

2.1.2), or proceed with the actions described in the originally submitted Budget

without obtaining AtHome's approval thereof. If AtHome neither approves nor disapproves

the Budget within such 10-day period, AtHome shall be deemed to have approved such

Budget as submitted.

2.2. Architect. Within a reasonable period of time after the

execution of this Agreement, Owner shall notify AtHome in writing of the name and

address of the licensed architect whom Owner desires to engage for the preparation

of conceptual designs for the Expansion Project (as defined below). Owner's architect

("Architect") shall be subject to AtHome's prior written approval, which approval

shall not be unreasonably withheld or delayed. Owner shall not replace the Architect

without obtaining AtHome's prior written approval, which approval shall not be unreasonably

withheld or delayed. For the purposes of this Agreement, the term "Expansion Project"

shall mean the Proposed Buildings consisting of approximately Four Hundred Ten Thousand

(410,000) square feet of Rentable Area that Owner may develop for AtHome on the

North Expansion Parcel and the South Expansion Parcel under the Build to Suit Options;

and the term "Proposed Building" shall mean the building or buildings to be constructed

pursuant to any Build to Suit Option.

2.2.1. Initial Design Process. Commencing between January 1,

1997 and March 31, 1997, Owner and AtHome shall work with Architect to develop

conceptual designs for the Expansion Project consistent with those certain plans

prepared by

4 5

Ken Rodriguez, copies of which are attached hereto as Exhibit F (the "Basic Site

Plans"). The conceptual designs shall set forth, without limitation, the size, elevations,

locations, and proposed phasing for the development of the Proposed Buildings to

be included in the Expansion Project; schematic plans for the Proposed Buildings;

and design development information sufficient to enable the parties to obtain preliminary

pricing from Contractor (as defined below) for the construction of the Proposed

Building. The parties acknowledge and agree that the size and location of the Proposed

Building to be constructed under each of the Build to Suit Options, and the proposed

phasing for the development of the Proposed Buildings, is of critical importance

under this Agreement, and AtHome agrees to provide the proposed size ad location

of such Proposed Building, and the proposed phasing for the development of the Proposed

Buildings, as early in the process described in this Paragraph 2.2.1 as shall be

feasibly possible. The size of each Proposed Building shall be subject to the minimum

sizes set forth in Paragraphs 2.5, 2.6 and 2.7; the size and location of each Proposed

Building shall be subject to the reasonable approval of Owner; and the phasing for

the development of the Proposed Buildings shall be subject to the approval of Owner,

which may be withheld in Owner's sole discretion. Owner shall have no right to disapprove

the size or location of any Proposed Building to the extent that the size or location

proposed by AtHome is consistent with the Basic Site Plans. Each Proposed Building

shall at a minimum be designed to the following standard (the "Minimum Building

Standard"): a multi-story steel-framed structure suitable for office use, with a

glass and drivet exterior. For the purposes of this Agreement, the "phasing" for

the development of the Proposed Buildings shall mean the timing for the development

of the First Option Building, the Second Option Building, and the Third Option Building,

and the areas within the Property where the First Option Building, the Second Option

Building, and the Third Option Building shall be located; and the "location" of

a Proposed Building shall mean the placement and alignment of the footprint of such

Proposed Building within the building area described in the phasing for the development

of the Proposed Buildings.

2.2.2. Conceptual Designs. Based on the information provided

by AtHome as described above, Owner shall cause Architect to prepare conceptual

designs for the Expansion Project consistent with the Basic Site Plans, and shall

provide AtHome with copies of and the opportunity to comment upon, all drafts of

such conceptual designs. To the extent that AtHome offers specific written comments

to any such designs, and such comments are reasonably acceptable to Owner, Owner

shall use reasonable efforts to cause Architect to consider such comments and/or

incorporate such comments into a revised draft of such designs. The collaborative

process described in this Paragraph 2.2 shall continue until the first to occur

of (a) August 31, 1997, or (b) such time as Owner and AtHome reach agreement upon

the conceptual designs for the Expansion Project. However, if

5 6 Owner and AtHome fail to agree upon

such conceptual designs by August 31, 1997, then Owner shall cause Architect to

prepare and submit to AtHome on or before September 30, 1997, and AtHome shall

be deemed to have approved, a conceptual design ("Landlord's Conceptual Design")

for the Expansion Project consistent with the Basic Site Plans that calls for each

of the Proposed Buildings to be constructed to the Minimum Building Standard. Landlord's

Conceptual Design shall reflect Owner's reasonable determination of the size and

location of the Proposed Buildings (so long as such size and location is consistent

with the Basic Site Plans), and the schematic plans and design development information

for the Proposed Buildings, all taking into consideration the standards set forth

in this Agreement and the information and requests submitted by Tenant. The conceptual

designs for the Proposed Buildings prepared pursuant to this Paragraph 2.2.2, whether

agreed upon by Owner and AtHome, or prepared as Landlord's Conceptual Design by

Architect at Owner's request, shall hereafter be collectively called the "Approved

Conceptual Designs".

2.3. Build to Suit Notice. In order to elect to exercise any of the

Build to Suit Options, AtHome shall deliver to Owner, on or before the applicable

Option Notice Date (as defined below), a written notice (with each such notice

being called a "Build to Suit Notice") setting forth AtHome's exercise of the Build

to Suit Option, and identifying the Proposed Building to which such Build to Suit

Notice applies, the proposed size and location of the Proposed Building, and the

proposed phasing for the development of the Proposed Buildings. The size and location

of the Proposed Building shall be subject to the reasonable approval of Owner;

and the phasing for the development of the Proposed Buildings shall be subject

to the approval of Owner, which may be withheld in Owner's sole discretion. Owner

shall have no right to disapprove the size or location of any Proposed Building

to the extent that the size or location proposed by AtHome is consistent with the

Basic Site Plans. The Build to Suit Notice must be accompanied by (i) two copies

of a Lease identical to the form of the Lease attached hereto as Exhibit C, executed

by AtHome and with all blanks filled in with appropriate information satisfactory

to Landlord, and (ii) AtHome's check payable to Owner in an amount equal to the

aggregate of the advance payment of monthly rent set forth in the second grammatical

paragraph of Paragraph 5.A of the Lease, and the security deposit set forth in

Paragraph 6 of the Lease. The parties acknowledge and agree that the process described

in this Paragraph 2.3 is only intended to apply to the construction of the Shell

and Core of each Proposed Building (as those terms are defined in Exhibit D attached

hereto), and that the design and planning of the tenant improvements for each Proposed

Building will be handled in the manner set forth in the work letter to be attached

to each respective Lease for a Proposed Building.

2.3.1. Preliminary Plans. Owner shall cause Architect to prepare

preliminary plans (the "Preliminary Plans")

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for the Proposed Building, based upon the Approved Conceptual Designs. Owner shall

use reasonable efforts to cause Architect to deliver the Preliminary Plans to AtHome

within fifteen (15) days after Owner's receipt of the Build to Suit Notice for such

Proposed Building; provided, however, that Owner may in its sole discretion elect

to cause Architect to commence preparing the Preliminary Plans prior to completion

of the Approved Conceptual Designs. Within five (5) days after AtHome's receipt

of the Preliminary Plans, AtHome shall either approve or disapprove the Preliminary

Plans. If AtHome disapproves the Preliminary Plans, then AtHome shall state in reasonable

detail the changes which AtHome requires to be made thereto. Owner shall use reasonable

efforts to cause Architect to submit to AtHome revised Preliminary Plans within

five (5) days after Owner's receipt of AtHome's disapproval notice. Following AtHome's

receipt of the revised Preliminary Plans from Owner, AtHome shall have the right

to review and approve the revised Preliminary Plans pursuant to this Paragraph 2.3.1.

AtHome shall give Owner written notice of its approval or disapproval of the revised

Preliminary Plans within five (5) days after the date of AtHome's receipt thereof.

If AtHome disapproves the revised Preliminary Plans, then AtHome and Owner shall

continue to follow the procedures set forth in this Paragraph 2.3.1 until either

(a) AtHome and Owner approve the Preliminary Plans in accordance with this Paragraph

2.3.1, or (b) the date that is thirty (30) days after Owner's receipt of the Build

to Suit Notice, whichever shall first occur. If AtHome and Owner do not mutually

agree upon the Preliminary Plans within such 30-day period, then AtHome may, in

its sole discretion, elect by written notice (the "Preliminary Plan Acceptance Notice")

delivered to Owner within three (3) days after AtHome's receipt of written notice

from Owner that such 30-day period has expired (and Owner shall have the right to

deliver such notice to AtHome as early as three (3) days before the expiration of

such 30-day period), to either (i) accept the last version of the Preliminary Plans

submitted by Owner to AtHome pursuant to this Paragraph 2.3.1, or (ii) agree that

Architect shall prepare an initial version of the Final Plans (as defined below)

for the Proposed Building based upon the Minimum Building Standard, and that no

Preliminary Plans are required under this Paragraph 2.3.1. If AtHome and Owner do

not mutually agree upon the Preliminary Plans within the 30-day period described

above, and AtHome does not deliver the Preliminary Plan Acceptance Notice to Owner

within the 3-day period described above, then such Build to Suit Option and all

unexercised Build to Suit Options shall terminate and cease to be of any force or

effect, effective upon the expiration of such 30-day period. If AtHome neither approves

nor disapproves the Preliminary Plans or the revised Preliminary Plans within the

applicable time periods provided above, AtHome shall be deemed to have disapproved

such Preliminary Plans as submitted.

2.3.2. Final Plans. Owner shall use reasonable efforts to cause Architect

to deliver to AtHome, within ten (10) days after approval by AtHome and Owner of

the

7 8 Preliminary Plans, complete plans

and specifications which incorporate and are consistent with the approved Preliminary

Plans, and which show in detail the intended design, construction and finishing

of all portions of the Proposed Building (the "Final Plans"). Within five (5) days

after AtHome's receipt of the Final Plans, AtHome shall either approve or disapprove

the Final Plans. If AtHome disapproves the Final Plans, then AtHome shall state

in reasonable detail the changes which AtHome requires to be made thereto. Owner

shall use reasonable efforts to cause Architect to submit to AtHome revised Final

Plans within five (5) days after Owner's receipt of AtHome's disapproval notice.

Following AtHome's receipt of the revised Final Plans from Owner, AtHome shall have

the right to review and approve the revised Final Plans pursuant to this Paragraph

2.3.2. AtHome shall give Owner written notice of its approval or disapproval of

the revised Final Plans within five (5) days after the date of AtHome's receipt

thereof. If AtHome disapproves the revised Final Plans, then AtHome and Owner shall

continue to follow the procedures set forth in this Paragraph 2.3.2 until either

(a) AtHome and Owner approve such Final Plans in accordance with this Paragraph

2.3.2, or (b) the date that is sixty (60) days after Owner's receipt of the Build

to Suit Notice. If AtHome and Owner do not mutually agree upon the Final Plans within

such 60-day period, then AtHome may, in its sole discretion, elect by written notice

(the "Final Plan Acceptance Notice") delivered to Owner within three (3) days after

AtHome's receipt of written notice from Owner that such 60-day period has expired

(and Owner shall have the right to deliver such notice to AtHome as early as three

(3) days before the expiration of such 60-day period), to either (i) accept the

last version of the Final Plans submitted by Owner to AtHome pursuant to this Paragraph

2.3.2, or (ii) agree that Owner may proceed with the construction of the Proposed

Building by utilizing plans and specifications to be prepared by Architect based

upon the Minimum Building Standard, that AtHome shall have no right to approve or

reject such plans and specifications, and that such plans and specifications shall

be deemed to constitute the "Final Plans" for the purposes of this Agreement. If

AtHome and Owner do not mutually agree upon the Final Plans within the 60-day period

described above, and AtHome does not deliver the Final Plan Acceptance Notice to

Owner within the 3-day period described above, then such Build to Suit Option and

all unexercised Build to Suit Options shall terminate and cease to be of any force

or effect, effective upon the expiration of such 60-day period. If AtHome neither

approves nor disapproves the Final Plans within the applicable time periods provided

above, AtHome shall be deemed to have disapproved the Final Plans as submitted.

2.3.3 Construction Budget. Owner intends to retain Devcon

Construction ("Contractor" as the general contractor for the construction of the

Proposed Buildings. AtHome shall have the right to approve the construction contract

between Owner and Contractor for the construction of any Proposed Building, which

approval shall not be unreasonably withheld or delayed; provided, however, that

AtHome shall have no right to

8 9 disapprove such construction contract

if such construction contract conforms in all material respects with the applicable

AIA form contract and general conditions. Owner shall have the right to replace

the Contractor at any time, provided that any other contractor proposed by Owner

shall not be designated as the "Contractor" under this Agreement without AtHome's

prior written approval, which approval shall not be unreasonably withheld or delayed.

Upon approval by Owner and AtHome of the Final Plans, Owner shall instruct Contractor

to obtain competitive bids for the Proposed Building from at least three (3) qualified

subcontractors for each of the major subtrades (excluding the mechanical and electrical

trades, which shall be on a design/build basis; provided, however, that Owner shall

review the proposed costs of such design/build mechanical and electrical work,

and use reasonable efforts to keep the overall costs of such design/build mechanical

and electrical work at commercially reasonable levels), and to submit the same

to Owner and AtHome for their review and approval. Upon selection of the subcontractors

and approval of the bids, Contractor shall prepare a cost estimate for the Proposed

Building described in such Final Plans, based upon the bids submitted by the subcontractors

selected. Contractor shall submit such cost estimate to Owner and AtHome for their

review and approval, based upon the terms set forth in Paragraph 2 of Exhibit D

hereto. Owner and AtHome may reject such cost estimate only if (a) those Development

Costs (as defined in Exhibit D) described in Paragraph 2.2 of Exhibit D hereto

exceed the Adjustable Cost Limit (as defined in Exhibit D), or (b) the annual

rent for the Proposed Building will be less than the minimum return described in

Paragraph 2.2 of Exhibit D hereto, and AtHome does not agree to increase the rent

payable under that Build to Suit Lease pursuant to Paragraph 2.3 of Exhibit D hereto.

If either Owner or AtHome rejects such cost estimate in accordance with this Paragraph

2.3.3, and Owner and AtHome fail to agree on revisions to the Final Plans within

ten (10) days after their receipt of the cost estimate, then such Build to Suit

Option shall terminate and cease to be of any force or effect in accordance with

Paragraph 2.3 of Exhibit D hereto, and all unexercised Build to Suit Options shall

also terminate effective upon the termination of such Build to Suit Option. Following

any submission of revised Final Plans to Contractor and a resolicitation of bids

by Contractor, Owner and AtHome shall again follow the procedures set forth in

this Paragraph 2.3.3 with respect to the submission and approval of the cost estimate

from Contractor until either (i) Owner and AtHome approve such cost estimate in

accordance with this Paragraph 2.3.3, or (ii) the date that is ninety (90) days

after Owner's receipt of AtHome's Build to Suit Notice. If Owner and AtHome do

not mutually agree upon the cost estimate within such 90-day period, and AtHome

does not agree to increase the rent payable under that Build to Suit Lease pursuant

to Paragraph 2.3 of Exhibit D hereto, then such Build to Suit Option and all unexercised

Build to Suit Options shall terminate and cease to be of any force or effect in

accordance with Paragraph 2.3 of Exhibit D hereto, and all unexercised Build to

Suit Options shall also terminate

9 10 effective upon the termination of

such Build to Suit Option. If either Owner or AtHome neither approves nor disapproves

the cost estimate within the applicable time periods provided above, such party

shall be deemed to have disapproved the cost estimate as submitted.

2.3.4. Construction Financing. If Owner and AtHome have both accepted

Contractor's cost estimate for the Proposed Building pursuant to Paragraph 2.3.3

above, Owner shall have a period of thirty (30) days after such mutual acceptance

of the cost estimate to use reasonable efforts to attempt to obtain a loan for the

costs of constructing the Proposed Building ("Construction Financing"), in an amount

not less than the total amount of estimated Development Costs (as defined in Paragraph

1 of Exhibit D hereto), less the Land Value (as defined in Paragraph 1.1 of Exhibit

D hereto), under such commercially reasonable terms and conditions as shall be reasonably

acceptable to Owner (including, if necessary, a commercially reasonable completion

guaranty provided by Owner); provided, however, that in no event shall Owner be

required to provide any other form of credit enhancement or any third party guaranty

as security for such Construction Financing, including without limitation any guaranty

from the partners or members of Owner. If Owner is unable to obtain Construction

Financing under such commercially reasonable terms, Owner may, by giving written

notice to AtHome within such 30-day period, elect to terminate its obligation to

construct such Proposed Building, in which event such Build to Suit Option and all

unexercised Build to Suit Options shall terminate and cease to be of any force or

effect, effective upon the expiration of such 30-day period; provided, however,

that if within such 30-day period AtHome delivers written notice to Owner whereby

AtHome covenants and agrees to provide the "AtHome Loan" (as defined below) to Owner

to finance the cost of constructing the Proposed Building, and AtHome funds the

AtHome Loan in accordance with the following terms and conditions, then such Build

to Suit Option and all unexercised Build to Suit Options shall remain in full force

and effect. The AtHome Loan shall be interest-free; in an amount not less than the

total amount of estimated Development Costs less the Land Value; and for a term,

with a funding schedule, and on such other terms and conditions as shall be commercially

reasonable, as reasonably determined by Owner (including, if necessary, a commercially

reasonable completion guaranty provided by Owner); provided, however, that in no

event shall Owner be required to provide any other form of credit enhancement or

any third party guaranty as security for the AtHome Loan. The AtHome Loan shall

be evidenced by such commercially reasonable loan documents as shall be mutually

acceptable to Owner and AtHome.

2.4. Agreement as to Terms. Should the parties reach agreement

on the location and design of the Proposed Building and the cost and schedule for

the construction of the Proposed Building within the applicable time periods described

in this Paragraph 2, such agreement shall be evidenced by a written

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lease agreement (each, a "Build to Suit Lease") in substantially the form of the

Lease attached hereto as Exhibit C, but containing (a) the terms and conditions

to which Owner and AtHome have specifically agreed pursuant to this Paragraph 2

(the "Specific Terms"), and (b) the terms and conditions set forth on Exhibit D

attached to this Agreement (the "General Terms"). To the extent there is any discrepancy

between the Specific Terms and the General Terms, the Specific Terms shall be controlling.

2.5. First Option. AtHome shall have until September 30, 1997

(the "First Option Notice Date") to deliver to Owner AtHome's first Build to Suit

Notice (the "First Option"); provided, however, that AtHome shall not be entitled

to exercise the First Option unless and until AtHome has either (a) both (i) raised

at least Thirty-Five Million Dollars ($35,000,000.00) in additional equity funds

(over and above those equity funds raised by AtHome on or prior to the date the

Broadway Lease is executed by Owner and AtHome), and (ii) demonstrated to Owner's

reasonable satisfaction that AtHome's assets include currently available funds equal

to least Thirty-Five Million Dollars ($35,000,000.00), or (b) completed an initial

public offering of its common stock on a national stock exchange or on an over-the-counter

basis. The failure of AtHome so to exercise the First Option on or before the First

Option Notice Date shall terminate AtHome's rights to exercise the First Option

and all other Build to Suit Options. If AtHome validly and timely exercises that

First Option in accordance with this Paragraph 2.5, the Second Option and the Third

Option shall remain in full force and effect. The Proposed Building(s) under the

First Option (which may be made up of two separate buildings) (collectively, the

"First Option Building") shall contain a minimum Rentable Area of not less than

One Hundred Fifty Thousand square feet (150,000); provided, however, that if at

the time AtHome exercises the First Option, AtHome has previously exercised its

option to lease the entire building within the Project commonly known as 2945 Bay

Road (the "Bay Road Premises"), the minimum Rentable Area of the First Option Building

would be One Hundred Fifty Thousand (150,000) square feet minus the Rentable Area

of the Bay Road Premises.

2.6. Second Option. If AtHome exercises the First Option in accordance

with Paragraph 2.5, and Owner and AtHome execute a Build to Suit Lease with respect

to the First Option, then AtHome shall have until March 30, 1998 (the "Second Option

Notice Date") to deliver to Owner AtHome's second Build to Suit Notice (the "Second

Option"); provided, however, that AtHome shall not be entitled to exercise the Second

Option unless and until AtHome has completed an initial public offering of its common

stock on a national stock exchange or on an over-the-counter basis. The failure

of AtHome so to exercise the Second Option on or before the Second Option Notice

Date shall terminate AtHome's rights to exercise the Second Option and the Third

Option, and shall terminate AtHome's right to exercise its option to purchase the

Second Option Subparcel (as defined below)

11 12 pursuant to Paragraph 3. If AtHome

validly and timely exercises the Second Option in accordance with this Paragraph

2.6, the Third Option shall remain in full force and effect. The Proposed Building

under the Second Option (which may be made up of two (2) separate buildings) (collectively,

the "Second Option Building") shall contain a minimum Rentable Area of not less

than One Hundred Fifty Thousand (150,000) square feet; provided, however, that

if at the time AtHome exercises the Second Option, AtHome has previously leased

the Bay Road Premises and the First Option Building, the minimum Rentable Area

of the Second Option Building would be reduced by the extent to which (a) the sum

of the Rentable Area of the Bay Road Premises, and the Rentable Area of the First

Option Building, exceeds (b) One Hundred Fifty Thousand (150,000) square feet.

2.7. Third Option. If AtHome exercises the First Option and

the Second Option in accordance with Paragraphs 2.5 and 2.6, and Owner and AtHome

have executed Build to Suit Leases with respect to the First Option and the Second

Option, then AtHome shall have until December 31, 1998 (the "Third Option Notice

Date") to deliver to Owner the third Build to Suit Notice (the "Third Option").

The failure of AtHome so to exercise the Third Option on or before the Third Option

Notice Date shall terminate AtHome's right to exercise the Third Option. The failure

of AtHome so to exercise the Third Option on or before the Third Option Notice

Date shall terminate AtHome's rights to exercise the Third Option. The Proposed

Building under the Third Option (the "Third Option Building") shall consist of

the entire amount of remaining entitled office space situated in the South Expansion

Parcel, and the North Expansion Parcel. The First Option Notice Date, the Second

Option Notice Date, and the Third Option Notice Date shall be collectively called

the "Option Notice Dates".

2.8. Conditions to Exercise. The effectiveness of AtHome's right

to exercise the Build to Suit Options, as set forth in this Paragraph 2, is in

each instance conditioned on the following: (a) AtHome has not previously entered

into a Sublet of any Build to Suit Lease or the Broadway Lease (other than a Permitted

Transfer); and (b) no monetary or other default by AtHome exists under the Broadway

Lease which remains uncured after the giving of any applicable notice and the expiration

of any applicable cure period. In addition, if any of the conditions specified

under clauses (a) or (b) above do not continue to be satisfied as of the date on

which the Build to Suit Lease is to commence, then unless Owner waives in writing

any of such conditions, AtHome's exercise of the Build to Suit Option under this

Paragraph 2 shall be null and void, and this Agreement and the Build to Suit Lease

shall terminate effective as of the date on which the Build to Suit Lease was to

commence.

12 13

3. Option to Purchase.

3.1 Option to Purchase Second Option Subparcel. Owner shall use

reasonable efforts to subdivide the property on which the Second Option Building

is to be situated so that one of the buildings comprising the Second Option Building

becomes situated on one or more legal parcels (which parcel or parcels, together

with all rights and appurtenances thereto, are collectively called the "Second Option

Subparcel"), separate and apart from any other areas of the Project and the North

Expansion Parcel. If Owner so creates the Second Option Subparcel in a configuration

acceptable to Owner, then upon AtHome's exercise of the Second Option in accordance

with the requirements set forth in Paragraph 2.3 above, AtHome shall have the option

to (in lieu of requiring Owner to develop the Second Option Building to be situated

on the Second Option Subparcel) acquire, on an all cash basis, in the manner set

forth in Paragraph 3.2, fee title to the Second Option Subparcel, so long as the

Second Option Subparcel is, in Owner's judgment, of sufficient size and has been

granted sufficient entitlements to develop a building containing at least Seventy-Five

Thousand (75,000) square feet of Rentable Area. The purchase price for the Second

Option Subparcel shall be equal to the product of Sixty-Five and 25/100ths Dollars

($65.25) multiplied by the total amount of square feet of Rentable Area approved

by the City of Redwood City for the Second Option Building to be constructed on

the Second Option Subparcel, but in no event shall the purchase price be less than

Four Million Eight Hundred Ninety-Three Thousand Seven Hundred Fifty Dollars ($4,893,750.00).

In order to elect to exercise its option to acquire the Second Option Subparcel,

AtHome shall deliver to Owner, concurrently with its delivery to Owner of AtHome's

notice exercising the Second Option, a written notice setting forth AtHome's exercise

of its option to acquire the Second Option Subparcel (the "Second Option Subparcel

Notice"). The Second Option Subparcel Notice shall not be effective unless it includes

the following: (i) immediately available funds in an amount equal to five percent

(5%) of the purchase price for the Second Option Subparcel (the "Deposit"), and

(ii) AtHome's execution of the liquidated damage provision set forth in Exhibit

E attached to this Agreement. The Deposit shall be held by the Title Company, defined

in Exhibit E, in an interest bearing account and shall constitute liquidated damages,

and shall be paid to Owner in the event AtHome fails to consummate the purchase

of the Second Option subparcel in accordance with the terms of this Paragraph 3,

other than as a direct result of Owner's failure to perform its obligations under

this Paragraph 3 or Exhibit E. Escrow for the sale of the Second Option Subparcel

to AtHome shall close thirty (30) days after Owner's receipt of the Second Option

Subparcel Notice, or such other date as Owner and AtHome shall mutually agree. AtHome's

acquisition of the Second Option Subparcel shall be subject to the provisions of

Paragraphs 3.2. If AtHome does not deliver the Second Option Subparcel Notice to

Owner as described above, then AtHome's option to purchase the Second Option Subparcel

shall terminate and cease to be of any

13 14 force or effect as of the Second

Option Notice Date. All closing, title insurance and transfer costs, including

without limitation applicable sales and transfer taxes, associated with AtHome's

acquisition of the Second Option Subparcel shall be paid by Owner and AtHome in

accordance with the custom in San Mateo County.

3.1.1. Effect of Exercise. Notwithstanding anything to

the contrary set forth in Paragraph 3.1 above, AtHome's exercise of its option

to acquire the Second Option Subparcel pursuant to Paragraph 3.1 shall have no

affect upon AtHome's right and obligation to lease the balance of the Second Option

Building in accordance with the terms and conditions set forth in Paragraph 2;

provided, however, that such terms and conditions shall be equitably adjusted as

may be reasonably necessary in order to account for the fact that AtHome is purchasing

rather than leasing the Second Option Subparcel.

3.2 Conditions. The effectiveness of AtHome's option to acquire

the Second Option Subparcel, as set forth in this Paragraph 3, is conditioned on

the following: (a) AtHome has not previously entered into a Sublet of any Build

to Suit Lease or the Broadway Lease that requires Owner's consent; and (b) no monetary

or other material default by AtHome exists under either any Build to Suit Lease

or the Broadway Lease which remains uncured after the giving of any applicable

notice and the expiration of any applicable cure period. In addition, if any of

the conditions specified under clauses (a) or (b) above do not continue to be satisfied

as of the date on which the escrow for the sale of the Second Option Subparcel

to AtHome is scheduled to close, then unless Owner waives in writing any such conditions,

AtHome's exercise of its right to acquire the Second Option Subparcel under this

Paragraph 3 shall be null and void, and this Agreement shall terminate effective

as of the date on which the escrow for the sale of the Second Option Subparcel

to AtHome was scheduled to close.

3.3 Process. Should AtHome exercise its option to acquire

the Second Option Subparcel within the applicable period of time set forth in this

Paragraph 3, AtHome's acquisition of the Second Option Subparcel shall be carried

out on (a) the terms and conditions described in this Paragraph 3 (the "Agreed

Second Option Subparcel Terms"), and (b) the terms and conditions set forth on

Exhibit E attached to this Agreement (the "Standard Terms"). To the extent there

is any discrepancy between the Agreed Terms and the Standard Terms, the Agreed

Terms shall be controlling.

4. Rights Personal. The options granted to AtHome under Paragraphs

2 and 3 shall all be personal to AtHome, and shall not be assigned, sold, conveyed

or otherwise transferred to any other party (including without limitation any assignee

or sublessee of such AtHome) without the prior written consent of Owner, which

consent may be withheld in Owner's sole discretion;

14 15 provided, however, that the rights

granted to AtHome under Paragraph 3 without Owner's consent may be transferred

to the transferee of AtHome's interest in the Broadway Lease pursuant to a Permitted

Transfer. For the purposes of this Agreement, the term "AtHome" shall be deemed

to include any such transferee to whom AtHome has assigned its rights under Paragraph

3.

5. Events Of Default And Remedies Upon Default.

5.1. Events of Default. The occurrence of any of the following,

whatever the reason therefor, shall constitute an "Event of Default" by AtHome

under this Agreement:

(a) AtHome fails to perform or observe any of its obligations

under this Agreement; or

(b) AtHome fails to cure within any applicable grace period

any default by AtHome or any of its Affiliates under any other agreement by and

between Owner (or Owner's successors and assigns) and AtHome, or their respective

Affiliates, including without limitation each Build to Suit Lease, the Broadway

Lease, that certain Agreement Granting Right of First Offer of even date herewith

("First Offer Agreement"), and that certain Option Agreement (Bay Road) of even

date herewith ("Bay Road Option"), and any and all leases entered into by and between

Owner and AtHome, or their respective Affiliates, pursuant to the First Offer Agreement

or the Bay Road Option (collectively, the "Other Documents").

5.2. Remedies Upon Default. Upon the occurrence of any Event

of Default, Owner may, at its option terminate this Agreement by delivering written

notice of such termination to AtHome, in which event Owner shall, as of the date

of delivery of such notice, be free to enter into a lease with a third party or

parties for all or any portion of the Property (separately or together with any

other premises) upon any terms whatsoever. The provisions of this Paragraph 5 shall

have no effect upon Owner's ability to exercise any and all of its rights under

the Other Documents.

6. Brokers. Owner and AtHome acknowledge and agree that certain

real estate brokers (including without limitation Colliers Parrish International,

AMB Corporate Real Estate Advisors and BT Commercial) have been involved in the

Broadway Lease. AtHome warrants and represents that it has had no dealings with

any other real estate broker or agent in connection with the negotiation of this

Agreement, and that it knows of no other real estate broker or agent who is or

might be entitled to a commission in connection with this Agreement. AtHome shall

indemnify, defend and hold Owner harmless from and against any and all claims,

causes of action, liability or costs, including reasonable attorney's fees, arising

as a result of a breach of the foregoing warranty and representation. Nothing contained

in

15 16 this Paragraph 6 shall be deemed

to obligate or require Owner to pay any commission whatsoever to any real estate

broker \_\_\_\_\_\_\_\_\_\_ (including without limitation Colliers Parrish International,

AMB Corporate Real Estate Advisors and BT Commercial) with respect to this Agreement;

the payment of any such commission (if any) shall be governed by a separate written

agreement between Owner and the real estate broker or brokers in question.

7. Notices. The address of each party for the purpose of all notices

permitted or required by this Agreement is as follows:

To Owner: Martin/Campus Associates, L.P.

100 Bush Street

San Francisco, CA 94104

Attn: Cathy Greenwold

To AtHome: At Home Corporation

385 Ravendale Drive

Mountain View, CA 94043

Attn: Ken Goldman

Any notice or demand required or desired to be given under this Agreement

shall be in writing and shall be personally served or in lieu of personal service

may be given by certified mail, facsimile, or overnight courier service. All notices

or demands under this Agreement shall be deemed given, received, made or communicated

on the date personal delivery is effected; or, if sent by certified mail, on the

delivery date or attempted delivery date shown on the return receipt; or, if sent

by facsimile, on the date sent by the sender; or, if sent by overnight courier service,

on the delivery date or attempted delivery date shown on such service's records.

Either party may change its address by giving notice of same in accordance with

this Paragraph 7.

8. Captions. The captions and headings used in this Agreement are

for the purpose of convenience only and shall not be construed to limit or extend

the meaning of any part of this Agreement.

9. Executed Copy. Any fully executed copy of this Agreement shall

be deemed an original for all purposes.

10. Time. Time is of the essence for the performance of each term,

condition and covenant of this Agreement.

11. Separability. If one or more of the provisions contained herein,

is for any reason held invalid, illegal or unenforceable in any respect, such invalidity,

illegality, or unenforceability shall not affect any other provision of this Agreement,

but this Agreement shall be construed as if such

16 17 invalid, illegal or unenforceable

provision had not been contained herein.

12. Choice of Law. This Agreement and the rights and obligations of the

parties hereunder shall be construed and enforced in accordance with the laws of

the State of California as applied to contracts made and entirely performed therein.

The language in all parts of this Agreement shall in all cases be construed as

a whole according to its fair meaning and not strictly for or against either Owner

or AtHome.

13. Gender; Singular, Plural. When the context of this Agreement requires,

the neuter gender includes the masculine, the feminine, a partnership or corporation

or joint venture, and the singular includes the plural.

14. Binding Effect. The covenants and agreement contained in this Agreement

shall be binding on, and inure to the benefit of, the parties hereto and on their

respective successors and assigns to the extent this Agreement is assignable.

15. Waiver. The waiver by Owner of any breach of any term, condition or

covenant, of this Agreement shall not be deemed to be a waiver of such provision

or any subsequent breach of the same or any other term, condition or covenant of

this Agreement. No covenant, term or condition of this Agreement shall be deemed

to have been waived by Owner unless such waiver is in writing signed by Owner.

This Agreement may be modified only by a written agreement so specifying, duly

executed by both parties.

16. Entire Agreement. This Agreement is the entire agreement between the

parties, and there are no agreements or representations between the parties except

as expressed herein. Except as otherwise provided herein, no subsequent change

or addition to this Agreement shall be binding unless in writing and signed by

the parties hereto.

17. Authority. If AtHome is a corporation or a partnership, each individual

executing this Agreement on behalf of said corporation or partnership, as the case

may be, represents and warrants that he is duly authorize to execute and deliver

this Agreement on behalf of said entity in accordance with its corporate bylaws,

statement of partnership or certificate of limited partnership, as the case may

be, and that this Agreement is binding upon said entity in accordance with its

terms. Owner, at its option, may require a copy of such written authorization to

enter into this Agreement.

18. Attorneys' Fees. If either party brings any action or legal proceeding

for damages for an alleged breach of any provision of this Agreement, or to enforce,

protect or establish any term, condition or covenant of this Agreement or right

of either party, the prevailing party shall be entitled to

17 18 recover as a part of such action

or proceedings, or in a separate action brought for that purpose, reasonable attorneys'

fees and costs, including without limitation any and all costs and expenses arising

from (a) collection efforts, (b) any appellate proceedings, and (c) any bankruptcy,

insolvency or arbitration proceedings.

19. Exhibits. The following exhibits, to which reference is made in this

Agreement, are deemed incorporated into this Agreement in their entirety and made

a part hereof:

Exhibit A - Description of North Expansion Parcel

Exhibit A-1 - Description of Sears Site

Exhibit B - Description of South Expansion Parcel

Exhibit C - Form of Build to Suit Lease

Exhibit D - General Terms for Build to Suit Lease

Exhibit E - Standard Terms for Purchase of Property

Exhibit F - Basic Site Plans

20. Change in Property Description. Owner has recorded on October \_\_,

1996, in the Official Records of San Mateo County a parcel map creating and describing

the various parcels comprising the Property (the "Parcel Map"). The parties acknowledge

and agree the boundaries of the South Expansion Parcel are subject to change in

Owner's reasonable discretion in relation to the development and use of the South

Expansion Parcel and certain adjoining property, that Owner may from time to time

adjust the boundaries of the South Expansion Parcel by means of one or more lot

line adjustments or similar mechanisms, and that the adjusted dimensions of the

South Expansion Parcel may be as much as one-half (1/2) acre different from the

description shown on the Parcel Map without affecting the rights and obligations

of the parties hereunder. No such change in the boundaries of the South Expansion

Parcel shall detrimentally affect the rights of AtHome under this Agreement. If

as a result of such adjustment(s) the final dimensions of the South Expansion Parcel

are more than one-half (1/2) acre different from the description shown on the

Parcel Map, then AtHome may elect to terminate this Agreement by delivering written

notice of such election to Owner within ten (10) days after Owner notifies AtHome

of such discrepancy. If AtHome does not exercise such termination right within

such 10-day period, then AtHome shall have no further right to terminate this Agreement

pursuant to this Paragraph 20 and AtHome shall have no other rights or remedies

with respect to

18 19 such change in the final dimensions

of the South Expansion Parcel.

21. Effect of Subdivision. Owner may from time to time subdivide all

or any portion of the Property into separate legal parcels (each, a "Separate Parcel").

At any and each time as Owner effectuates any such subdivision of the Property,

this Agreement shall automatically terminate, and Owner and AtHome shall execute

separate agreements for each Separate Parcel (each, a "Replacement Agreement").

Each Replacement Agreement shall encumber only one of the Separate Parcels, and

shall be in the same form as this Agreement. If AtHome fails or refuses to execute

any such Replacement Agreement upon Owner's request, then Owner shall have the right

to obtain specific performance of AtHome's obligation to execute such Replacement

Agreement. In addition, AtHome hereby irrevocably constitutes and appoints Owner

as its true and lawful attorney in fact, in its name and in its behalf, to make,

execute, acknowledge, deliver, and file any and all such Replacement Agreements

that AtHome so fails or refuses to execute. AtHome expressly understands and acknowledges

that the foregoing special power of attorney is coupled with an interest, is irrevocable,

and shall survive the dissolution or insolvency of AtHome, or the transfer by AtHome

of the whole or any portion of its interest in this Agreement (provided that any

such transfer shall be subject to the restrictions set forth above in this Agreement).

22. No Maintenance Obligations. Owner shall have no obligation whatsoever

to repair or maintain the Property or any buildings at any time situated on the

Property, or any portion thereof.

23. Subordination. This Agreement is or may become subject and subordinate

to underlying leases, mortgages, deeds of trust, easements, and CC&Rs (as defined

below) (collectively, "Encumbrances") which may now or hereafter affect the Property

of any portion thereof, and to all renewals, amendments, modifications, consolidation,

replacements and extensions thereof. Owner shall have the right to cause this Agreement

to be and become and remain subject and subordinate to any and all Encumbrances

which are now or may hereafter be executed covering the Property 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, together with interest thereon and subject to all

the terms and provisions thereof. In the event of termination of any such lease

or upon the foreclosure of any such mortgage or deed of trust, this Agreement shall

automatically terminate, and the holder or holders of any such Encumbrance (collectively,

"Holder") shall be under no obligation to recognize AtHome's rights under this Agreement.

Within fifteen (15) days after Owner's written request, AtHome shall execute any

and all documents reasonably required by Owner or the Holder to make this Agreement

subordinate to any lien of

19 20 the Encumbrance (including, without

limitation, subordination to all CC&Rs). If AtHome fails to do so, such failure

shall constitute a default under this Agreement, and it shall be deemed that this

Agreement is subordinated to such Encumbrance. If Owner elects to purchase the

Second Option Subparcel pursuant to Paragraph 3, it shall accept title to the Second

Option Subparcel as provided in Paragraph 3, subject to any and all Encumbrances.

23.1 CC&Rs. For the purposes of this Agreement, "CC&Rs" shall

mean any declaration of conditions, covenants and/or restrictions, or similar instrument,

that now encumbers, or may in the future encumber the Property, as adopted by Owner

or its successors in interest from time to time, and any modifications or amendments

thereto.

23.2 Foreclosure of an Encumbrance. If any Holder acquires title

to either or both of the North Expansion Parcel or the South Expansion Parcel by

means of judicial foreclosure, a trustee's sale, or a deed in lieu of foreclosure

under an Encumbrance (collectively, a "Foreclosure Event"), then this Agreement

shall automatically terminate as of the date of such Foreclosure Event, and Owner

shall within a reasonable time after the occurrence of the Foreclosure Event refund

to AtHome the total remaining amount of the Option Deposit then being held by Owner.

So long as Owner has given to AtHome prior written notice of the impending Foreclosure

Event, which notice describes the default on which the Foreclosure Event is based

(the "Owner's Default"), not less than ten (10) days prior to the scheduled occurrence

of such Foreclosure Event, then if AtHome fails to cure such Owner's Default prior

to the Foreclosure Event (or, if such Owner's Default is not susceptible of cure

by AtHome, AtHome fails to pay in full the indebtedness upon which the Foreclosure

Event is based), effective upon the payment of the above-described refund of the

Option Deposit to AtHome, Owner shall have no further obligations or liability

under this Agreement. Owner shall, within five (5) days after receipt, give AtHome

copies of any and all notices of default received by Owner from any Holder with

respect to any Encumbrance. If AtHome so cures such Owner's Default (or, if such

Owner's Default is not susceptible of cure by AtHome, AtHome pays in full the indebtedness

upon which the Foreclosure Event is based) prior to the Foreclosure Event, and

the Foreclosure Event does not occur, the this Agreement shall remain in full force

and effect, and any amounts paid by AtHome to such Holder to cure the Owner's Default

(the "AtHome Advance") shall be credited to AtHome as an offset against the next

installment(s) of rent due under the Build to Suit Lease for the Option Building

situated on that portion of the Property with respect to which Owner's Default

occurred, until such time as AtHome has received a full refund of the AtHome Advance,

provided that the unpaid balance of the AtHome Advance shall bear interest on a

per annum basis at the same rate of interest that applied to the indebtedness upon

which the Foreclosure Event was based. Notwithstanding the foregoing, the unpaid

balance of any AtHome Advance made with respect to the

20 21 indebtedness owed by Owner to Ampex

Corporation that is secured by the Property shall bear interest at the rate of

eight percent (8%) per annum. If this Agreement expires or is otherwise terminated

prior to the execution of a Build to Suit Lease for the First Option Building for

any reason other than a default by AtHome, then Owner shall pay to AtHome an amount

equal to the AtHome Advance within thirty (30) days after the date the Agreement

expires or is otherwise terminated. If this Agreement expires or is otherwise terminated

prior to the execution of a Build to Suit Lease for the First Option Building due

to a default by AtHome, then AtHome shall not be entitled to receive, and Owner

shall not be required to pay to AtHome, any refund of the AtHome Advance, or any

amount in consideration or in lieu thereof, and Owner shall have no further obligations

or liability under this Agreement; provided, however, that in such event AtHome

shall be entitled to utilize the unpaid balance of the AtHome Advance as an offset

against any claim made by Owner against AtHome.

24. Estoppel Certificates. AtHome shall within fifteen (15) days following

written request by Owner execute and deliver to Owner any documents, including estoppel

certificates, in the form prepared by Owner (a) certifying that this Agreement is

unmodified and in full force and effect or, if modified, stating the nature of such

modification and certifying that this Agreement, as so modified, is in full force

and effect, and (b) acknowledging that there are not, to AtHome's knowledge, any

uncured defaults on the part of Owner, or, if there are uncured defaults on the

part of the Owner, stating the nature of such uncured defaults, (c) evidencing the

status of the Agreement as may be required either by a lender making a loan to owner

to be secured by deed of trust or mortgage covering the Property or a purchaser

of the Property from Owner, and (d) such other matters as may be reasonably requested

by Owner. AtHome's failure to deliver an estoppel certificate within fifteen (15)

days after delivery of Owner's written request therefor shall be conclusive upon

AtHome (i) that this Agreement is in full force and effect, without modification

except as may be represented by Owner, and (ii) that there are now no uncured defaults

in Owner's performance.

If AtHome fails to so deliver a requested estoppel certificate within

the prescribed time it shall be conclusively presumed that this Agreement is unmodified

and in full force and effect except as represented by Owner.

25. Transfer of the Property by Owner. In the event of any conveyance

of all or any portion of the Property and assignment by Owner of this Agreement

(including without limitation any transfer of the Property pursuant to a Foreclosure

Event), Owner shall be and is hereby entirely released from all liability under

any and all of its covenants and obligations contained in or derived from this

Agreement occurring after the date of such conveyance and assignment with respect

to the

21 22 portion of the Property so transferred

by Owner, and AtHome agrees to attorn to such transferee provided such transferee

assumes Owner's obligations under this Agreement; provided, however, that this

Paragraph 25 shall be subject to the provisions of Paragraph 23.2 above.

26. Limitation on Owner's Liability. Owner shall never be personally liable

under this Agreement, and AtHome shall look solely to Owner's interest in the Property

for recovery of any damages for breach of this Agreement by Owner or on any judgment

in connection therewith. None of the persons or entities comprising or representing

Owner (whether partners, shareholders, officers, directors, trustees, employees,

beneficiaries, agents or otherwise) shall ever be personally liable under this

Agreement or for any such damages or judgment, and AtHome shall have no right to

effect any levy of execution against any assets of such persons or entities on

account of any such liability or judgment. Any lien obtained by AtHome to enforce

any such judgment, and any levy of execution thereon, shall be subject and subordinate

to all Encumbrances as specified in Paragraph 23 above. Notwithstanding the foregoing,

if under the terms of this Agreement Owner is required to return the Option Deposit,

or any portion thereof, to AtHome, and Owner breaches its obligation to do so in

accordance with the terms of this Agreement, Owner shall be liable to AtHome for

the return of the Option Deposit, or such portion thereof.

27. Recordation. This Agreement shall not be recorded without the prior

consent of both Owner and AtHome; provided, however, that upon the written request

of AtHome, Owner and AtHome shall execute and acknowledge, in recordable form,

a memorandum of this Agreement in form reasonably acceptable to both Owner and

AtHome, and shall cause such memorandum to be recorded in the Official Records

of the County of San Mateo, State of California. Upon expiration of the term of

this Agreement with respect to any portion of the Property, AtHome shall execute,

acknowledge and deliver to Owner an appropriate instrument prepared by Owner which

Owner may then record in the Official Records of San Mateo County to expunge this

Agreement and any memorandum thereof from the public record with respect to such

portion of the Property. In addition, AtHome hereby irrevocably constitutes and

appoints Owner as its true and lawful attorney in fact, in its name and in its

behalf, to make, execute, acknowledge, deliver, and file any and all such instruments

that AtHome so fails or refuses to execute. AtHome expressly understands and acknowledges

that the foregoing special power of attorney is coupled with an interest, is irrevocable,

and shall survive the dissolution or insolvency of AtHome, or the transfer by AtHome

of the whole or any portion of its interest in this Agreement (provided that any

such transfer shall be subject to the restrictions set forth in this Agreement).

22 23

28. Survival. This Agreement shall survive the execution of each Build

to Suite Lease.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the

date first hereinabove set forth.

"Owner"

MARTIN/CAMPUS ASSOCIATES, L.P.,

a Delaware limited partnership

By: Martin/Redwood Partners

L.P., a California limited

partnership, its General

Partner

By: The Martin Group of

Companies, Inc., a

California corporation,

its General Partner

By: /s/

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Its:

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"AtHome"

AT HOME CORPORATION,

A Delaware corporation

By: /s/ KENNETH A. GOLDMAN

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Its: CFO

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By:

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Its:

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23 24

FIRST AMENDMENT TO BUILD TO SUIT OPTION AGREEMENT

THIS FIRST AMENDMENT TO BUILD TO SUIT OPTION AGREEMENT ("Amendment") is

made and entered into as of this \_\_\_\_\_ day of June, 1998, by and between MARTIN/CAMPUS

ASSOCIATES, L.P., a Delaware limited partnership ("Owner"), and AT HOME CORPORATION,

a Delaware corporation ("AtHome").

R E C I T A L S

This Amendment is made and entered into with reference to and upon the

basis of the following facts, intentions and understandings of the parties:

A. Owner is the owner of (i) that certain real property situated in the

City of Redwood City, County of San Mateo, State of California, which is depicted

on Exhibit A hereto (the "North Expansion Parcel") and (ii) that certain unimproved

real property situated in the City of Redwood City, County of San Mateo, State of

California, which is depicted on Exhibit B hereto (the "South Expansion Parcel").

The North Expansion Parcel and the South Expansion Parcel shall be hereinafter from

time to time collectively referred to as the "Property".

B. Owner and AtHome have entered into that certain Build to Suit Option

Agreement dated as of October 25, 1996 (the "Agreement"), whereby Owner has granted

to AtHome (i) options to lease all or certain portions of the Property on a build

to suit basis and on certain agreed terms and conditions, and (ii) an option to

acquire a portion of the Property, as defined in the Agreement as the Second Option

Subparcel, on certain agreed terms and conditions.

C. Owner and AtHome now desire to amend the Agreement to cancel the option

to acquire the Second Option Subparcel and to grant in lieu thereof an option to

acquire the South Expansion Parcel and a right to participate in the proceeds of

the sale of the Second Option Subparcel to a third party, upon the terms and conditions

set forth herein.

D. All capitalized terms not specifically defined in this Amendment shall

have the same meanings ascribed to them in the Agreement.

NOW, THEREFORE, in consideration of the payment by AtHome to Owner of the

sum of One Hundred Dollars ($100) and for other good and valuable consideration,

the receipt and adequacy of which are hereby acknowledged by Owner, Owner and AtHome

hereby agree as follows:

1. Second Option. Owner acknowledges that AtHome has timely exercised the

Second Option pursuant to the terms of Paragraph 2.6 of the Agreement.

2. Third Option. The second sentence of Paragraph 2.7 of the Agreement

is hereby deleted and the following sentence is inserted in place thereof:

1 25

"The failure of AtHome so to exercise the Third Option on or

before the Third Option Notice Date shall terminate AtHome's

right to exercise the Third Option and shall terminate AtHome's

right to exercise its option to purchase the South Expansion

Parcel pursuant to Paragraph 3 unless Tenant delivers the South

Expansion Parcel Option Notice on or before the Third Option

Notice Date (in which case AtHome's rights and obligations shall

be governed by Paragraph 3 below)."

3. Option to Purchase. Paragraph 3 of the Agreement is deleted in its entirety

and the following Paragraph 3 is inserted in place thereof:

"3. Option to Purchase.

"3.1. Option to Purchase South Expansion Parcel. AtHome

shall have the option (in lieu of requiring Owner to develop the

Third Option Building to be situated on the South Expansion

Parcel) to acquire, on an all cash basis, in the manner set forth

in Paragraph 3.2, fee title to the South Expansion Parcel. The

purchase price for the South Expansion Parcel shall be Two

Million Eighteen Thousand Four Hundred Seventy Seven and 00/100

Dollars ($2,018,477.00) (the "Base Purchase Price"), subject to

adjustment as provided herein. The Base Purchase Price has been

agreed upon by Owner and AtHome based upon the entitlements for

the South Expansion Parcel obtained as of March 31, 1998 for the

construction of a building containing 48,569 Rentable Area. Owner

and AtHome have agreed to adjust the Base Purchase Price in the

event Owner obtains sufficient entitlements for the construction

of a building containing up to 110,000 square feet of Rentable

Area on the South Expansion Parcel. Prior to the Third Option

Notice Date, Owner shall use reasonable good faith efforts to

obtain such entitlements. In the event that Owner is successful

in obtaining entitlements for increased Rentable Area, the Base

Purchase Price shall be increased by an amount equal to the

product of Sixty and 00/100 Dollars ($60.00) multiplied by the

total amount of square feet of Rentable Area approved by the City

of Redwood City in excess of 48, 569 square feet for the Third

Option Building to be constructed on the South Expansion Parcel.

The Base Purchase Price as adjusted is hereinafter referred to as

the "Adjusted Purchase Price." In order to elect to exercise its

option to acquire the South Expansion Parcel, AtHome shall

deliver to Owner, in lieu of its delivery to Owner of AtHome's

notice exercising the Third Option, a written notice setting

forth AtHome's exercise of its option to acquire the South

Expansion Parcel (the "South Expansion Parcel Option Notice").

The South Expansion Parcel Option Notice shall not be effective

unless it includes the following: (i) immediately available funds

in an amount equal to five percent (5%) of the Base Purchase

Price or the Adjusted Purchase Price, as the case may be, for the

South Expansion Parcel (the "Deposit"), and (ii) AtHome's

execution of the liquidated damage provision set forth in Exhibit

E attached to this Agreement. The Deposit shall be held by the

Title Company, defined in Exhibit E, in an interest bearing

account and shall constitute liquidated damages, and shall

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be paid to Owner in the event AtHome fails to consummate the

purchase of the South Expansion Parcel in accordance with the

terms of this Paragraph 3, other than as a direct result of

Owner's failure to perform its obligations under this Paragraph

3

or Exhibit E. Escrow for the sale of the South Expansion Parcel

to AtHome shall close thirty (30) days after Owner's receipt of

the South Expansion Parcel Option Notice, or such other date as

Owner and AtHome shall mutually agree. AtHome's acquisition of

the South Expansion Parcel shall be subject to the provisions of

Paragraph 3.2. If AtHome does not deliver the South Expansion

Parcel Option Notice to Owner as described above, then AtHome's

option to purchase the South Expansion Parcel shall terminate and

cease to be of any force or effect as of the Third Option Notice

Date. All closing, title insurance and transfer costs, including

without limitation applicable sales and transfer taxes,

associated with AtHome's acquisition of the South Expansion

Parcel shall be paid by Owner and AtHome in accordance with the

custom in San Mateo County.

"3.2. Conditions. The effectiveness of AtHome's option to

acquire the South Expansion Parcel, as set forth in this

Paragraph 3, is conditioned on the following: (a) AtHome has not

previously entered into a Sublet of any Build to Suit Lease or

the Broadway Lease that requires Owner's consent; and (b) no

monetary or other material default by AtHome exists under either

any Build to Suit Lease or the Broadway Lease which remains

uncured after the giving of any applicable notice and the

expiration of any applicable cure period. In addition, if any of

the conditions specified under clauses (a) or (b) above do not

continue to be satisfied as of the date on which the escrow for

the sale of the South Expansion Parcel to AtHome is scheduled to

close, then unless Owner waives in writing any such conditions,

AtHome's exercise of its right to acquire the South Expansion

Parcel under this Paragraph 3 shall be null and void, and this

Agreement shall terminate effective as of the date on which the

escrow for the sale of the South Expansion Parcel to AtHome was

scheduled to close.

"3.3. Process. Should AtHome exercise its option to

acquire the South Expansion Parcel within the applicable period

of time set forth in this Paragraph 3, AtHome's acquisition of

the South Expansion Parcel shall be carried out on (a) the terms

and conditions described in this Paragraph 3 (the "Agreed

Terms"), and (b) the terms and conditions set forth on Exhibit E

attached to this Agreement (the "Standard Terms"). To the extent

there is any discrepancy between the Agreed Terms and the

Standard Terms, the Agreed Terms shall be controlling."

4. Exhibits. Exhibit E to the Agreement is hereby deleted and Exhibit E

attached hereto is inserted in place thereof. The attached Exhibit E deletes all

references to the defined term "Second Option Subparcel" and inserts in place thereof

the defined term "South Expansion Parcel" and deletes all references to the "Purchase

Price" and inserts in place thereof a reference to either the Base Purchase Price

or the Adjusted Purchase Price, as the case may be. All references to Exhibit E

in the Agreement shall be deemed to reference Exhibit E attached hereto.

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5. Sale of Second Option Subparcel. The following is inserted as a new

Paragraph 29 of the Agreement:

"29. Sale of Second Option Subparcel. Owner shall use reasonable

efforts to subdivide the property on which the Second Option

Building is situated so that one of the buildings comprising the

Second Option Building becomes situated on one or more legal

parcels (which parcel or parcels, together with all rights and

appurtenances thereto, are collectively called the "Second Option

Subparcel"), separate and apart from any other areas of the

Project and the North Expansion Parcel. In the event Owner

succeeds in creating the Second Option Subparcel and and

subsequently sells the Second Option Subparcel to a third party

(other than an Affiliate (as defined below) of Owner, At Home

shall have the right to participate in the Net Sale Proceeds (as

defined below) provided that close of escrow for such sale occurs

on or before March 31, 2003, subject to the terms and conditions

of this Paragraph 29, in consideration for At Home's agreement to

cancel its option to acquire the Second Option Subparcel. At

Home's participation shall be equal to seventeen and one/half

percent (17.5%) of the amount that (i) Net Sales Proceeds exceed

(ii) the product of Two Hundred Sixty and 00/100 Dollars

($260.00) multiplied by the total amount of square foot of the

Second Option Building located on the Second Option Subparcel at

the time of the sale. In the event that Owner sells in a single

transaction the Second Option Subparcel together with all or any

part of any other areas of or improvements within the Project,

Owner shall use reasonable good faith efforts to allocate the Net

Sales Proceeds attributable to the Second Option Subparcel. As

used herein, Net Sales Proceeds shall mean the Gross Sum paid to

Owner in connection with the sale, less the sum of the following,

if and to the extent applicable: all closing costs, escrow fees,

title insurance costs, recording costs, survey costs, brokerage

or selling commissions or fees, finder's fees, attorneys' fees,

closing prorations and other costs or expenses reasonably and

necessarily incurred, in connection with such sale. As used

herein, the term "Gross Sum" shall mean the total financial

consideration paid to Owner in connection with the sale reduced

by any reserves or purchase price hold-backs required to be

established by Owner (but only if, and to the extent, such

reserves or hold-backs actually are retained by the purchaser,

unless disbursed to Owner for reimbursement of Owner's cost to

repair or remediate pursuant to the purchase and sale agreement).

As used herein, the term "Affiliate" shall mean any person or

entity directly or indirectly controlled by, controlling or under

common control of Owner or The Martin Group of Companies, Inc.,

a

California corporation ("TMG"); any partnership, corporation or

other entity resulting from the merger or consolidation of Owner;

any partnership, corporation or other entity in which Owner or a

constituent partner of Owner or TMG owns an interest; any person

or entity which acquires all or substantially all of the

constituent interests in Owner or TMG, any person or entity who

is a partner or has an ownership interest directly or indirectly

in any of the foregoing."

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6. Credit Against Option Price. The following is inserted as a new Paragraph

30 of the Agreement:

"30. Credit Against Option Price. To accommodate Owner's

construction financing, AtHome has entered into various

agreements with or for the benefit of Guaranty Federal Bank,

F.S.B. ("Lender"), including a side letter dated April 6, 1998

(the "Side Letter"). Under the Side Letter, AtHome may be

required to cure a default by Owner under Owner's loan agreement

(which, together with the note, deed of trust and other ancillary

instruments evidencing and/or securing such loan are called the

"Construction Loan Documents") with Lender in order to secure the

release of the South Expansion Parcel from Lender's deed of

trust. To induce AtHome to enter into the agreements with and for

the benefit of Lender, Owner hereby covenants and agrees that all

sums paid by AtHome to Lender, as permitted by the Side Letter or

otherwise, for the purpose of curing any actual or alleged

default of Owner under the Construction Loan Documents and/or

securing a partial release to remove the deed of trust from the

South Expansion Parcel (together with interest thereon at the

lesser of the maximum lawful rate or a per annum rate of seven

percent (7%) above the Federal Reserve discount rate) shall be

due and payable by Owner upon demand. If Owner fails to make any

such payment, AtHome shall be entitled to offset the full amount

of such principal and interest against the Base Purchase Price

(or the Adjusted Purchase Price, if applicable) for the South

Expansion Parcel under Paragraph 3.1 above."

7. Ratification. Except as expressly amended hereby, the Agreement is hereby

ratified and confirmed and shall remain in ful force and effect in all other respects.

8. Choice of Law. This Amendment and the rights and obligations of the

parties hereunder shall be construed and enforced in accordance with the laws of

the State of California as applied to contracts made and entirely performed therein.

IN WITNESS WHEREOF, the parties have executed this Agreement as

of the date first hereinabove set forth.

[SIGNATURES TO FOLLOW ON THE NEXT PAGE]

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"Owner"

MARTIN/CAMPUS ASSOCIATES, L.P.,

a Delaware limited partnership

By: Martin/Redwood Partners, L.P.,

a California limited partnership

Its General Partner

By: TMG Redwood LLC,

a California limited liability company

Its General Partner

By: The Martin Group of Companies, Inc.,

a California corporation

Its Managing Member

By: /s/

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Its: Vice President

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By:

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Its:

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"AtHome"

AT HOME CORPORATION,

a Delaware corporation

By: /s/ KENNETH A. GOLDMAN

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Its: CFO

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By:

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Its:

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