

EXHIBIT I

601 California Street
Suite 400
San Francisco, CA 94108
Phone: 415.782.3600
Fax: 415.782.1258
www.transwestern.net



July 31, 2003

Mr. James Chesler
BT Commercial
201 California Street, Suite 100
San Francisco, CA 94111

Re: Sublease Offer / 149 New Montgomery Street/ Godfrey Q & Partners

Dear Jim:

On behalf of Godfrey Q & Partners, I have been authorized to submit the following sublease proposal regarding the available sublease space from American Greetings (Sublessor) at 149 New Montgomery Street.

PREMISES: The entire third (3rd) floor premises consist of approximately 11,300 rentable square feet.

TERM: The term of the Lease shall be approximately eighteen (18) months.

RENTAL RATE:
Months 1-6: ~~\$8,500.00~~ per month, fully serviced
Months 7-12: ~~\$10,500.00~~ per month, fully serviced
Months 13-18: \$12,500.00 per month, fully serviced

COMMENCEMENT DATE: August 15, 2003.

RIGHT OF FIRST OFFER: Tenant shall have a one the right of first offer to negotiate on the 5th floor premises when the existing tenant vacates.

OPTION TO RENEW: Tenant shall have one option to renew for three (3) years at ninety-five (95%) percent of Fair Market Value.

PREMISES CONDITION: Tenant shall accept the premises broom clean and in its "as is" condition, good working order and repair.

FURNITURE: Tenant shall have exclusive use of existing furniture and the phone system at no cost to Tenant.

LEGAL/CODE REQUIREMENTS: Sublessor shall, at the commencement and during the Lease term, at Sublessor's sole cost and expense, be responsible for placing and keeping the Building and all Building systems (including, but not limited to fire, safety, security, elevators, etc.) in compliance with all governmental regulations, codes, rules, laws, including environmental laws and the American with Disabilities Act.

Mr. James Chesler
July 31, 2003
Page 2 of 2

SECURITY DEPOSIT:

Tenant shall pay one-month security deposit upon execution of the lease.

**SUBLEASE &
ASSIGNMENT RIGHTS:**

Tenant will require the continuing right to assign the lease or sublet all or any portion of the premises at any time during the primary term or any extensions thereof, with Sublessor's consent which shall not be unreasonably withheld or delayed, and to retain 50% of any rentals resulting from the sublease(s) or assignment(s) after deducting for all reasonable leasing costs including but not limited to leasing commissions, tenant improvements, and legal fees. Subleases to any subsidiaries or affiliates shall not require Sublessor's consent.

**REAL ESTATE
COMMISSION:**

Transwestern Commercial Services (TCS) is the procuring broker of record for this transaction and shall be so designated in the lease. Sublessor shall pay one (1) real estate commission to TCS for the procuring portion of the transaction, with said commission to be equivalent to \$1.50 per square foot per year for the initial space and any additional space leased (pro rata for time less than a year), payable one-half upon lease execution and one-half upon the earlier of: (a) Tenant's occupancy, or (b) the actual commencement date of the lease. A mutually acceptable commission agreement between Sublessor and TCS shall be executed prior to Sublessor's response to this proposal.

CONTINGENCY:

Nothing contained herein shall be binding upon either party to this transaction unless and until a formal lease agreement and related documents are fully executed and delivered by the parties. All terms of any agreement will be subject to the final approval of Tenant.

We appreciate your cooperation regarding this matter and look forward to a timely response not later than 5:00 P.M. August 4, 2003.

Sincerely,

Mark Terzian, Jr.
Senior Director

cc: Dennis O'Rourke
Richard J. Dougherty