

PROSKAUER ROSE LLP

Counsel to Huntington Quadrangle No. 1 Company
Sheldon I. Hirshon (SH-0070)
1585 Broadway
New York, New York 10036
Telephone: (212) 969-3000
Fax: (212) 969-2900

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X	
In re:	:
	:
ALLEGIANCE TELECOM, INC., <u>et al.</u> ,	:
	:
Debtors.	:
-----X	

Chapter 11
Case Nos. 03-13057
Jointly Administered

NOTICE OF WITHDRAWAL OF CLAIM

PLEASE TAKE NOTICE that the Huntington Quadrangle No. 1 Company, by and through the undersigned authorized representative, hereby withdraws its proof of claim against the above-captioned Debtor filed on November 13, 2003 (Claim no. 1511).

Dated: October 26, 2004

PROSKAUER ROSE LLP
Counsel to Huntington Quadrangle No. 1
Company

By: /s/ Sheldon I. Hirshon
Sheldon I. Hirshon (SH-0070)
1585 Broadway
New York, New York 10036
Telephone: (212) 969-3000
Fax: (212) 969-2900
e-mail: shirshon@proskauer.com

DocId # 1874 eod 10/26

claim
1511

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK**

In re

ALLEGIANCE TELECOM, INC , *et al* ,
Debtor

Chapter 11

Case No 03-13057 (RDD)

**RIDER TO PROOF OF CLAIM FILED ON BEHALF OF
THE HUNTINGTON QUADRANGLE NO 1 COMPANY**

The Huntington Quadrangle No 1 Company (the "Company") submit this rider in connection with the pre-fixed proof of claim (the "Proof of Claim") filed against the above-captioned debtors and debtors-in-possession (the "Debtors")

1 On May 14, 2003 (the "Petition Date"), the Debtor filed a voluntary petition for relief under Chapter 11, Title 11, United States Code, 11 U S C §§ 101 et seq (the "Bankruptcy Code"), in the United States Bankruptcy Court for the Southern District of New York. Since the Petition Date, the Debtors have continued in the operation of their business and management of their properties as debtors-in-possession pursuant to Sections 1107 and 1108 of the Bankruptcy Code.

2 Attached hereto as "Exhibit A" is the lease between the Company, a New York general partnership having its principal office at 100 Jericho Quadrangle, Jericho, New York 11753 and the Debtors, a corporation with offices located at 4 Westbrook Corporate Center, Suite 400, Westchester, IL 60154, dated April 23, 1999 (the "Lease")

3 In the event that the Debtors fail to satisfy any or all obligations of the Lease during the administration of these proceedings, the Company hereby reserves the right to supplement this proof of claim and/or file an additional Administrative Proof of Claim

4 In the event that the Debtors seeks to reject the Lease, the Company reserves all rights to object to such action, and to supplement this proof of claim and/or file an additional Administrative Proof of Claim

5 The filing of this Proof of Claim is not and shall not be deemed or construed as (a) a waiver or release of the Company's rights against any person, entity or property, (b) a consent by the Company's as to the jurisdiction of the Bankruptcy Court or any other court with respect to proceedings, if any, commenced in any case against or otherwise involving the Company, (c) a waiver or release of the Company's right to trial by jury in the Bankruptcy Court or any other court in any proceedings as to any and all matters so triable herein, whether or not the same be designated legal or private rights or in any case, controversy or proceeding related hereto, notwithstanding the designation or not of such matters as "core proceedings" pursuant to 28 U S C § 157(b)(2), and whether such jury trial right is pursuant to statute or the United States Constitution, (d) a consent by the Company to a jury trial in the Bankruptcy Court or any other court in any proceeding as to any and all matters so triable herein or in any case, controversy or proceeding related hereto, pursuant to 28 U S C § 157(e) or otherwise, (e) a waiver or release of the Company's right to have any and all final orders in any and all non-core matters or proceedings entered only after *de novo* review by a United States District Court Judge, (f) a waiver of the right to move to withdraw the reference with respect to the subject matter of this Proof of Claim, any objection thereto or other proceeding which may

be commenced in these cases against or otherwise involving the Company, or (g) an election of remedies

Dated November 12, 2003

Huntington Quadrangle No 1 Company


By 
~~Andrew Newman~~
G MARTIN WEYLER

Exhibit A

AGREEMENT OF LEASE

made as of this 23 day of April 1999 by and between HUNTINGTON QUADRANGLE NO 1 COMPANY, a New York general partnership having its principal office at 100 Jericho Quadrangle, Jericho, New York 11753, hereinafter referred to as "Landlord" and ALLEGIANCE TELECOM, INC a corporation with offices located at 4 Westbrook Corporate Center, Suite 400, Westchester, IL 60154, hereinafter referred to as "Tenant"

WITNESSETH Landlord and Tenant hereby covenant and agree as follows

SPACE

1 Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord the space consisting of Suite 1N05 substantially as shown on the rental plan initialed by the parties and made part hereof as Exhibit 1 in the building known as One Huntington Quadrangle, Melville, New York 11747 (the "Building") hereinafter referred to as the "demised premises". The parties agree that for all purposes of this lease the demised premises consist of 4,330 rentable square feet. Tenant shall also be permitted to use, on a non exclusive basis, in common with other tenants at the Building the common facilities of the Building. Such use of such facilities shall be subject to such reasonable, non-discriminatory rules, regulations and procedures governing the use thereof as Landlord shall from time to time promulgate.

TERM

2 The term of this lease shall commence on June 1, 1999, hereinafter referred to as the "Term Commencement Date", and shall terminate on July 31, 2006 hereinafter referred to as the "Expiration Date", unless earlier terminated or extended as provided herein.

If, on the foregoing date specified for the Term Commencement Date, "Landlord's Initial Construction" (as defined in Article 5 hereof) shall not be "substantially completed" in accordance with Schedule A annexed hereto, then the Term Commencement Date shall be postponed until the date on which Landlord's Initial Construction shall be "substantially completed" and the term of this lease (hereinafter referred to as the "Demised Term") shall be extended so that the Expiration Date shall be seven (7) years and two (2) months after the last day of the month in which the Term Commencement Date occurs. "Substantially completed" as used herein is defined to mean when Landlord's Initial Construction shall be completed in a good and workmanlike manner and in accordance with the approved plans and specifications and all applicable laws excepting only punch-list items which do not individually or in the aggregate materially interfere with the Tenant's use and occupancy of the demised premises for its intended purpose. Should the Term Commencement Date be a date other than the first day of the month, the Tenant shall pay a pro rata portion of the rent from such date to the last day of such month.

RENT

3 A The base annual rental rate payable by Tenant shall be \$93,095.00. The base annual electricity rate (\$2.40 per rentable square foot) payable by Tenant shall be \$10,392.00. Thus, the total base annual rent and electricity rate payable by Tenant shall be \$103,487.00, which Tenant agrees to pay in equal monthly installments of \$8,623.92 as escalated pursuant to Article 3B, Article 11 and Schedule C in advance, on the first day of each calendar month during the Demised Term at the office of Landlord, except that Tenant shall pay the first monthly installment on execution hereof. Tenant shall pay the rent as above and as hereinafter provided, without any set off or deduction whatsoever. As used herein, the term "Lease Year" shall mean each consecutive twelve (12) calendar month period, the first such period commencing on the Term Commencement Date and ending on the day immediately preceding the first anniversary of the Term Commencement Date, provided however, if the Term Commencement Date shall be a date other than the first day of a calendar month then the first Lease Year shall commence on the Term Commencement Date and shall end on the last day of the month in which the first anniversary of the Term Commencement Date shall occur.

B The fixed annual rent set forth in Section 3 A hereof shall be increased on each anniversary of the Term Commencement Date throughout the Demised Term (including any renewal period) by an amount equal to Three (3 %) percent of the fixed annual rent payable during the Lease Year immediately preceding such anniversary (excluding escalations pursuant to Article 11 or Schedule C) (e.g., during the second (2nd) Lease Year the fixed annual rent shall be \$106,279.85 (\$93,095.00 and 3 % of \$93,095.00 for base rent and \$10,392.00 * for included electric)). Except as expressly provided herein, Tenant shall have no obligation to pay for any operating expenses or similar charges.

* Note \$10,392.00 included electric is subject to escalations pursuant to Schedule C

C Anything contained herein to the contrary notwithstanding, Tenant shall be entitled to occupy the demised premises without any obligations to pay rent or additional rent for the period commencing on the Term Commencement Date and terminating two (2) calendar months thereafter. Such occupancy shall be subject to all of the other terms, covenants and conditions set forth in this Lease.

D If Tenant shall fail to pay when due any installment of fixed annual rent or any payment of additional rent for a period of ten (10) business days after such installment or payment shall have become due, Tenant shall pay interest thereon at the lesser rate of (i) two percent (2%) per annum in excess of the prime interest rate of Citibank, N.A. as publicly announced from time to time or, if Citibank, N.A. shall cease to exist or announce such rate, any similar rate designated by Landlord which is publicly announced from time to time by any other bank in the City of New York having combined capital and surplus in excess of One Hundred Million and 00/100 Dollars (\$100,000,000) ("Prime Rate") or (ii) the maximum rate of interest if any which Tenant may legally contract to pay, from the date when such installment or payment shall have become due to the date of the payment thereof, and such interest shall be deemed additional rent. This provision is in addition to all other rights or remedies available to Landlord for nonpayment of fixed annual rent or additional rent under this lease and at law and in equity.

USE

4 The Tenant shall use and occupy the demised premises only as executive and administrative offices for its business and for no other purpose.

LANDLORD'S ALTERATIONS FOR TENANT

5 Landlord, at its expense, will perform the work and make the installations as set forth in the plan and Schedule A annexed hereto, which is sometimes herein referred to as the "Landlord's Initial Construction." Tenant shall not alter, demolish or remove Landlord's Initial Construction, or any part thereof, unless Tenant shall, prior to the commencement thereof, obtain Landlord's written consent thereto, and pay to Landlord a sum fixed by Landlord, for the restoration thereof.

UTILITIES

6 Landlord, during the hours of 8:00 A.M. to 6:00 P.M. on weekdays and on Saturdays from 9:00 A.M. to 1:00 P.M. (Working Hours), excluding legal holidays (presently, New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day), shall furnish the demised premises with heat and air-conditioning in the respective seasons in accordance with specifications set forth in Schedule A, Article I (L), furnish elevator service to the demised premises and provide the demised premises with electricity for lighting and usual office equipment pursuant to Schedule C.

LANDLORD'S REPAIRS AND MAINTENANCE

7 Landlord, at its expense, will make all repairs to and provide the maintenance for the common areas, roof, building systems, other structural components of the Building and base systems of the Building as set forth in Schedule B, except such repairs (whether structural or otherwise) and maintenance as may be necessitated by the negligence, improper care or use of such premises and facilities by Tenant, its agents, employees, licensees or invitees, which will be made by Tenant at Tenant's expense as provided in Article 12 hereof. Tenant acknowledges that Landlord shall have no obligation to perform its repair and maintenance obligations hereunder, except during Landlord's regular working hours, except in the event of an emergency. If Tenant desires Landlord to perform any such repair and maintenance obligations at any hours other than Landlord's regular working hours, Landlord shall use its reasonable efforts to accommodate Tenant's request, provided, however, that Tenant shall pay to Landlord as additional rent, any overtime charges incurred by Landlord as a result thereof.

WATER SUPPLY

8 Landlord, at its expense, shall furnish adequate supplies of hot and cold water for lavatory purposes and chilled water for drinking purposes.

PARKING FIELD

9 Tenant shall have the right to use for the Demised Term, at no additional charge, twenty (20) parking spaces of which five (5) shall be in the reserved executive area, for the parking of automobiles of the Tenant, its

employees and invitees, in the parking area reserved for tenants of the Building (hereinafter sometimes referred to as "Building Parking Area") subject to the Rules and Regulations now or hereafter adopted by Landlord. Tenant shall use all reasonable efforts to prevent any of its officers, agents or employees from using any parking area other than the Building Parking Area, or using in excess of Tenant's allotted number of spaces therein. Tenant further acknowledges that a violation of the provisions of this Article 9 shall constitute a material breach of the lease.

DIRECTORY

10 Landlord will furnish in the lobby of the Building a directory which will contain listing(s) requested by Tenant not to exceed eight (8) listings. Tenant shall pay to Landlord its standard charge for the replacement of listing(s).

TAXES

11 A If the Taxes which are assessed to the Landlord in any escalation year during the Demised Term shall be increased above the Tax Base, then the Tenant shall pay to the Landlord as additional rent for such escalation year a sum equal to 1.188% of such increases in Taxes (based on the ratio of the demised premises area of 4,330 square feet to the Building Area of 364,566 square feet). Tax Base shall be total Taxes due for the tax year 1999/2000. Any refund due to Tenant shall be debited by Tenant's proportionate share of all legal, experts, administrative and other costs, fees or expenses incurred in connection with obtaining such reduction. In no event shall Tenant be required to pay any increase in Taxes pursuant to this Article 11 A prior to the first anniversary of the Term Commencement Date. Increases in Taxes shall be pro-rated during any part of a Lease Year that is less than a full tax year.

DEFINITIONS

B As used in and for the purposes of this Article 11, the following definition shall apply:

1 The term "Taxes" shall be deemed to include all real estate taxes and assessments, special or otherwise and sewer rents, upon or with respect to the Building and the land allocated to it including all parking areas (hereinafter called the "Real Property"). If due to any change in the method of taxation, any franchise, income, profit, sales, rental use and occupancy, or other tax shall be substituted for or levied against Landlord or any owner of the Building or the Real Property in lieu of, any real estate taxes, assessments or sewer rents upon or with respect to the Real Property, such tax shall be included in the term Taxes for the purposes of this Article.

PROCEDURE FOR INVOICING AND PAYMENT OF ADDITIONAL RENT

C 1 Landlord shall render to Tenant a statement containing a computation of additional rent due under this Article ("Landlord's Statement") at any time and from time to time as such becomes due. Within ten (10) business days after the rendition of the Landlord's Statement which shows additional rent to be payable, Tenant shall pay to Landlord the amount of such additional rent. On the first day of each month following rendition of each Landlord's Statement, Tenant shall pay to Landlord, on account of the prospective additional rent, a sum equal to one-twelfth (1/12th) of the annualized additional rent last paid by Tenant.

ii Following each Landlord's Statement, Tenant shall be debited with any additional rent shown on such Landlord's Statement to be payable, and credited with the aggregate amount paid by Tenant in accordance with the provisions of subsection 11 C 1 above on account of the potential additional rent.

iii The obligations of Landlord and Tenant under the provisions of this Article 11 with respect to any additional rent for any Lease Year shall survive the expiration or any sooner termination of the Demised Term.

iv In the event that Tenant challenges the amount of additional rent payable pursuant to this Article 11, then, as a condition precedent to the submission of a dispute as to such amount to judicial review, and pending the determination of any dispute, Tenant shall promptly pay the additional rent as demanded by Landlord. After such determination, any adjustment in the disputed amount shall be made within thirty (30) days.

TENANT'S REPAIRS

12 A Except for replacements and repairs to the base Building systems, Tenant shall be responsible for all replacements and repairs within the demised premises including repairs to Tenant's supplemental air-conditioning not covered by warranties. In furtherance thereof, Tenant shall, throughout the Demised Term, take good care of the demised premises and the fixtures and appurtenances therein and, at Tenant's sole cost and

expense, make all non-structural repairs thereto, and, as required, non structural replacements thereof as and when needed to preserve the same in good working order and condition, reasonable wear and tear, obsolescence and damage from the elements, fire or other casualty, excepted. Notwithstanding the foregoing all damage or injury to any part of the Building, or to the fixtures, equipment and appurtenances thereof, whether requiring structural or non-structural repairs, caused by or resulting from carelessness, omission, neglect or improper conduct of Tenant, Tenant's servants, employees, invitees or licensees, shall be repaired promptly by Tenant at its sole cost and expense to the reasonable satisfaction of Landlord. Tenant shall also repair all damage to the Building caused by the moving of Tenant's fixtures, furniture or equipment. Any repairs or replacements to be made by Tenant shall be made with reasonable diligence in a good and workmanlike manner and so as not to unreasonably interfere with other tenants' use and occupancy of the Building.

B Except as provided in Article 25 hereof or otherwise arising out of the gross negligence or willful misconduct of Landlord or its agents, employees or contractors, there shall be no allowance to Tenant for a diminution of rental value and no liability on the part of Landlord by reason of inconvenience, annoyance or injury to business arising from Landlord, Tenant or others making any repairs, alterations, additions or improvements in or to any portion of the Building or the demised premises, or in or to fixtures, appurtenances or equipment thereof, and no liability upon Landlord for failure of Landlord or others to make any repairs, alterations additions or improvements in or to any portion of the Building or of the demised premises or in or to the fixtures, appurtenances or equipment thereof. Any repairs which Tenant may be required to carry out pursuant to the terms hereof may, at Landlord's option, be made by Landlord at the expense of Tenant and the reasonable expenses thereof incurred by Landlord shall be collectible as additional rent after the rendition of a bill or statement therefor.

FLOOR LOADING

13 The emplacement of any equipment which will impose an evenly distributed floor load in excess of 50 pounds per square foot shall be done only after written permission is received from the Landlord. Such permission will be granted only after adequate proof is furnished by a professional engineer that such floor loading will not endanger the structure.

FIXTURES AND INSTALLATIONS

14 All appurtenances, fixtures improvements, additions and other property attached to or built into the demised premises, whether by Landlord or Tenant or others, and whether at Landlord's expense, or Tenant's expense, or the joint expense of Landlord and Tenant, shall become and remain the property of Landlord at the expiration of the Demised Term and shall remain upon and be surrendered with the demised premises unless Landlord, by notice to Tenant no later than twenty days prior to the date fixed as the termination of this lease, elects to have them removed by Tenant, in which event, the same shall be removed from the premises by Tenant forthwith, at Tenant's expense. Nothing in this Article shall be construed to prevent Tenant's removal of trade fixtures, but upon removal of any such trade fixtures from the premises or upon removal of other installations as may be required by Landlord, Tenant shall immediately and at its expense repair and restore the premises to the condition existing prior to installation and repair any damage to the demised premises or the Building due to such removal. All property permitted or required to be removed by Tenant at the end of the term remaining in the premises after Tenant's removal shall be deemed abandoned and may, at the election of Landlord either be retained as Landlord's property or may be removed from the premises at Tenant's expense. All the outside walls of the demised premises including corridor walls and the outside entrance doors to the demised premises any balconies, terraces or roofs adjacent to the demised premises, and any space in the demised premises used for shafts, stacks, pipes, conduits ducts or other building facilities, and the use thereof, as well as access thereto in and through the demised premises for the purpose of operation, maintenance, decoration and repair, are expressly reserved to Landlord and Landlord does not convey any rights to Tenant therein. Notwithstanding the foregoing, Tenant shall enjoy full right of access to the demised premises through the public entrances, public corridors and public areas within the Building.

ALTERATIONS

15 A Tenant shall make no alterations, decorations, installations additions or improvements in or to the demised premises without Landlord's prior written consent (which consent shall not be unreasonably withheld, delayed or conditioned), and then only by contractors or mechanics approved by Landlord and at such times and in such manner as Landlord may from time to time designate. Tenant shall notify Landlord as to when such work will commence, such notice to be given at least five (5) business days prior to the commencement thereof. Landlord shall have the right to make inspections of any such work being carried out by Tenant or on Tenant's behalf at any reasonable time during the progress of such work. Anything herein contained to the contrary

notwithstanding, this Article 15A shall not apply to non-structural alterations and/or decorations costing less than \$10,000 in the aggregate

B All installations or work done by Tenant shall be done in a good and workmanlike manner and shall at all times comply with

i Laws, rules, orders and regulations of governmental authorities having jurisdiction thereof

ii Rules and regulations of Landlord, as promulgated from time to time

iii Plans and specifications prepared by and at the expense of Tenant theretofore submitted to Landlord for its prior written approval, no installations or work shall be undertaken started or begun by Tenant, its agents, servants or employees, until Landlord has approved such plans and specifications and no amendments or additions to such plans and specifications shall be made without the prior written consent of Landlord and shall be subject to Landlord's supervisory fee charge of ten (10%) percent

Tenant agrees that it will not, either directly or indirectly, use, suffer or permit any contractors, sub-contractors and/or labor and/or materials if the use of such contractors and/or labor and/or materials would or will create any difficulty with other contractors and/or labor engaged by Tenant or Landlord or others in the construction, maintenance and/or operation of the Building or any part thereof Tenant shall before making any alterations additions, installations or improvements, at its expense, obtain all permits approvals and certificates required by any governmental or quasi-governmental bodies and (upon completion) certificates of final approval thereof and shall deliver promptly duplicates of all such permits, approvals and certificates to Landlord and Tenant agrees to carry and will cause Tenant's contractors and sub-contractors material persons to carry such workmen's compensation, general liability, personal and property damage insurance as Landlord may reasonably require Tenant agrees to obtain and deliver to Landlord, written and unconditional waivers of mechanic's liens upon the real property in which the demised premises are located, for all property in which the demised premises are located, for all work, labor and services performed and materials furnished in connection with such work after payment therefore signed by all contractors, sub-contractors, materialmen and laborers involved in such work Notwithstanding the foregoing, if any mechanic's lien is filed against the demised premises, or the Building for work claimed to have been done for, or materials furnished to, Tenant, whether or not done pursuant to this Article the same shall be discharged by Tenant within thirty (30) days thereafter, at Tenant's expense, by filing the bond required by law Failure to so discharge any mechanic's lien shall be a material default under this lease

C Anything contained herein to the contrary notwithstanding Tenant shall make no alterations, decorations, installations, additions or improvements in or to the demised premises which shall in any way affect utility services or plumbing and electrical lines Moreover, Landlord shall not be deemed to have acted unreasonably for withholding consent to any alterations, decorations, installations, additions or improvements which (i) involve or affect any structural or exterior element of the Building outside the demised premises or the Building, or (ii) will require unusual expense to readapt the demised premises to normal office use on the expiration of the Demised Term or materially increase the cost of construction or of insurance or taxes on the Building or of the services called for hereunder unless Tenant first gives assurances acceptable to Landlord for payment of such increased cost and that such readaption will be made prior to the Expiration Date without expense to Landlord

REQUIREMENTS OF LAW

16 A. Tenant, at Tenant's cost, shall comply with all laws and governmental rules and regulations arising out of or relating to Tenant's use and occupancy of the demised premises Landlord represents that the Building is currently in compliance with all laws and governmental rules, regulations and ordinances including (but not limited to) the Americans with Disabilities Act

B Tenant shall not permit any "Hazardous Materials" (as defined below) in the demised premises The term Hazardous Materials shall mean any biologically or chemically active or other toxic or hazardous wastes, pollutants or substances, including without limitation, asbestos, PCBs, petroleum products and by-products, and substances defined or listed as "hazardous substances" or "toxic substances" or similarly identified in or pursuant to laws or governmental rules and regulations

C Tenant shall indemnify, defend and hold Landlord harmless from or against any and all claims, actions or proceedings arising from Tenant's failure to comply with Article 16 A and/or 16 B and all costs, expenses and liabilities incurred in connection with any such claim or action or proceeding brought thereon, provided, however, that Tenant shall have no liability whatsoever with respect to conditions existing prior to the Term Commencement Date Tenant, upon notice from Landlord agrees that Tenant at Tenant's expense, will resist or defend such action or proceeding and will employ counsel therefor reasonably satisfactory to Landlord

Tenant's liability under this lease extends to the acts and omissions of any subtenant and any agent, contractor, employee, invitee or licensee of Tenant or any subtenant

D Landlord represents and warrants that the Building is in compliance with all applicable federal, state and local environmental laws, rules and regulations and that, to Landlord's knowledge, the Building is free of Hazardous Materials

END OF TERM

17 A Upon the expiration or other termination of the Demised Term, Tenant shall quit and surrender to Landlord the demised premises broom clean, in good order and condition ordinary wear and damage by fire or other casualty excepted, and Tenant shall remove all of its property (excluding such property stated to remain the property of Landlord pursuant to Article 14), and shall repair all damage to the demised premises or the Building occasioned by such removal. Any property not removed from the premises shall be deemed abandoned by Tenant and may be disposed of in any manner deemed appropriate by the Landlord at Tenant's expense. Tenant expressly waives, for itself and for any person claiming through or under Tenant, any rights which Tenant or any such person may have under the provisions of Section 2201 of the New York Civil Practice Law and Rules and of any successor law of like import then in force, in connection with any holdover summary proceedings which Landlord may institute to enforce the foregoing provisions of this Article. Tenant's obligation to observe or perform this covenant shall survive the expiration or other termination of the Demised Term. If the last day of the Demised Term or any renewal hereof falls on Sunday or a legal holiday, this lease shall expire on the business day immediately preceding

B Tenant acknowledges that possession of the demised premises must be surrendered to Landlord at the expiration or sooner termination of the Demised Term. Tenant hereby agrees to indemnify and save Landlord harmless against any and all costs, damages, claims, loss or liability resulting from delay by Tenant in so surrendering the demised premises, including, without limitation, any claims made by any succeeding tenant, founded on such delay. The parties recognize and agree that the damage to Landlord resulting from any failure by Tenant timely to surrender possession of the demised premises as aforesaid will be extremely substantial, will exceed the amount of monthly rent theretofore payable hereunder, and will be impossible of accurate measurement. Tenant therefore agrees that if possession of the demised premises is not surrendered to Landlord on or before the date of the expiration or other termination of the Demised Term, time being of the essence with respect thereto, then, in addition to any other remedies and/or damages otherwise available to Landlord hereunder or at law, Tenant agrees to pay Landlord, for each month and for each portion of any month during which Tenant holds over in the demised premises after expiration or other termination of the Demised Term, a sum equal to one and one-half (1 ½) times the rent and additional rent (inclusive of escalations) that was payable per month under this lease during the last month of the term thereof. Nothing contained herein shall be construed to constitute Landlord's consent to Tenant remaining in possession of the demised premises after the expiration or other termination of the Demised Term. Landlord shall be entitled to pursue any action necessary to recover immediate possession of the demised premises notwithstanding Tenant's payment of the aforementioned sum. The aforesaid provisions of this paragraph shall survive the expiration or sooner termination of the Demised Term.

QUIET ENJOYMENT

18 Landlord covenants and agrees with Tenant that upon Tenant paying the rent and additional rent and observing and performing all the terms, covenants and conditions on Tenant's part to be observed and performed, Tenant may peaceably and quietly enjoy the demised premises and the other rights granted hereunder during the Demised Term without hindrance or molestation by anyone claiming by or through Landlord, subject, nevertheless, to the terms, covenants and conditions of this lease including but not limited to Article 23. Tenant acknowledges that Landlord is granting similar quiet enjoyment to other tenants in the Building. Tenant covenants and agrees not to do, suffer or permit anything that would breach any such similar covenant.

SIGNS

19 No signs may be put on or in any window nor on the exterior of the Building. Any signs or lettering in the public corridors or on the doors must be submitted to Landlord for approval before installation, which approval shall not be unreasonably withheld.

RULES AND REGULATIONS

20 Tenant and Tenant's agents, employees, visitors, and licensees shall faithfully comply with the Rules and Regulations set forth on Schedule D annexed hereto and made part hereof, and with such further reasonable, non-discriminatory Rules and Regulations as Landlord at any time may make and communicate in writing to

ASSIGNMENT AND SUBLETTING

B (Intentionally omitted)

capital stock of any corporate tenant, or subtenant, shall be deemed not to include the sale of such stock by persons or parties, through the "over-the-counter market" or through any recognized stock exchange,

iii one or more sales or transfers, by operation of law or otherwise, resulting in a transfer of at least fifty-one (51%) percent of the total interests in Tenant, if Tenant is a partnership, limited liability company or partnership, or in any partnership subtenant or

iv Tenant's entering into a takeover agreement affecting this lease

For the purposes of this Article 21, a modification, amendment or extension of a sublease shall be deemed a sublease

H If Tenant assigns, sells, conveys, transfers, mortgages, pledges or sublets this lease, the demised premises, or any portion thereof in violation of this Article 21, or if the demised premises are occupied by anybody other than Tenant or Tenant Affiliate, Landlord may collect rent from any assignee, sublessee or anyone who claims a right to this Agreement or letting or who occupies the demised premises, and Landlord shall apply the net amount collected to the annual rental herein reserved, and no such collection shall be deemed a waiver by Landlord of the covenants contained in this Article nor an acceptance by Landlord of any such assignee, sublessee, claimant or occupant as Tenant, nor a release of Tenant from the further performance by Tenant of the covenants contained herein.

I Tenant shall pay, as additional rent, the reasonable cost of Landlord's attorneys' fees (including, without limitation, reasonable disbursements) in connection with any permitted subletting or assignment pursuant to this Article 21.

LANDLORD'S ACCESS TO PREMISES

22 A Landlord or Landlord's agents shall have the right to enter and/or pass through the demised premises at all times to examine the same, to show them to mortgagees, ground lessors, prospective purchasers or lessees (only during the final Lease Year) or mortgagees of the Building, adjusters or any other persons, and to make such repairs, improvements or additions as Landlord may deem necessary or desirable and Landlord shall be allowed to take all material into and upon and/or through said demised premises that may be required therefor, all of which shall be conducted in a manner designed to minimize interference with Tenant's use and occupancy of the demised premises except in case of emergency. During the one (1) year prior to the expiration of the Demised Term, or any renewal term, Landlord may exhibit the demised premises to prospective tenants or purchasers at all reasonable hours and without unreasonably interfering with Tenant's business. If Tenant shall not be personally present to open and permit an entry into said premises, at any time, when for any reason an entry therein shall be necessary or permissible, Landlord or Landlord's agents may enter the same by a master key without rendering Landlord or such agent liable therefor (if during such entry Landlord or Landlord's agents shall accord reasonable care to Tenant's property). If during the last month of the Demised Term, Tenant shall have removed all or substantially all of Tenant's property therefrom, Landlord may immediately enter, alter, renovate or redecorate the demised premises without limitation or abatement of rent, or incurring liability to Tenant for any compensation and such act shall have no effect on this lease or Tenant's obligations hereunder.

B Landlord shall also have the right at any time to use, maintain and replace pipes and conduits in and through the demised premises and to erect new pipes and conduits therein, all of which shall be conducted in a manner designed to minimize interference with Tenant's use and occupancy of the demised premises, to change the arrangement and/or location of entrances or passageways, doors and doorways, and corridors, elevators, stairs, toilets or other public parts of the Building, provided, however, that Landlord shall make no change in the arrangement and/or location of entrances or passageways or other public parts of the Building which will adversely affect in any material manner Tenant's use and enjoyment of or access to the demised premises unless required by law or governmental authority. Landlord shall also have the right, at any time, to name the Building, to display appropriate signs and/or lettering on any or all entrances to the Building, and to change the name, number or designation by which the Building is commonly known.

C Neither this lease nor any use by Tenant shall give Tenant any right or easement to the use of any door or passage or concourse connecting with any other building or to any public conveniences, and the use of such doors and passages and concourse and of such conveniences may be regulated and/or discontinued at any time and from time to time by Landlord without notice to Tenant.

D The proper exercise by Landlord or its agents of any right reserved to Landlord in this Article shall not constitute an actual or constructive eviction, in whole or in part, or entitle Tenant to any abatement or

diminution of rent, or relieve Tenant from any of its obligations under this lease, or impose any liability upon Landlord, or its agents, or upon any lessor under any ground or underlying lease, by reason of inconvenience or annoyance to Tenant, or injury to or interruption of Tenant's business, or otherwise

SUBORDINATION

23 A This lease is subject and subordinate in all respects to all ground leases and/or underlying leases and to all mortgages which may now or hereafter be placed on or affect such leases and/or the real property of which the demised premises form a part, or any part or parts of such real property, and/or Landlord's interest or estate therein, and to each advance made and/or hereafter to be made under any such mortgages, and to all renewals, modifications, consolidations, replacements and extensions thereof and all substitutions therefor. This subsection shall be self-operative and no further instrument of subordination shall be required. In confirmation of such subordination, Tenant shall execute and deliver promptly any certificate that Landlord and/or any mortgagee and/or the lessor under any ground or underlying lease and/or their respective successors in interest may request.

B Without limitation of any of the provisions of this lease, in the event that any mortgagee or its assigns shall succeed to the interest of Landlord or of any successor-Landlord and/or shall have become lessee under a new ground or underlying lease, then, at the option of such mortgagee this lease shall nevertheless continue in full force and effect and Tenant shall and does hereby agree to attorn to such mortgagee or its assigns and to recognize such mortgagee or its respective assigns as its Landlord.

C Tenant shall at any time and from time to time upon not less than ten (10) business days' prior notice by Landlord, execute, acknowledge and deliver to Landlord a statement in writing certifying that this lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating the modifications) and the dates to which the rent, additional rent and other charges have been paid in advance, if any, and stating whether or not to the best knowledge of the signer of such certificate Landlord is in default in performance of any covenant, agreement, term, provision or condition contained in this lease and, if so, specifying each such default of which the signer may have knowledge, it being intended that any such statement delivered pursuant hereto may be relied upon by any prospective purchaser or lessee of said real property or any interest or estate therein, any mortgagee or prospective mortgagee thereof or any prospective assignee of any mortgage thereof. If, in connection with obtaining financing or refinancing for the Building and the land allocated to it, a banking, insurance or other recognized institutional lender shall request reasonable modifications in this lease as a condition to such financing, Tenant will not unreasonably withhold, delay or defer its consent thereto, provided that such modifications do not increase the obligations of Tenant hereunder, decrease Landlord's obligations hereunder or otherwise materially adversely affect the leasehold interest hereby created. Failure by Tenant to comply with this Article 23 C shall be a material default under this lease.

D Landlord agrees to use reasonable efforts to obtain a Non Disturbance Agreement (the "Non-Disturbance Agreement") from any Lender or ground lessor in favor of the Tenant. The failure by Landlord to obtain a Non-Disturbance Agreement shall not give rise to any liability from Landlord to Tenant, or give rise to any claim in favor of Tenant against Landlord by reason thereof.

PROPERTY LOSS, DAMAGE, REIMBURSEMENT

24 A Landlord or its agents shall not be liable for any damage to property of Tenant or of others entrusted to employees of the Building nor for the loss of or damage to any property of Tenant by theft or otherwise. Landlord or its agents shall not be liable for any injury or damage to persons or property resulting from fire, explosion, falling plaster, steam, gas, electricity, electrical disturbance, water, rain or snow or leaks from any part of the Building or from the pipes, appliances or plumbing works or from the roof, street or subsurface or from any other place or by dampness or by any other cause of whatsoever nature, unless caused by or due to the negligence or willful misconduct of Landlord, its agents, servants or employees, nor shall Landlord or its agents be liable for any such damage caused by other tenants or persons in the Building or caused by operations in construction of any private, public or quasi public work. If at any time any windows of the demised premises are temporarily closed or darkened incident to or for the purpose of repairs, replacements, maintenance and/or cleaning in, on, to or about the Building or any part or parts thereof Landlord shall not be liable for any damage Tenant may sustain thereby and Tenant shall not be entitled to any compensation therefor nor abatement of rent nor shall the same release Tenant from its obligations hereunder nor constitute an eviction. Tenant shall reimburse and compensate Landlord as additional rent for all expenditures made by, or damages or fines sustained or incurred by Landlord due to non-performance or non-compliance with or breach or failure to observe any term, covenant or condition of this lease upon Tenant's part to be kept, observed, performed or complied with. Tenant shall give

immediate notice to Landlord in case of fire or accidents in the demised premises or in the Building or of defects therein or in any fixtures or equipment

TENANT'S INDEMNITY

B Tenant shall indemnify and save harmless Landlord against and from any and all claims by and on behalf of any person or persons, firm or firms, corporation or corporations arising from the conduct or management of or from any work or thing whatsoever done (other than by Landlord or its contractors or the agents or employees of either) in and on the demised premises during the Demised Term and during the period of time, if any, prior to the Term Commencement Date that Tenant may have been given access to the demised premises for the purpose of making installations and will further indemnify and save harmless Landlord against and from any and all claims arising from any condition of the demised premises proximately caused by any act or omission or negligence of Tenant or any of its agents, contractors servants, employees, licensees or invitees, and against and from all costs, expenses and liabilities incurred in connection with any such claim or claims or action or proceeding brought thereon, and in case any action or proceeding be brought against Landlord by reason of any such claim, Tenant, upon notice from Landlord, agrees that Tenant, at Tenant's expense, will resist or defend such action or proceeding and will employ counsel therefor reasonably satisfactory to Landlord. Tenant's liability under this lease extends to the acts and omissions of any subtenant, and any agent contractor, employee, invitee or licensee of any subtenant

DESTRUCTION-FIRE OR OTHER CASUALTY

25 If the demised premises shall be damaged by fire or other casualty and if Tenant shall give prompt notice to Landlord of such damage, Landlord, at Landlord's expense, shall repair such damage. However, Landlord shall have no obligation to repair any damage to, or to replace, Tenant's personal property or any other property or effects of Tenant including (without limitation) furnishings and equipment of Tenant or its employees, agents and clients. If the entire demised premises shall be rendered untenable by reason of any such damage, the rent shall abate for the period from the date of such damage to the date when such damage shall have been repaired and the demised premises are again tenable, and if only a part of the demised premises shall be so rendered untenable, the rent shall abate for such period in the proportion which the area of the part of the demised premises so rendered untenable bears to the total area of the demised premises. However, if prior to the date when all of such damage shall have been repaired any part of the demised premises so damaged shall be rendered tenable and shall be used or occupied by Tenant or any person or persons claiming through or under Tenant for its intended purpose, then the amount by which the rent shall abate shall be equitably apportioned for the period from the date of any such use or occupancy to the date when all such damage shall have been repaired. Landlord shall, except as expressly provided herein, commence the repair and restoration of the Building and the demised premises within thirty (30) days following such casualty and shall diligently proceed to restore the Building and/or the demised premises to substantially the same condition as existed prior to the casualty. In the event that either (i) Landlord fails to commence such restoration as required above or (ii) Landlord commences restoration of the Building and/or the demised premises but is unable to complete such restoration within one hundred twenty (120) days following commencement thereof, Tenant shall have the right, exercisable for ten (10) days following the expiration of the applicable period, to terminate this Lease. Tenant hereby expressly waives the provisions of Section 227 of the New York Real Property Law, and of any successor law of like import then in force, and Tenant agrees that the provisions of this Article shall govern and control in lieu thereof. Notwithstanding the foregoing provisions of this Article, if, prior to or during the Demised Term (i) the demised premises shall be totally damaged or rendered wholly untenable by fire or other casualty, and if Landlord shall decide not to restore the demised premises or (ii) the Building shall be so damaged by fire or other casualty that, in Landlord's opinion, substantial alteration, demolition or reconstruction of the Building shall be required (whether or not the demised premises shall be damaged or rendered untenable) then in any of such events, Landlord at Landlord's option, may give to Tenant within sixty (60) days after such fire or other casualty a ten (10) days' notice of termination of this lease and, in the event such notice is given, this lease and the Demised Term shall come to an end and expire (whether or not said term shall have commenced) upon the expiration of said ten (10) days with the same effect as if the date of expiration of said ten (10) days were the Expiration Date, the rent shall be apportioned as of such date and any prepaid portion of rent for any period after such date shall be refunded by Landlord to Tenant.

SUBROGATION

26 Each of the parties hereto and their successors or assigns hereby waives any and all rights of action for negligence against the other party hereto which may hereafter arise for damage to the Building the demised premises or to property therein resulting from any fire or other casualty of the kind covered by standard fire insurance policies with extended coverage, regardless of whether or not, or in what amounts such insurance is now

iii if Tenant or Tenant's guarantor hereunder (if any) shall file a voluntary petition in bankruptcy or insolvency or shall be adjudicated a bankrupt or become insolvent or shall file any petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the present or any future federal bankruptcy act or any other present or future applicable federal, state or other statute or law, or shall make an assignment for the benefit of creditors or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of Tenant or of all or any part of Tenant's property, or

iv if, within ninety (90) days after the commencement of any proceeding against Tenant, whether by the filing of a petition or otherwise, seeking any reorganization arrangement, composition, readjustment, liquidation, dissolution or similar relief under the present or any future federal bankruptcy act or other present or future applicable federal, state or other statute or law, such proceeding shall not have been dismissed, or if, within ninety (90) days after the appointment of any trustee receiver or liquidator of Tenant or of all or any part of Tenant's property, without the consent or acquiescence of Tenant, such appointment shall not have been vacated or otherwise discharged, or if any execution or attachment shall be issued against Tenant or any of Tenant's property pursuant to which the demised premises shall be taken or occupied or attempted to be taken or occupied, or

v if Tenant shall default in the observance or performance of any term covenant or condition on Tenant's part to be observed or performed under any other lease with Landlord of space in the Building and such default shall continue beyond any grace period set forth in such other lease for the remedying of such default, or

vi if the demised premises shall become abandoned, or

vii if Tenant's interest in this lease shall devolve upon or pass to any person, whether by operation of law or otherwise, except as expressly permitted under Article 21, then upon the occurrence, at any time during the Demised Term, of any one or more of such Events of Default, Landlord, at any time thereafter, at Landlord's option, may give to Tenant a five (5) days notice of termination of this lease and, in the event such notice is given, this lease and the Demised Term shall come to an end and expire (whether or not said term shall have commenced) upon the expiration of said five (5) days with the same effect as if the date of expiration of said five (5) days were the Expiration Date, but Tenant shall remain liable for damages as provided in Article 30

B If, at any time, (i) Tenant shall be comprised of two (2) or more persons or (ii) Tenant's obligations under this lease shall have been guaranteed by any person other than Tenant, or (iii) Tenant's interest in this lease shall have been assigned, the word 'Tenant', as used in subsection (iii) and (iv) of Article 29 A shall be deemed to mean any one or more of the persons primarily or secondarily liable for Tenant's obligations under this lease Any monies received by Landlord from or on behalf of Tenant during the pendency of any proceeding of the types referred to in said subsections (iii) and (iv) shall be deemed paid as compensation for the use and occupation of the demised premises and the acceptance of any such compensation by Landlord shall not be deemed an acceptance of rent or a waiver on the part of Landlord of any rights under Article 29 A

REMEDIES

30 A If Tenant shall default in the payment when due of any installment of rent or in the payment when due of any additional rent and such default shall continue for a period of ten (10) days after notice by Landlord to Tenant of such default or if this lease and the Demised Term shall expire and come to an end as provided in Article 29

1 Landlord and its agents and servants may immediately, or at any time after such default or after the date upon which this lease and the Demised Term shall expire and come to an end, re enter the demised premises or any part thereof, without notice either by summary proceedings or by any other applicable action or proceeding, or by force or otherwise (without being liable to indictment prosecution or damages therefor), and may repossess the demised premises and dispossess Tenant and any other persons from the demised premises and remove any and all of their property and effects from the demised premises and

ii Landlord, at Landlord's option, may relet the whole or any part or parts of the demised premises from time to time either in the name of Landlord or otherwise, to such tenant or tenants, for such term or terms ending before, on or after the Expiration Date at such rental or rentals and upon such other conditions which may include concessions and free rent periods, as Landlord, in its sole discretion, may determine Landlord shall have no obligation to relet the demised premises or any part thereof and shall in no event be liable for refusal or failure to relet the demised premises or any part thereof, or, in the event of any such reletting for refusal or failure to collect any rent due upon any such reletting, and no such refusal or failure shall operate to relieve Tenant of any liability under this lease or otherwise to affect any such liability Landlord at Landlord's option may make

such repairs, replacements, alterations, additions improvements, decorations and other physical changes in and to the demised premises as Landlord, in its sole discretion, considers advisable or necessary in connection with any such reletting or proposed reletting, without relieving Tenant of any liability under this lease or otherwise affecting any such liability

B Tenant, on its own behalf and on behalf of all persons claiming through or under Tenant, including all creditors, does hereby waive any and all rights which Tenant and all such persons might otherwise have under any present or future law following the occurrence of an Event of Default to redeem the demised premises, or to re-enter or repossess the demised premises, or to restore the operation of this lease, after (i) Tenant shall have been dispossessed by a judgment or by warrant of any court or judge, or (ii) any re-entry by Landlord, or (iii) any expiration or termination of this lease and the Demised Term, whether such dispossession, re-entry, expiration or termination shall be by operation of law or pursuant to the provisions of this lease. In the event of a breach by Tenant, or any persons claiming through or under Tenant, of any term, covenant or condition of this lease on Tenant's part to be observed or performed, Landlord shall have the right to enjoin such breach and the right to invoke any other remedy allowed by law or in equity as if re-entry, summary proceedings and other special remedies were not provided in this lease for such breach. The rights to invoke the remedies heretofore set forth are cumulative and shall not preclude Landlord from invoking any other remedy allowed at law or in equity

DAMAGES

31 A If this lease and the Demised Term shall expire and come to an end as provided in Article 29 or by or under any summary proceeding or any other action or proceeding, or if Landlord shall re-enter the demised premises as provided in Article 30 or by or under any summary proceeding or any other action or proceeding, then, in any of said events

i Tenant shall pay to Landlord all rent additional rent and other charges payable under this lease by Tenant to Landlord to the date upon which this lease and the Demised Term shall have expired and come to an end or to the date of re-entry upon the demised premises by Landlord, as the case may be and

ii Tenant shall also be liable for and shall pay to Landlord as damages any deficiency (referred to as "Deficiency") between the rent and additional rent reserved in this lease for the period which otherwise would have constituted the unexpired portion of the Demised Term excluding any renewal term pursuant to an option not exercised by Tenant and the net amount, if any, of rents collected under any reletting effected pursuant to the provisions of Section 30 A for any part of such period (first deducting from the rents collected under any such reletting all of Landlord's expenses in connection with the termination of this lease or Landlord's re-entry upon the demised premises and such reletting including, but not limited to, all repossession costs, brokerage commissions, legal expenses, reasonable attorney's fees, alteration costs and other expenses of preparing the demised premises for such reletting) Any such Deficiency shall be paid in monthly installments by Tenant on the days specified in this lease for payment of installments of rent. Landlord shall be entitled to recover from Tenant each monthly Deficiency as the same shall arise, and no suit to collect the amount of the Deficiency for any month shall prejudice Landlord's right to collect the Deficiency for any subsequent month by a similar proceeding, and

iii At any time after the Demised Term shall have expired and come to an end or Landlord shall have re-entered upon the demised premises, as the case may be, whether or not Landlord shall have collected any monthly Deficiencies as aforesaid, Landlord shall be entitled to recover from Tenant and Tenant shall pay to Landlord, on demand, as and for liquidated and agreed final damages, a sum equal to the amount by which the rent and additional rent reserved in this lease for the period which otherwise would have constituted the unexpired portion of the Demised Term (excluding any remaining renewal term for which Tenant has not exercised its option) exceeds the then fair and reasonable rental value of the demised premises for the same period both discounted to present worth at the rate of four (4%) percent per annum. If before presentation of proof of such liquidated damages to any court, commission or tribunal, the demised premises, or any part thereof, shall have been relet by Landlord to a bona fide third party for the period which otherwise would have constituted the unexpired portion of the Demised Term, or any part thereof, the amount of rent reserved upon such reletting shall be deemed, prima facie, to be the fair and reasonable rental value for the part or the whole of the demised premises so relet during the term of the reletting

B If the demised premises, or any part thereof, shall be relet together with other space in the Building, the rents collected or reserved under any such reletting and the expenses of any such reletting shall be equitably apportioned for the purposes of this Article 31. Tenant shall in no event be entitled to any rents collected or payable under any reletting, whether or not such rents shall exceed the rent reserved in this lease. Solely for the

purposes of this Article, the term rent as used in Article 31 A shall mean the rent in effect immediately prior to the date upon which this lease and the Demised Term shall have expired and come to an end or the date of re-entry upon the demised premises by Landlord, as the case may be, plus any additional rent payable pursuant to the provisions of Article 11 for the Lease Year immediately preceding such event. Nothing contained in Articles 29 and 30 or this Article shall be deemed to limit or preclude the recovery by Landlord from Tenant of the maximum amount allowed to be obtained as damages by any statute or rule of law, or of any sums or damages to which Landlord may be entitled in addition to the damages set forth in Section 31 A.

FEES AND EXPENSES

32 If Tenant shall default beyond any applicable cure period in the performance of any covenant on Tenant's part to be performed in this lease contained, Landlord may immediately, or at any time thereafter, without notice, perform the same for the account of Tenant. If Landlord at any time is compelled to pay or elects to pay any sum of money or do any act which will require the payment of any sum of money, by reason of the failure of Tenant to comply with any provision hereof or if Landlord is compelled to or does incur any expense including reasonable attorneys' fees, instituting, prosecuting and/or defending any action or proceeding instituted by reason of any default of Tenant hereunder the sum or sums so paid by Landlord with all interest costs and damages shall be deemed to be additional rent hereunder and shall be due from Tenant to Landlord on the first day of the month following the incurring of such respective expenses, or at Landlord's option on the first day of any subsequent month. In the event that Landlord shall institute any such action or proceeding by reason of a default by Tenant hereunder, and Tenant shall thereafter cure such default before judgment is entered in such action or proceeding, the sum of \$500 shall immediately become due and payable from Tenant to Landlord as and for liquidated damages on account of Landlord's attorneys' fees and other costs and expenses in connection therewith (said sum not to be deemed to be, or construed as, a limitation on Landlord's right to obtain reasonable attorneys' fees in a greater amount where such default is not so cured or where expenses were incurred prior to curing). Any sum of money (other than rent) accruing from Tenant to Landlord pursuant to any provision of this lease, whether prior to or after the Term Commencement Date may at Landlord's option, be deemed additional rent and Landlord shall have the same remedies for Tenant's failure to pay any item of additional rent when due as for Tenant's failure to pay any installment of rent when due. Tenant's obligations under this Article shall survive the expiration or sooner termination of the Demised Term.

NO WAIVER

33 A No act or thing done by Landlord or Landlord's agents during the term hereby demised shall be deemed an acceptance of a surrender of said demised premises, and no agreement to accept such surrender shall be valid unless in writing signed by Landlord. No employee of Landlord or of Landlord's agents shall have any power to accept the keys of said demised premises prior to the termination of this lease. The delivery of keys to any employee of Landlord or of Landlord's agents shall not operate as a termination of this lease or a surrender of the demised premises. In the event of Tenant at any time desiring to have Landlord underlet the demised premises for Tenant's account, Landlord or Landlord's agents are authorized to receive said keys for such purposes without releasing Tenant from any of the obligations under this lease and Tenant hereby relieves Landlord of any liability for loss of or damage to any of Tenant's effects in connection with such underletting. The failure of Landlord to seek redress for violation of, or to insist upon the strict performance of, any covenant or condition of this lease, or any of the Rules and Regulations annexed hereto and made a part hereof, or hereafter adopted by Landlord, shall not prevent a subsequent act, which would have originally constituted a violation from having all the force and effect of an original violation. The receipt by Landlord of rent with knowledge of the breach of any covenant of this lease shall not be deemed a waiver of such breach. The failure of Landlord to enforce any of the Rules and Regulations annexed hereto and made a part hereof, or hereafter adopted, against Tenant and/or any other tenant in the Building shall not be deemed a waiver of any such Rules and Regulations. No provision of this lease shall be deemed to have been waived by Landlord, unless such waiver be in writing signed by Landlord. No payment by Tenant or receipt by Landlord of a lesser amount than the monthly rent herein stipulated shall be deemed to be other than on account of the earliest stipulated rent then owing nor shall any endorsement or statement on any check or any letter accompanying any check or payment as rent be deemed an accord and satisfaction and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such rent or pursue any other remedy in this lease provided.

B Landlord's failure to render a Landlord's Statement with respect to any Lease Year per Article 11 or Schedule C shall not prejudice Landlord's right to render a Landlord's Statement with respect to any subsequent Lease Year. The obligations of Landlord and Tenant under the provisions of Article 11 or Schedule C with respect to any additional rent for any Lease Year shall survive the expiration or any sooner termination of the Demised Term.

WAIVER OF TRIAL BY JURY

34 To the extent such waiver is permitted by law, Landlord and Tenant hereby waive trial by jury in any action, proceeding or counterclaim brought by Landlord or Tenant against the other on any matter whatsoever arising out of or in any way connected with this lease the relationship of landlord and tenant the use or occupancy of the demised premises by Tenant or any person claiming through or under Tenant, any claim of injury or damage and any emergency or other statutory remedy The provisions of the foregoing sentence shall survive the expiration or any sooner termination of the Demised Term If Landlord commences any summary proceeding for nonpayment of rent or otherwise to recover possession of the demised premises, Tenant agrees not to interpose any counterclaim of any nature or description in any such proceeding

BILLS AND NOTICES

35 Except as otherwise expressly provided in this lease, any bills, statements, notices, demands requests or other communications given or required to be given under this lease shall be effective only if rendered or given in writing, sent by registered or certified mail (return receipt requested optional) addressed (A) to Tenant at Tenant's address set forth in this lease, or (B) to Landlord at Landlord's address set forth in this lease, or (C) addressed to such other address as either Landlord or Tenant may designate as its new address for such purpose by notice given to the other in accordance with the provisions of this Article Any such bill, statement notice demand, request or other communication shall be deemed to have been rendered or given on the date when it shall have been mailed as provided in this Article Notices on behalf of Landlord may be signed and sent by Landlord's attorneys

INABILITY TO PERFORM

36 A (i) If, by reason of strikes or other labor disputes fires or other casualty (or reasonable delays in adjustment of insurance), accidents, orders or regulations of any Federal State County or Municipal authority, or any other cause beyond Landlord's reasonable control, whether or not such other cause shall be similar in nature to those hereinbefore enumerated, Landlord is unable to furnish or is delayed in furnishing any utility or service required to be furnished by Landlord under the provisions of this lease or any collateral instrument or is unable to perform or make or is delayed in performing or making any installations, decorations repairs, alterations, additions or improvements, whether or not required to be performed or made under this lease or under any collateral instrument, or is unable to fulfill or is delayed in fulfilling any of Landlord's other obligations under this lease or any collateral instrument, no such inability or delay shall constitute an actual or constructive eviction, in whole or in part, or impose any liability upon Landlord or its agents by reason of inconvenience or annoyance to Tenant, or injury to or interruption of Tenant's business, or otherwise, nor shall any such delay or inability to perform on the part of Landlord in any way affect this lease and the obligation of Tenant to pay rent hereunder and to perform all of the other covenants and agreements to be performed by Tenant hereunder

(ii) If, by reason of strikes or other labor disputes, fires or other casualty (or reasonable delays in adjustment of insurance), accidents, order or regulations of any Federal, State, County or Municipal authority, or any other cause beyond Tenant's reasonable control whether or not such other cause shall be similar in nature to those hereinbefore enumerated, Tenant is unable to perform or make or is delayed in performing or making any installations, decorations, repairs alterations, additions or improvements to the demised premises required under this Lease, or is unable to fulfill or is delayed in fulfilling any of Tenant's other obligations under this Lease (other than Tenant's obligation to pay rent and additional rent hereunder) such that Tenant would be in default under the terms, covenants and conditions of this Lease, the cure period by which Tenant must remedy such non-monetary default shall be extended one day for each day Tenant is delayed by such causes beyond its reasonable control

INTERRUPTION OF SERVICE

B Landlord reserves the right to stop the services of the air conditioning elevator escalator, plumbing, electrical or other mechanical systems or facilities in the Building when necessary by reason of accident or emergency, or for repairs, alterations replacements or improvements which in the judgment of Landlord are desirable or necessary, until such repairs, alterations, replacements or improvements shall have been completed Landlord shall use all diligent efforts to restore such services as soon as practical and to provide reasonable prior notice to Tenant of any anticipated interruption of services The exercise of such rights by Landlord shall not constitute an actual or constructive eviction, in whole or in part, or entitle Tenant to any abatement or diminution of rent, or relieve Tenant from any of its obligations under this lease, or impose any liability upon Landlord or its agents by reason of inconvenience or annoyance to Tenant, or injury to or interruption of Tenant's business, or otherwise

CONDITIONS OF LANDLORD'S LIABILITY

37 A Tenant shall not be entitled to claim a constructive eviction from the demised premises unless Tenant shall have first notified Landlord of the condition or conditions giving rise thereto, and if the complaints be justified, unless Landlord shall have failed to remedy such conditions within a reasonable time after receipt of such notice

B If Landlord shall be unable to give possession of the demised premises on any date specified for the commencement of the term by reason of the fact that the demised premises have not been sufficiently completed to make same ready for occupancy or for any other reason, Landlord shall not be subject to any liability for the failure to give possession on said date, nor shall such failure in any way affect the validity of this lease or the obligations of Tenant hereunder, provided, however, Tenant's obligation to commence paying rent shall be adjusted as set forth above. The provisions of this Article are intended to constitute "an express provision to the contrary" within the meaning of Section 223-a of the New York Real Property Law

TENANT'S TAKING POSSESSION

38 Tenant by entering into occupancy of the premises shall be conclusively deemed to have agreed that Landlord up to the time of such occupancy has performed all of its obligations hereunder and that the premises were in satisfactory condition as of the date of such occupancy (latent defects excepted) unless within ten (10) days after such date Tenant shall give written notice to Landlord specifying the respects in which the same were not in such condition

ENTIRE AGREEMENT

39 This lease contains the entire agreement between the parties and all prior negotiations and agreements are merged herein. Neither Landlord nor Landlord's agent or representative has made any representation or statement, or promise upon which Tenant has relied regarding any matter or thing relating to the Building, the land allocated to it, (including the Building Parking Area) or the demised premises or any other matter whatsoever, except as is expressly set forth in this lease, including, but without limiting the generality of the foregoing, any statement, representation or promise as to the fitness of the demised premises for any particular use, the services to be rendered to the demised premises or the prospective amount of any item of additional rent. No oral or written statement, representation or promise whatsoever with respect to the foregoing or any other matter made by Landlord, its agents or any broker, whether contained in an affidavit, information circular, or otherwise shall be binding upon the Landlord unless expressly set forth in this lease. No rights, easements or licenses are or shall be acquired by Tenant by implication or otherwise unless expressly set forth in this lease. This lease may not be changed, modified or discharged, in whole or in part, orally, and no executory agreement shall be effective to change, modify or discharge, in whole or in part, this lease or any obligations under this lease, unless such agreement is set forth in a written instrument executed by the party against whom enforcement of the change, modification or discharge is sought. All references in this lease to the consent or approval of Landlord shall be deemed to mean the written consent of Landlord, or the written approval of Landlord as the case may be, and no consent or approval of Landlord shall be effective for any purpose unless such consent or approval is set forth in a written instrument executed by Landlord. Landlord and Tenant understand, agree, and acknowledge that (i) this lease has been freely negotiated by both parties, (ii) Tenant is sophisticated in real estate matters or has employed professionals to assist Tenant in the negotiation of this lease, and (iii) that, in any controversy, dispute or contest over the meaning, interpretation, validity, or enforceability of this lease or any of its terms or conditions, there shall be no inference, presumption, or conclusion drawn whatsoever against either party by reason of that party having drafted this lease or any portion thereof.

DEFINITIONS

40 The term "Landlord" as used in this lease means only the owner, or the mortgagee in possession for the time being of the land and Building (or the owner of a lease of the Building or of the land and Building) of which the demised premises form a part so that in the event of any sale or other transfer of said land and Building or of said lease, or in the event of a lease of the Building or of the land and Building, the said Landlord shall be and hereby is entirely freed and relieved of all covenants and obligations of Landlord hereunder accruing from and after said transfer, and it shall be deemed and construed as a covenant running with the land without further agreement between the parties or their successors in interest, or between the parties and the purchaser or other transferee at any such sale, or the said lessee of the Building, or of the land and Building, provided that the purchaser, transferee or the lessee of the Building assumes and agrees to carry out any and all covenants and obligations of Landlord hereunder. The words "re-enter", "re-entry" and "re-entered" as used in this lease are not restricted to their technical legal meanings. The term "business days" as used in this lease shall exclude Saturdays,

(except such portion thereof as is covered by specific hours in Article 6 hereof), Sundays and all days observed by the State and Federal Government as legal holidays

The terms "person" and "persons" as used in this lease shall be deemed to include natural persons, firms, corporations, associations and any other private or public entities, whether any of the foregoing are acting on their own behalf or in a representative capacity

PARTNERSHIP TENANT

41 If Tenant is a partnership (or is comprised of two (2) or more persons, individually and as co-partners of a partnership) or if Tenant's interest in this lease shall be assigned to a partnership (or to two (2) or more persons, individually and as co-partners of a partnership) pursuant to Article 21 (any such partnership and such persons being referred to in this Section as "Partnership Tenant"), the following provisions of this Section shall apply to such Partnership Tenant (a) the liability of each of the parties comprising Partnership Tenant shall be joint and several, and (b) each of the parties comprising Partnership Tenant hereby consents in advance to, and agrees to be bound by any modifications of this lease which may hereafter be made and by any notices, demands, requests or other communications which may hereafter be given, by Partnership Tenant or by any of the parties comprising Partnership Tenant, and (c) any bills, statements, notices, demands, requests or other communications given or rendered to Partnership Tenant or to any of the parties comprising Partnership Tenant shall be deemed given or rendered to Partnership Tenant and to all such parties and shall be binding upon Partnership Tenant and all such parties, and (d) if Partnership Tenant shall admit new partners, all of such new partners shall, by their admission to Partnership Tenant be deemed to have assumed performance of all of the terms, covenants and conditions of this lease on Tenant's part to be observed and performed and (e) Partnership Tenant shall give prompt notice to Landlord of the admission of any such new partners and upon demand of Landlord shall cause each such new partner to execute and deliver to Landlord an agreement in form satisfactory to Landlord wherein each such new partner shall assume performance of all of the terms, covenants and conditions of this lease on Tenant's part to be observed and performed (but neither Landlord's failure to request any such agreement nor the failure of any such new partner to execute or deliver any such agreement to Landlord shall vitiate the provisions of subdivision (d) of this Article)

SUCCESSORS, ASSIGNS, ETC

42 The covenants, conditions and agreements contained in this lease shall bind and inure to the benefit of Landlord and Tenant and their respective heirs, distributees, executors, administrators, successors, and, except as otherwise provided in this lease their respective assigns

APPLICATION OF INSURANCE PROCEEDS, WAIVER OF SUBROGATION

43 In any case in which Tenant shall be obligated under any provisions of this lease to pay to Landlord any loss, cost, damage, liability or expense suffered or incurred by Landlord, Landlord shall allow to Tenant as an offset against the amount thereof the net proceeds of any insurance collected by Landlord for or on account of such loss, cost, damage, liability or expense provided that the allowance of such offset does not invalidate or prejudice the policy or policies under which such proceeds were payable In any case in which Landlord shall be obligated under any provisions of this lease to pay to Tenant any loss, cost, damage, liability or expense suffered or incurred by Tenant, Tenant shall allow to Landlord as an offset against the amount thereof the net proceeds of any insurance collected by Tenant for or on account of such loss, cost, damage, liability or expense, provided that the allowance of such offset does not invalidate or prejudice the policy or policies under which such proceeds were payable

CAPTIONS AND INDEX

44 The captions and the index at the beginning of the lease, if any, are included only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this lease nor the intent of any provisions thereof

RECOVERY FROM LANDLORD

45 A Tenant shall look solely to the estate and property of Landlord in the land and building of which the demised premises are a part, for the satisfaction of Tenant's remedies for the collection of a judgment (or other judicial process) requiring the payment of money by Landlord in the event of any default or breach by Landlord with respect to any of the terms, covenants and/or conditions of the lease to be observed and/or performed by Landlord, and no other property or assets of such Landlord shall be subject to levy, execution or other enforcement procedure for the satisfaction of Tenant's remedies

B With respect to any provision of this lease which provides for Landlord's approval and/or consent, Tenant, in no event, shall be entitled to make nor shall Tenant make any claim and Tenant hereby waives any claim, for money damages, nor shall Tenant claim any money damages by way of set-off, counterclaim or defense, based upon any claim or assertion by Tenant that Landlord has unreasonably withheld or unreasonably delayed any such consent or approval

BROKER

46 Landlord and Tenant represents and warrants to each other that Selinger Enterprises, Inc. is the sole broker who brought the demised premises to Tenant's attention and with whom Landlord and Tenant have negotiated in bringing about this lease. Landlord and Tenant agree to indemnify, defend and save each other harmless of, from and against any and all claims (and all expenses and fees, including attorneys fees, related thereto) for commissions or compensation made by any other broker or entity, arising out of or relating to their breach of the foregoing representation. As, if and when this lease shall be fully executed and unconditionally delivered by both Landlord and Tenant, Landlord agrees to pay any commission that may be due the above-named broker in connection with this lease in accordance with a separate agreement between Landlord and said broker.

SECURITY DEPOSIT

47 Intentionally eliminated

SEVERABILITY OF PROVISIONS

48 If any provision or any portion of any provision of this lease or the application of any such provision or any portion thereof to any person or circumstance shall be held invalid or unenforceable, the remaining portion of such provision and the remaining provisions of this lease, or the application of such provision or portion of such provision as is held invalid or unenforceable to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and such provision or portion of any provision as shall have been held invalid or unenforceable shall be deemed limited or modified to the extent necessary to make it valid and enforceable, in no event shall this lease be rendered void or unenforceable.

RENEWAL OPTION

49 A The Tenant shall have the option, to be exercised as hereinafter provided, to extend the Demised Term for a period of five (5) years upon the following terms and conditions:

B That at the time of the exercise of such option the Tenant shall not be in default in the performance of any of the terms, covenants or conditions herein contained with respect to a matter as to which notice of default has been given hereunder and which has not been remedied within the cure period provided in this lease.

C That at the time of the exercise of such option and at the time of the commencement of such extended period the Tenant shall not have assigned this lease or sublet any portion of the demised premises (except per subsection 21 F hereof).

D That such extension shall be upon the same terms, covenants and conditions as in this lease provided, except that (i) there will be no further privilege of extension for the Demised Term beyond the period referred to above, (ii) during the renewal period, the annual rental payable by Tenant to Landlord shall continue to be the fixed annual rent as calculated pursuant to Article 3 hereof (including the provisions of Section 3 B hereof), and (iii) during the extension period, the base year for determining additional rent under the escalation clause, Article 11, shall remain unchanged and continue to be the base year established at the commencement of the Demised Term. Notwithstanding anything to the contrary set forth hereinabove, the rent for the first year only of the renewal term shall not be increased pursuant to Article 3 B of the Lease but shall be increased pursuant to Article 3 B for each year of the renewal term thereafter.

E Notwithstanding anything in this Article contained to the contrary, the Tenant shall not be entitled to an extension, if at the time of the commencement of the extended period the Tenant shall be in default under any of the terms, covenants or conditions of this lease with respect to a matter as to which notice of default has been given hereunder and which has not been remedied within the cure period provided in this lease or if this lease shall have terminated prior to the commencement of said period.

F The Tenant shall exercise its option to the extension of the Demised Term by notifying the Landlord of the Tenant's election to exercise such option at least twelve (12) months prior to the expiration

of the initial Demised Term. Upon the giving of this notice, this lease shall be deemed extended for the specified period, subject to the provisions of this Article, without execution of any further instrument.

TENANT'S RIGHT OF FIRST REFUSAL

50 On and after the date of this lease and on or before the Expiration Date, Tenant shall have the right of first refusal with respect to the leasing of Suite 1N04 in the Building, as shown on Exhibit 1 subject to any existing, written renewal rights of the current tenant of Suite 1N04 (hereinafter called the "New Space"). Such right of first refusal shall be exercisable, and shall be subject to the conditions following:

A Before executing a lease for the New Space, Landlord shall send written notice thereof to Tenant ("Landlord's Notice"). Tenant shall have ten (10) days thereafter within which to send Landlord written notice (the "Acceptance Notice") wherein Tenant shall agree to lease the New Space on the terms specified herein.

B If Tenant declines to lease the New Space or fails to reply to Landlord's Notice within said ten (10) business day period, Landlord may lease the New Space to any third party upon any terms as Landlord may desire.

C If Tenant sends the Acceptance Notice, the parties shall promptly enter into a Modification of Lease for the New Space. Such modification shall make appropriate adjustments with respect to all items of additional rent which depends on the amount of space occupied by the Tenant, including, but not limited to Article 3B escalations, tax escalations pursuant to Article 11 and electricity escalations pursuant to Schedule C, the number of parking spaces to be occupied by the Tenant pursuant to Article 9 and the number of Tenant's listings in the Directory pursuant to Article 10.

D Upon substantial completion of the New Space, the annual rental for the premises demised hereunder shall be increased by the rental allocable to the New Space (the "New Space Rent"). The New Space Rent shall be computed by multiplying (i) the total number of square feet comprising the New Space by (ii) the amount of annual rent per square foot then being paid by Tenant for the demised premises at the date of the acceptance notice.

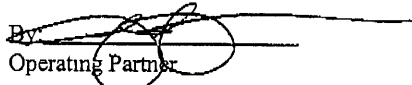
E In the event Tenant exercises the Option as hereinabove provided, upon substantial completion of the Space Work, the term of this lease shall be deemed amended and extended to terminate five (5) years from the date Landlord completes the New Space Work.

F Landlord shall prepare and renovate the New Space for use and occupancy by the Tenant pursuant to mutually agreed upon plans and specifications at a cost to the Landlord not to exceed \$20 per square foot of the New Space.

IN WITNESS WHEREOF, Landlord and Tenant have executed this lease as of the date first above written.

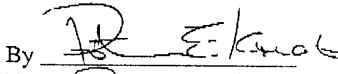
LANDLORD

Huntington Quadrangle No. 1 Company

By 
Operating Partner

TENANT

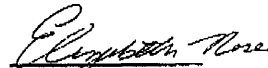
Allegiance Telecom, Inc.

By 
Name Peter E. Kneale
Title Sr VP

STATE OF NEW YORK)
) ss
COUNTY OF NASSAU)

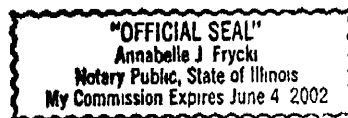
On this 5th day of May 1999, before me personally appeared Tony Frerker to me known and known to me to be the person who executed the above instrument who being duly sworn by me, did for himself depose and say that he is Vice President of WERE ASSOCIATES INC managing agent of the firm of HUNTINGTON QUADRANGLE NO 1 COMPANY and that he executed the foregoing instrument in the firm name of HUNTINGTON QUADRANGLE NO 1 COMPANY and that he had authority to sign the same and he did duly acknowledge to me that he executed the same as the act and deed of said firm for the uses and purposes mentioned therein

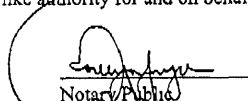
ELIZABETH ROSE
Notary Public, State of New York
No 4896702
Qualified in Nassau County
Commission Expires June 1, 1999


Notary Public

STATE OF) Illinois
) ss
COUNTY OF Cook)

On this 20th day of April 1999, before me personally came PATRICIA E KOLOS to me known who, being by me duly sworn, did depose and say that he resides at 2001 WEST OAK ROAD ~~2001 WEST OAK ROAD~~ CHICAGO ILLINOIS 60610, that he is the SENIOR VICE PRESIDENT of ALLEGIANCE TELECOM INC the corporation described in and which executed the foregoing instrument that he knows the seal of said corporation, that the seal affixed to said instrument is such corporate seal, that it was so affixed by authority of the Board of Directors of said corporation and that he signed his name thereto by like authority for and on behalf of said corporation




Notary Public

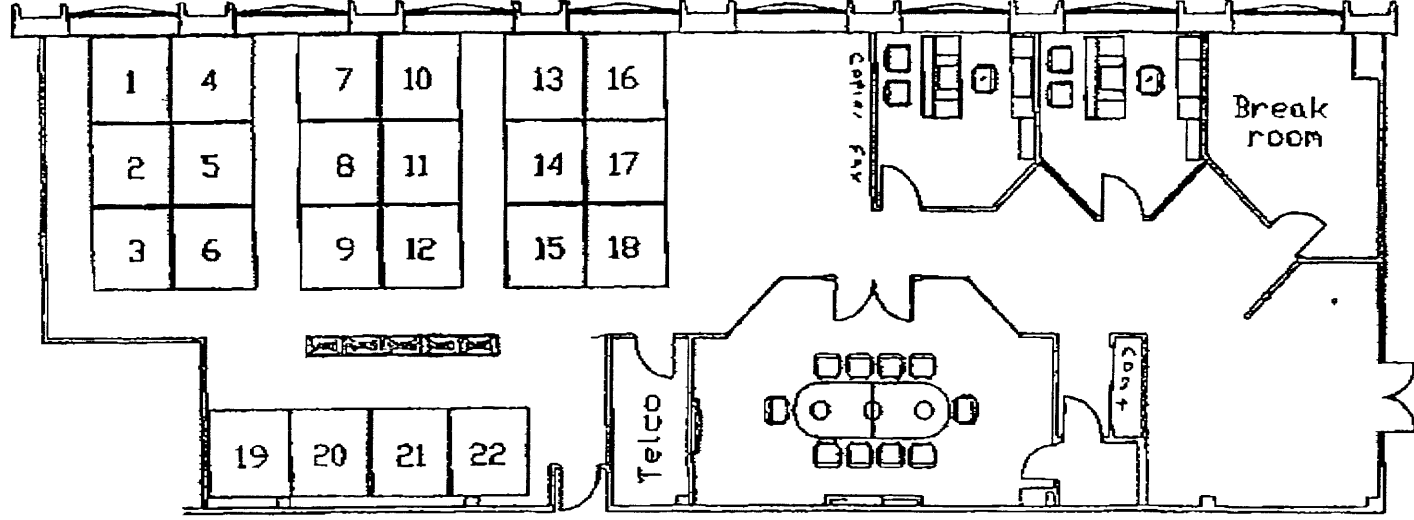
03 19 00 16 55 FAX 708 836

ILLEGIBLE

01001

MAR 16 1999 11:04 FR ROYER SCHUTTS

8173325420 TO KEN CLOSE ALLEG P 02/24



LONG ISLAND

12

Post-It* Fax Note 7671		Date	# of pages
To	VANCE	From	ROSS
Co. Acct.		Co.	SIB-516
Phone	LONG ISLAND	Phone	228 9835
Fax		Fax	

ROYER &
SCHUTTSCOMMERCIAL DOCUMENTS
SERVICES

1001
1002
1003
1004
1005
1006
1007
1008
1009
1010

allegiance telecom, inc.
Long Island Sales Office

DATE
TIME
RECEIVED
BY
FAX
FAX NO.
FAX ID

SPOT NUMBER
1 of 1
TOTAL PAGES

SCHEDULE A

LANDLORD'S INITIAL CONSTRUCTION

AT THE TENANT'S OPTION, LANDLORD WILL DESIGN OR FOLLOW TENANT'S PLANS IN PREPARING TENANT'S SUITE AT LANDLORD'S COST TO THE FOLLOWING SPECIFICATIONS --

I A Landlord will erect the necessary dividing walls between demised premises and any surrounding premises. Such walls will be constructed of 2 5" metal stud, 5/8" gypsum board and will be insulated with continuous batts of 3" fiberglass for sound attenuation.

B Landlord will furnish and install for each suite a building standard corridor entranceway of special design as well as any auxiliary corridor entranceways required under law.

C Landlord will erect in accordance with the approved plan, dry-wall partitioning, consisting of 2 5" steel stud framing and 5/8" gypsum board, not to exceed one lin. ft. of partitioning for every 13.5 square feet of ratable space.

D Landlord will furnish and install in dry wall partitioning building standard, one piece hollow metal door frames and 1 3/4" solid core oak door (3'-0" x 7'-0") equipped with 1 1/2" pair of 4 1/22" x 4 1/2" butts and building standard latch set.

E Landlord will spackle and tape walls three coats to a smooth and true finish.

F Landlord will paint walls two coats flat latex. No room shall have more than one color. Doors and trim will be painted two coats matching semi-gloss enamel.

G Landlord will furnish and install 22 oz./sq. yd. commercial nylon textured loop carpet with a woven polypropylene backing. The carpet shall be as manufactured by Patercraft Scholastic 22 or equal. Landlord will furnish and install 4" vinyl cove base on all drywall partitions.

H Landlord will provide a 2' x 2' acoustical tile ceiling with a Travertine finish of building standard specification as manufactured by National Gypsum Corporation or equal.

I Landlord will provide 2' x 4', fully recessed, return air handling, low glare fixtures each having an open aluminum louver with parabolic shaped contours. These will be positioned to conform to the room layout in the manner best allowed by the ceiling grid pattern. Each fixture will be equipped with three 32 watt fluorescent lamps.

The number of fixtures furnished and installed will be at the rate of one fixture per 80 sq. ft. of usable area providing light intensities and concomitant energy consumption recommended by the New York State Energy Conservation Code.

J Landlord will provide a flush type, circuit breaker panel at a convenient location within the Tenant's space. Panel capacity shall be adequate to carry all tenant lighting and equipment load providing such equipment load does not exceed 5 watts per square foot of usable area. Voltage characteristic available at this panel will be 208 volts 3 phase, 208 volt 1 phase, and 120 volt 1 phase.

K Landlord will provide 120 volt convenience duplex receptacles in the walls in general accordance with tenant's layout, such locations being adjusted to follow good practice. Quantity of receptacles shall not exceed one receptacle per 120 sq. ft. of ratable area. Tenant, at his option, may substitute one electric floor head for each three convenience duplex wall receptacles.

L Landlord, in accordance with New York State Energy Conservation Code and the Regulations of the United States Department of Energy will modify the air-conditioning system by the addition of ducts, registers, diffusers and other appurtenances to provide fresh air at a rate not less than 15 cubic feet per minute per square foot of usable area on average and to maintain the premises at not less than 65°F Dry Bulb and not more than 78°F Dry Bulb providing that (1) outside temperatures are not less than 15°F Dry Bulb nor more

than 89oF Dry Bulb, (2) outside Wet Bulb temperature does not exceed 73oF when outside Dry Bulb temperature is 89oF and (3) the sources of heat within the demised premises in any given room or area do not exceed (a) one person per 100 square feet of usable area and (b) a light and equipment load of four (4) watts per square foot of usable area for all purposes

M Landlord at its expense will provide the following items

- 1 In the Break Room sink, counter with cabinets above and below, and a water line for coffee making,
- 2 Storage Room a closet with shelves,
- 3 Telecommunications Room Separate 1 ton air-conditioner,
- 4 Reception Area Remove existing floor and install carpeting,
- 5 Security System Provide and install card reader, J box at entrance, and
- 6 Locks on all interior doors

II The work and installations required to be performed and made by Landlord pursuant to the provisions of paragraph I of this Schedule shall be equal to standards adopted by Landlord for the Building and shall also comply with all applicable laws, codes, permits and ordinances Landlord's Initial Construction shall constitute a single nonrecurring obligation on the part of Landlord

III After the Term Commencement Date, Landlord may enter the demised premises to complete unfinished details of Landlord's Initial Construction, and entry by Landlord, its agents, servants, employees or contractors for such purpose shall not constitute an actual or constructive eviction, in whole or in part, or entitle Tenant to any abatement or diminution of rent, or relieve Tenant from any of its obligations under this lease or impose any liability upon Landlord or its agents by reason of inconvenience or annoyance to Tenant, or injury to or interruption of Tenant's business, or otherwise Landlord shall diligently complete such work in a manner designed to minimize the interference with Tenant's use and occupancy of the demised premises

IV (INDICATE BY INITIALS)

A ____ On or prior to the ____ day of ____, 19 ____, the Tenant shall submit to Landlord a plan for the demised premises (referred to as "Tenant's Plan") containing all designations and selections required or permitted to be made by Tenant in connection with Landlord's Initial Construction, or

____ Landlord will prepare a plan ("Landlord's Plan") for the demised premises Tenant will furnish to Landlord the necessary information for Landlord's Plan no later than ____ days from the date of this lease and Tenant will notify the Landlord in writing of its approval and/or requested changes in Landlord's Plan within five (5) business days after Landlord's submission to Tenant of said plan

B Tenant's Plan shall be subject to Landlord's approval, which Landlord agrees not to unreasonably withhold delay or condition Landlord's approval of Tenant's Plan shall not unless expressly set forth in such approval, be deemed (1) to create any obligation on the part of Landlord to do any work or make any installations in or about the demised premises other than the work and installations which are set forth in paragraph 1 of this Schedule or which may be designated by Tenant pursuant to, and subject to the conditions of, paragraph V of this Schedule, or (2) to authorize Tenant to make any alterations in or about the demised premises

C In the event (1) Tenant, on or prior to the ____ day of ____ 19 ____ shall fail to submit to Landlord a Tenant's Plan which shall meet with Landlord's approval, or (2) substantial completion of Landlord's Initial Construction shall be delayed by reason of Tenant delays in submitting any other plans or specifications or in supplying information, or in approving plans or specifications or estimates, or in giving authorizations, or by reason of any Extra Work as defined in paragraph V of this Schedule, designated by Tenant pursuant to the provisions of said paragraph V, or by reason of any changes by Tenant in any designations previously made by Tenant pursuant to this Schedule, or by reason of any other similar acts or omissions of Tenant and as a

consequence the Term Commencement Date shall have been delayed, then, the Term Commencement Date and the payment of rent hereunder shall be accelerated by the number of days of delay caused by Tenant's aforesaid acts or omissions

V In the event the Tenant desires any additional work, materials or installations (referred to collectively as "Extra Work") to be supplied and installed by Landlord over and above the work, materials and installations to be supplied and installed by Landlord pursuant to the provisions of paragraph I of this schedule then the Landlord will furnish and construct such Extra Work on the basis of cost plus 10% of such cost and expense for overhead and an additional 10% of the resulting total as a supervisory fee In the event the Tenant is not satisfied with Landlord's quotation on the foregoing basis then the Tenant may obtain an outside quotation and Landlord must then meet that quotation and perform the work for that price, or alternatively use the sub-contractor whose quotation was furnished by the Tenant and for which the Tenant will pay to the Landlord the sub-contractor's quotation plus 5% of such cost and expense for overhead and an additional 10% of the resulting total as a supervisory fee Tenant shall pay to Landlord the cost of such Extra Work as additional rent within five (5) business days next following the rendition of a statement to Tenant Landlord will not be required to perform any Extra Work which (1) will require the use of contractors of a type other than those normally engaged by Landlord in the construction of the Building, or (2) will tend to delay completion of Landlord's Initial Construction or (3) is not practicable and consistent with existing physical conditions in the Building and with the architectural, structural and mechanical plans for the Building, or (4) will impair Landlord's ability to perform any of Landlord's obligations under the provisions of this lease, or (5) will affect any portion of the Building other than the demised premises Tenant shall not be entitled to any allowance from Landlord by reason of any omission or substitution in Landlord's Initial Construction made at the direction of Tenant

SCHEDULE B

LANDLORD'S CLEANING SERVICES AND MAINTENANCE OF PREMISES

(to be performed on all business days (Monday-Friday) except those which are union holidays of the employees performing cleaning service and maintenance in the Building and grounds or on days on which the Building is closed)

I CLEANING-SERVICES-PUBLIC SPACES

- A Floor of entrance lobby and public corridors will be vacuumed or swept nightly and washed and waxed as necessary
- B Entranceway glass will be cleaned daily
- C Wall surfaces and elevator cabs will be kept in clean condition
- D Lighting fixtures will be cleaned monthly Bulbs will be replaced daily as needed
- E Restrooms will be washed and disinfected once a day All brightwork and mirrors will be wiped daily Dispensers will be checked and receptacles emptied daily
- F Exterior surfaces of all windows of the building will be cleaned semi annually
- G A uniformed custodian will be available during the weekday working hours for the servicing of public spaces sweeping and cleaning of walks and stairs and for special duties during inclement weather

II CLEANING SERVICES-TENANT SPACES

- A Floors will be swept nightly Carpets will be swept daily with carpet sweeper and vacuumed weekly
- B Office equipment, telephones, etc will be dusted nightly
- C Normal office waste in receptacles and ashtrays will be emptied nightly
- D Interior surface of windows and sills will be washed and blinds dusted semi-annually
- E All walls, partitioning louvers wall hangings, lighting fixtures, moldings and heating units will be dusted and wiped down semi-annually

III EXTERIOR SERVICES

- A Parking fields will be regularly swept cleared of snow in excess of two inches and generally maintained so as to be well drained, properly surfaced and striped
- B All landscaping, gardening, exterior lighting and irrigation systems will have regular care and servicing

IV EQUIPMENT SERVICES

- A All central air-conditioning equipment elevators public area plumbing and electrical facilities will be regularly serviced and maintained All Tenant supplemental HVAC Systems to be serviced by or at tenant's expense
- B All doors and hinges will be repaired as necessary, unless repair is necessitated by Tenant's misuse
- C All appurtenances such as rails, stairs, etc will be maintained in a safe condition

TENANT ELECTRIC SCHEDULE C

1 Landlord shall provide at the rates hereinafter set forth and Tenant shall purchase from Landlord "electric service" for the Tenant's requirements for office lighting and normal office equipment. Charges as hereinafter set forth shall include the maintenance and servicing of all electrical equipment, including feeders, switch gear, metering devices, wiring and wiring devices and lighting fixtures but not including bulbs. There shall be three (3) categories of electric service:

A NORMAL SERVICE

NORMAL SERVICE is electricity consumed during the Working Hours of any month (230), providing that the maximum load does not exceed four (4) watts per rentable square foot multiplied by the rentable square feet of the demised premises.

B EXCESS SERVICES

EXCESS SERVICE is the electricity consumed in excess of four (4) watts per square foot.

C OVERTIME SERVICE

OVERTIME SERVICE is electricity consumed at all hours other than Working Hours during any month.

2 Charges for NORMAL SERVICE. The charge for NORMAL SERVICE is payable at a rate of Two dollars and 40/100 (\$2.40) per annum, per rentable square foot of the demised premises and is subject to escalation as hereinafter provided. The charge for NORMAL SERVICE is included in the yearly rent set forth in Article 3.

3 Charges for EXCESS SERVICE. The Landlord's monthly charge for Tenant's EXCESS SERVICE shall be an amount equal to the percentage by which the three (3) watts per square foot of NORMAL SERVICE has been exceeded applied to the NORMAL SERVICE charged as escalated for that month. EXCESS SERVICE shall be billed per Paragraph 9.

4 Charges for OVERTIME SERVICE. Landlord's monthly charge for Tenant's OVERTIME SERVICE, payable in addition to the NORMAL SERVICE and EXCESS SERVICE, if any, shall be an amount equal to the number of OVERTIME HOURS in the month multiplied by the number of rentable square feet of the demised premises, multiplied by \$ 0.02 and multiplied by 100% plus the percentage by which EXCESS SERVICE exceeds NORMAL SERVICE. OVERTIME SERVICE shall be billed per Paragraph 9.

5 Escalation of charges for NORMAL SERVICE and OVERTIME SERVICE. If the total price per kilowatt hour (including but not limited to, rates, fuel adjustment costs and State and Local taxes) charged to the Landlord exceeds the BASE COST PER KILOWATT HOUR as hereinafter defined, then the Landlord's charge for each month of the year following the BASE YEAR and for each successive year shall be increased or decreased by the percentage increase or decrease between BASE COST PER KILOWATT HOUR and CURRENT COSTS PER KILOWATT HOUR as hereinafter defined.

This increase or decrease shall be calculated by determining the average cost of electricity for the preceding lease year and dividing it by the base cost of electricity and multiplying by 100. For example, for the 3rd lease year:

Assume the Base Cost of electricity is \$0.15 per KW-HR

Assume Current cost of electricity for the entire 2nd lease year is \$0.154 per KW-HR

Then the percentage increase of the cost of electricity for the 2nd lease year would be calculated as follows: $0.004 / 0.150 \times 100 = 2.67\%$

6 The BASE YEAR is defined as the twelve individual but full months immediately following the commencement of the lease.

7 BASE COST PER KILOWATT HOUR is defined as the Landlord's average cost per kilowatt hour to operate the entire Building during the base year based on a 95% occupied building. It shall be determined by dividing the total KILOWATT HOURS consumed by the total cost of electricity (including sales tax) as indicated on the utility bill(s) for the base year period.

8 The CURRENT COST PER KILOWATT HOUR is defined as the Landlord's average cost per kilowatt hour to operate the entire Building for that lease year. The Average Cost will be determined by dividing the total kilowatt hours consumed by the total cost of electricity (including sales tax) as indicated on the utility bill(s) for the base year period during the year for which the escalation is being calculated for.

9 The charge for EXCESS SERVICE and/or OVERTIME SERVICE, if any, shall be billed and payable as additional rent on a monthly or less frequent basis at the Landlord's convenience. OVERTIME SERVICE will be subject to yearly escalation using the same percentage as calculated for NORMAL SERVICE.

10 In assessing the charges for EXCESS SERVICE, the Landlord will, from time to time, check the Tenant's consumption to determine if NORMAL SERVICES are being exceeded and the degree to which they are being exceeded prior to levying the charge for EXCESS SERVICE. The Landlord will make this determination by utilizing a recording ammeter device and averaging three (3) such readings during any month. Upon determination that EXCESS SERVICES are being utilized, these services will be continuously billed thereafter on a monthly basis unless Tenant notifies the Landlord of the removal of such loads which would eliminate EXCESS SERVICE CHARGES.

11 Tenant covenants and agrees that at all times its use of electric current shall not exceed the capacity of existing feeders to the Building or the risers or wiring installation and Tenant may not use any electrical equipment which, in Landlord's opinion, reasonably exercised, will overload such installations or interfere with the use thereof by other tenants of the Building.

12 All electricity consumed by supplemental HVAC units shall be metered and billed independently of Schedule C Service. These unit(s) shall be equipped with KW-HR meter(s) provided at Tenant's cost to measure the Total Kilowatt Hours consumed.

The Tenant shall pay to Landlord as additional rent all electricity consumed by supplemental HVAC unit(s) regardless of the hour at which it is consumed, an amount equal to 110% of Landlord's Average Cost of power for the billing period.

EXPLANATION

The TENANT ELECTRIC SCHEDULE is based upon the Landlord purchasing power from LIPA at Service Classification 2MRP on a primary basis and represents the best rates available to the Landlord. To make these rates available, the Landlord has emplaced transformers and other gear at his expense. The Service Classification provides for different rates at different times of the year which have been averaged to formulate the charge for NORMAL SERVICE. Rate increases will generally reflect equal percentage increases for each month, although it is possible that they may differ as a result of the fuel adjustment costs.

The Landlord and Tenant hereby acknowledge that from time to time the utility servicing the project, by application to the Public Utility Commission, can bring about complete changes to the rate structure which can cause disproportionate changes in the cost of electric service. In such a case, the Landlord reserves the right to restructure SCHEDULE C in an equitable manner to reflect such a change and the Tenant agrees to such change, providing it fairly represents the changed state of facts between the two rate schedules.

SCHEDULE D

RULES AND REGULATIONS

1 The sidewalks, entrances, passages, courts, elevators, vestibules, stairways corridors or halls shall not be obstructed or encumbered by any Tenant or used for any purpose other than ingress and egress to and from the demised premises

2 The Landlord may refuse admission to the Building outside of ordinary business hours to any person not known to the watchman in charge or not having a pass issued by the Landlord or not properly identified, and may require all persons admitted to or leaving the Building outside of ordinary business hours to register. Any person whose presence in the Building at any time shall, in the Landlord's judgment, be prejudicial to the safety, character, reputation and interest of the Building or of its tenants may be denied access to the Building or may be ejected therefrom. The Landlord may require any person leaving the Building with any package or other object to exhibit a pass from the tenant from whose premises the package or object is being removed, but the establishment and enforcement of such requirements shall not impose any responsibility on the Landlord for the protection of any tenant against the removal of property from the premises of the tenant. Landlord shall, in no way, be liable to any tenant for damages or loss arising from the admission, exclusion or ejection of any person to or from the demised premises or the Building under the provision of this Rule

3 No tenants shall obtain or accept for use in the demised premises, ice, towel, barbering, bootblackening, floor polish, catering service or other similar services from any persons not authorized by the Landlord in writing to furnish such services, provided always, that the charges for such services by persons authorized by the Landlord are not excessive. Such services shall be furnished only at hours and under regulations fixed by the Landlord

4 No awnings or other projections shall be attached to the outside walls of the Building without the prior written consent of the Landlord. No curtains, blinds, shades or screens shall be attached to or hung in or used in connection with, any window or door of the premises, without the Landlord's prior written consent

5 The windows and doors that reflect or admit light and air into demised premises, or other public places in the Building shall not be covered or obstructed by any Tenant, nor shall any bottles, parcels, or other articles be placed on the window sills

6 The water and wash closets and other plumbing fixtures shall not be used for any purposes other than those for which they were constructed, and no sweepings, rubbish, rags or substances shall be thrown therein. All damages resulting from any misuse of the fixtures shall be borne by the Tenant who or whose servants, employees, agents, visitors or licensees, shall have caused the same

7 No Tenant shall mark, paint, drill into, or in any way deface any part of the demised premises or the Building of which they form a part. No boring, cutting or stringing of wires shall be permitted, except with the prior written consent of the Landlord, and as the Landlord may direct. No Tenant shall lay linoleum, or other similar floor coverings, so that the same shall come in direct contact with the floor of the demised premises, and, if linoleum or other similar floor covering is desired to be used, an interlining of builder's deadening felt shall be first affixed to the floor, by a paste or other material, soluble in water, the use of cement or other similar adhesive material being expressly prohibited

8 No Tenant shall make, or permit to be made, any unseemly or disturbing noises or disturb or interfere with occupants of this or neighboring buildings or premises or those having business with them whether by the use of any instrument, radio, talking machine, unmusical noise, whistling, singing, or in any other way

9 No Tenant, nor any of Tenant's servants, employees, agents, visitors or licensees, shall

at any time bring or keep upon the demised premises any inflammable combustible or explosive fluid, chemical or substance (other than customary office supplies), or cause or permit any unusual or objectionable odors to be produced upon or permeate from the demised premises

10 All removals, or the carrying in or out of any safes freight furniture or bulky matter of any description must take place during such hours and in a manner approved by the Landlord No hand trucks or dollies may be used in the Building unless equipped with rubber tires and side guards The Landlord reserves the right to inspect all freight to be brought into the Building and to exclude from the Building all freight which violates any provision of the lease of which these Rules and Regulations are a part

11 All Machinery shall be placed by the Tenant in the demised premises in approved setting to absorb or prevent any vibration, noise or annoyance

12 The Landlord shall have the right to prohibit any advertising by any Tenant which in its opinion, tends to impair the reputation of the Building or its desirability as an office building, and upon written notice from the Landlord, Tenant shall refrain from or discontinue such advertising

13 Any person employed by any Tenant to do janitor work, shall, while in the Building and outside of said demised premises, be subject to, and under the control and direction of the Superintendent of the Building (but not as agent or servant of said Superintendent or of the Landlord)

14 Door-to-door canvassing, soliciting and peddling in the Building is prohibited and each Tenant shall co-operate to prevent the same

15 No water cooler (excluding bottled water), air conditioning unit or system or other apparatus shall be installed or used by any Tenant without the written consent of Landlord which consent shall not be unreasonably withheld

16 The Landlord reserves the right to rescind alter or waive any rule or regulation at any time prescribed for the Building when in its judgment, it deems it necessary, desirable or proper for its best interest and for the best interests of the tenants, and no alteration or waiver of any rule or regulation in favor of one Tenant shall operate as an alteration or waiver in favor of any other Tenants

17 No bicycles, vehicles animals or birds of any kind shall be brought into or kept in or about the demised premises other than guide dogs

18 No additional locks or bolts of any kind shall be placed upon any of the doors or windows by any tenant, nor shall any changes be made in existing locks or the mechanism thereof Each tenant must, upon the termination of its tenancy, restore to Landlord all keys of offices and toilet rooms, either furnished to, or otherwise procured by, such tenant, and in the event of the loss of any keys, so furnished, such tenant shall pay to Landlord the cost thereof

19 Tenant shall not do any cooking, conduct any restaurant, luncheonette or cafeteria for the sale or service of food or beverages to its employees or to others or cause or permit any odors of cooking or other processes or any unusual or objectionable odors to emanate from the demised premises Tenant shall not install or permit the installation or use of any food, beverage, cigarette, cigar or stamp dispensing machine, or permit the delivery of any food or beverage to the demised premises, except by such persons delivering the same as shall be approved by Landlord The foregoing shall not be deemed to prohibit coffee-making, microwave and similar devices

20 Each tenant, before closing and leaving its demised premises, shall lock all entrance doors and secure all windows

21 The requirements of tenants will be attended to only upon application at the office of Landlord Building employees shall not be required to perform and shall not be requested by any tenant or occupant to perform any work outside of their regular duties, unless under specific instructions from the office of Landlord

22 No tenant shall clean, or permit to be cleaned, any window of the Building from the outside in violation of Section 202 of the New York Labor Law or successor law or statute, or of any board or body having or asserting jurisdiction

23 All parking against planted areas shall be front end forward to curb to prevent the exhaust of the vehicle upon starting from destroying the shrubbery and so that the long overhang of the rear of the automobile will not break the shrubbery

24 After a snow fall automobiles in the Building parking area will be moved by the owners as requested in order to complete snow removal

25 The parking fields, planted areas and lawn areas surrounding the Building shall not be used for recreational purposes or lounging

26 No tenant, nor any of its officers or employees, regularly assigned to the demised premises in the Building may use the area of the parking field set aside for visitors



100 Jericho Quadrangle
Jericho NY 11753
516-931-5300
Fax: 516-931-5885

October 2, 2000

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Allegiance Telecom, Inc.
4 Westbrook Corporate Center -- Suite 400
Westchester IL 60154

Re Lease dated April 23, 1999 for premises located at One Huntington Quadrangle,
Melville, New York (the "Lease")

Gentlemen

This is your Landlord's Notice pursuant to Article 50 of the Lease. We have a prospective tenant for Suite 1N04 and according to the terms of the Lease we are required to notify you of this and give you ten (10) business days to agree to add the space to your lease or allow us to lease the space to the prospective tenant

We would appreciate your indicating in the space below at your earliest possible convenience within the ten (10) business days notice period

Very truly yours,

Andrew Newman

Tenant has received notice pursuant to Article 50 of the Lease and Tenant does not want to lease Suite 1N04

ALLEGIANCE TELECOM, INC.

BY 10/16/00

Tenant has received Landlord's notice pursuant to Article 50 of the Lease and Tenant does want to add Suite 1N04 to its demised premises

ALLEGIANCE TELECOM, INC

BY _____

AN/se

cc **CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Allegiance Telecom Inc
One Huntington Quadrangle -- Suite 1N05
Melville, NY 11747

Lake Success Quadrangle

Jericho Quadrangle

Huntington Quadrangle

Westbury Quadrangle

Carle Place Quadrangle

Corporate Quarters I, II, III

Corporate Center



June 7, 1999

Via Certified Mail - Return Receipt Requested

Allegiance Telecom, Inc
4 Westbrook Corporate Center, Suite 400
Westchester, IL 60154

Re One Huntington Quadrangle, Suite 1N05

Gentlemen

Please be advised that the premises referenced above will be ready for occupancy on


June 9, 1999

Rent will commence according to the terms and conditions of your lease dated April 23, 1999

Very truly yours,

Huntington Quadrangle No 1 Company

BY



Gary Wexler
Operating Partner

GMW/er

CC S McInerney
N Brett

100 Jericho Quadrangle, Jericho, NY 11753 Tel (516) 931-5300 Fax (516) 931 5885

0033/033

11/05/2003 WED 17:08 FAX

PROSKAUER ROSE LLP

1585 Broadway
New York, NY 10036-8299
Telephone 212 969 3000
Fax 212 969 2900

LOS ANGELES
WASHINGTON
BOCA RATON
NEWARK
PARIS

Christopher A. Stauble
Legal Assistant

Direct Dial 212 969 4204
cstauble@proskauer.com

November 13, 2003

Clerk
United States Bankruptcy Court
Alexander Hamilton Custom House
One Bowling Green
New York, New York 10004-1408

Re In re Allegiance TeleCom, Inc 03-13057 (RDD)

Dear Sir/Madam

Enclosed please find one (1) original and three (3) copies of the Proof of Claim of Huntington Quadrangle No 1 Company to be filed with the Court in the above-referenced case

Please return a filed copy in the enclosed self-addressed Federal Express envelope provided for your convenience. Should you have any questions or require anything further, please do not hesitate to contact me at the number provided.

Sincerely,



Christopher A. Stauble

Enclosures

