

UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE

PROOF OF CLAIM

Name of Debtor In re Allegiance Telecom, Inc

Case Number 03-13057 (RDD)
Jointly AdministeredNOTE This form should not be used to make a claim for an administrative expense arising after the commencement of the case
A request for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503

Name of Creditor (The person or other entity to whom the debtor owes money or property) Cleveland Technology Center LLC

☐ Check box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars
☐ Check box if you have never received any notices from the bankruptcy court in this case
☐ Check box if the address differs from the address on the envelope sent to you by the court

Name and address where notices should be sent

Kaye Scholer LLP T Rex Corporate Center
 c/o Andrew A. Kress Esq c/o Ms. Joan Stavola
 425 Park Avenue 5000 T Rex Avenue Suite 100
 New York, New York 10022 Boca Raton, Florida 33431
 Tel (212) 836 8000 Tel (561) 997 1111

Account or other number by which creditor identifies debtor

 Check here ☐ replaces
 if this claim ☐ amends a previously filed claim dated _____

1 Basis for Claim

- ☐ Goods sold
☐ Services performed
☐ Money loaned - See Appendix
☐ Personal injury/wrongful death
☐ Taxes
☒ Other Commercial Rent

- ☐ Retiree benefits as defined in 11 U.S.C. § 1114(a)
☐ Wages, salaries, and compensation (fill out below)

Your SS # _____

Unpaid compensation for services performed

from _____ to _____
(date) (date)

2 Date debt was incurred Commencing March 2000

3 If court judgment, date obtained

4 Total Amount of Claim at Time Case Filed

\$288.58 (See Appendix)

If all or part of your claim is secured or entitled to priority, also complete Item 5 or 6 below

☐ Check this box if claim includes interest or other charges in addition to the principal amount of the claim. Attach itemized statement of all interest or additional charges.

5 Secured Claim. (PARTIALLY)

☒ Check this box if your claim is secured by collateral (including a right of setoff)

Brief Description of Collateral

- ☐ Real Estate ☐ Motor Vehicle
☒ Other Security Deposit

Value of Collateral \$23,100.00

Amount of arrearage and other charges at time case filed included in secured claim, if any \$ See Appendix

6 Unsecured Priority Claim

☐ Check this box if you have an unsecured priority claim
 Amount entitled to priority \$ _____
 Specify the priority of the claim

- ☐ Wages, Salaries or commissions (up to \$4,650),* earned within 90 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. § 507(a)(3)
☐ Contributions to an employee benefit plan - 11 U.S.C. § 507(a)(4)
☐ Up to \$2,100 * of deposits toward purchase, lease or rental of property or services for personal, family or household use - 11 U.S.C. § 507(a)(6)
☐ Alimony, maintenance or support owed to a spouse, former spouse, or child - 11 U.S.C. § 507(a)(7)
☐ Taxes or penalties owed to governmental units - 11 U.S.C. § 507(a)(8)
☐ Other Specify applicable paragraph of 11 U.S.C. § 507(a) (____)

*Amounts are subject to adjustment on 4/1/04 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment

7 Credits The amounts of all payments on this claim has been credited and deducted for making this proof of claim

THIS SPACE IS FOR COURT USE ONLY

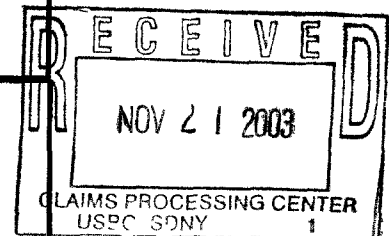
8 Supporting Documents Attach copies of supporting documents such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, court judgments, mortgages, security agreements and evidence of perfection of lien. DO NOT SEND ORIGINAL DOCUMENTS. If documents are not available, explain. If the documents are voluminous, attach a summary. See Appendix

9 Date-Stamped Copy To receive an acknowledgment of the filing of your claim, enclose a stamped self-addressed envelope and copy of this proof of claim

Date November 20, 2003

Sign and print the name and title, if any, of the creditor or other person authorized to file this claim (attach copy of power of attorney, if any)

 Cleveland Technology Center LLC
 by its Property Manager, T-Rex Cleveland LLC

 By Joan Stavola
 Name: Joan Stavola
 Title: Senior Vice President of Property Management


UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re

Allegiance Telecom, Inc , *et al* ,

Debtors

Chapter 11 Case No
03-13057 (RDD)

Jointly Administered

-----X

**APPENDIX TO PROOF OF CLAIM OF
CLEVELAND TECHNOLOGY CENTER LLC**

1 On March 22, 2000, Cleveland Technology Center LLC ("CTC"), an Ohio limited liability company, and Allegiance Telecom, Inc , a Delaware corporation ("Allegiance"), entered into a lease agreement (the "Lease", a copy of which is annexed hereto as Exhibit "A"), whereby CTC leased the premises located at 1425 Rockwell Avenue in Cleveland, Ohio 44114 (the "Premises") to Allegiance for the term of ten (10) years from the Rent Commencement Date ¹

2 CTC is the owner of several properties and related assets, which include the Premises (collectively, the "Properties") CTC and T-Rex Cleveland, LLC ("T-Rex") entered into a property management agreement (the "Property Management Agreement"), whereby T-Rex manages the Properties and is authorized to act as CTC's agent with respect to such Properties

3 Pursuant to the Property Management Agreement, the undersigned Joan Stavola, whose business and mailing address is T-Rex Corporate Center, 5000 T-Rex Avenue, Suite 100, Boca Raton, Florida 33431, and who is Senior Vice President of Property Management of T-Rex, is authorized to submit and file this Proof of Claim against Allegiance on behalf of CTC

¹ Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Lease annexed hereto as Exhibit "A"

4 On May 14, 2003 (the “Commencement Date”), Allegiance and its direct and indirect subsidiaries, as debtors and debtors in possession (collectively with Allegiance, the “Debtors”), each commenced a voluntary case under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Southern District of New York

5 As of the Commencement Date, the Debtors were indebted to CTC in the amount of \$288 58 for electricity charges for the Premises for the two months prior to the Commencement Date. Invoices setting forth the electricity charges under the Lease are annexed hereto as Exhibit “B”

6 In order to secure Allegiance’s faithful performance of its obligations under the Lease, Allegiance paid CTC a security deposit in the amount of \$23,100 00 (the “Security Deposit”). As of the Commencement Date, CTC was holding the Security Deposit. The Security Deposit partially secures the claims set forth herein. CTC reserves its rights under, inter alia, Bankruptcy Code Section 553 to setoff the Security Deposit against the claims set forth herein

7 CTC reserves the right to amend and/or supplement this Proof of Claim at any time and in any manner and/or to file proofs of claim for any additional claim which may be based on the same or additional documents or grounds of liability

8 All reservations of rights and benefits set forth in this Proof of Claim apply to the indebtedness and claims set forth herein

9 No judgment has been rendered on this claim

10 This claim is not subject to any set off or counterclaim

11 The execution and filing of this Proof of Claim is not and shall not be deemed or construed as (a) a waiver or release of CTC’s rights against any person, entity, or property, which may be liable for all or any part of the claims asserted herein, (b) a consent by CTC to the jurisdiction of the Bankruptcy Court with respect to proceedings, if any, commenced

in the case against or otherwise involving CTC, (c) a waiver or release of CTC's right to trial by jury in any proceeding 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 Section 157(b)(2), and whether such jury trial right is pursuant to statute or the United States Constitution, (d) a waiver or release of CTC'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, (e) a waiver of the right to move or 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 this case against or otherwise involving CTC, or (f) an election of remedies

12 Notices All notices concerning this Proof of Claim should be sent to
(i) T-Rex Corporate Center, 5000 T-Rex Avenue, Suite 100, Boca Raton, Florida 33431, Attn
Ms Joan Stavola, (ii) Kaye Scholer LLP, 425 Park Avenue, New York, New York 10022,
Attention Andrew A Kress, Esq

Dated Boca Raton, Florida
 November 26 2003

CLEVELAND TECHNOLOGY CENTER
LLC BY ITS PROPERTY MANAGER
T-REX CLEVELAND LLC

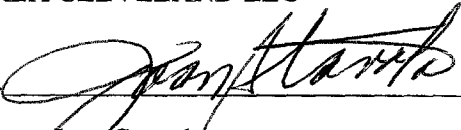
By 
Name Joan Stavola
Title Senior Vice President of
Property Management

EXHIBIT A

LEASE AGREEMENT

CLEVELAND TECHNOLOGY CENTER LLC

LEASE AGREEMENT - STANDARD PROVISIONS

THIS LEASE AGREEMENT ("Lease") is dated as of the ____ day of March, 2000, by and between Cleveland Technology Center LLC, an Ohio limited liability company ("Landlord"), and Allegiance Telecom, Inc ("Tenant")

ARTICLE 1

INCORPORATION OF BASIC LEASE INFORMATION RIDER

1 The Basic Lease Information Rider ("Rider") attached hereto, and all of the defined terms contained therein, are incorporated herein by reference and made a part hereof

ARTICLE 2

PREMISES

2.1 (a) Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the Premises, for the term and upon the conditions and covenants set forth herein. The Premises are outlined on Exhibit B-1, which is attached hereto for locational purposes only and by this reference made a part hereof

(b) In addition to the occupancy of the Premises, Tenant and its officers, employees, agents, customers and invitees also shall have the right to the non-exclusive use of public parking areas (as distinguished from parking areas or portions thereof that are specifically licensed to tenants of the Complex from time-to-time during the Term hereof), walkways, landscaped areas, driveways, sidewalks, common loading docks, if any, restrooms, if any, common staircases, elevator lobbies, common stairwells and other areas within the Building that are designated by Landlord from time to time as areas for the common use of all tenants (the "Common Areas"). Landlord agrees to make the Common Areas continuously available to Tenant for the non-exclusive use by Tenant, other tenants and their respective officers, employees, agents, customers and invitees during the Lease Term and any extension thereof, except when portions of the Common Areas temporarily may be unavailable for use by reason of repair work then being underway thereon and as a result of the temporary use of such Common Areas by Landlord and other tenants and their respective contractors while they are engaged in the construction and/or renovation of other areas of the Complex. Landlord shall provide reasonable prior notice of any such interruption and shall use diligent efforts to minimize any interference with Tenant's access to and use of the Premises for its intended purpose. Landlord shall have the right from time to time temporarily to close the Common Areas to prevent the acquisition of public rights thereon. Landlord shall, as part of Operating Charges, operate and maintain the Common Areas during the Lease Term and any extensions thereof in good order and repair in accordance with the standards of comparable buildings in the area in which the Premises are located

ARTICLE 3

TERM

3.1 The Lease Term shall be as set forth on the Rider and shall continue for the period set forth thereon. The Lease Term shall also include any renewal or extension of the term of this Lease as described in the Rider

3.2 The Rent Commencement Date shall be the date set forth in the Rider

3.3 "Lease Year" shall mean a period of twelve (12) consecutive months, the first such Lease Year to commence on the Lease Commencement Date, provided, however, that if the Lease Commencement Date is not the first day of a month, then the first Lease Year shall commence on the Lease Commencement Date and shall continue for the balance of the month in which the Lease Commencement Date occurs and for a period of twelve (12) consecutive months thereafter. Each succeeding Lease Year shall be a period of twelve (12) consecutive months commencing immediately upon the expiration of the prior Lease Year

ARTICLE 4

BASE RENT

4.1 Commencing on the Rent Commencement Date and during each Lease Year of the Lease Term, Tenant shall pay the Base Rent specified in the Rider attached hereto and made a part hereof. The Base Rent shall be due and payable in equal monthly installments, without notice, demand, setoff or deduction, unless otherwise expressly provided herein, in advance on the first day of each month during each Lease Year. This shall be a "triple net" lease

4.2 All sums payable by Tenant under this Lease shall be paid to Landlord in legal tender of the United States by wire transfer (in accordance with wire transfer instructions contained on Schedule 4.2 attached hereto and made a part hereof, as same may be amended from time-to-time in accordance with the notice provisions of this Lease) or by check drawn on a U.S. bank (subject to collection), at the address to which notices to Landlord are to be given or to such other party or such other address as Landlord may designate in writing. Landlord's acceptance of rent after it shall have become due and payable shall not excuse a delay upon any subsequent occasion or constitute a waiver of any of Landlord's rights. If Tenant elects to pay by wire transfer, Tenant shall bear the full risk of receipt of funds by 2:00 pm on the date due at Landlord's depository bank. In the event that Landlord's lender imposes special collection and bank account procedures on Landlord as a condition of Landlord's financing, Tenant agrees to cooperate fully with Landlord in assisting Landlord in complying with

such requirements and such modified terms shall be deemed to be made a part hereof. Tenant may rely on Landlord's or Landlord's lender's written notice in directing any payments.

ARTICLE 5

OPERATING CHARGES AND REAL ESTATE TAXES

5.1 (a) Tenant shall also pay as additional rent ("Additional Rent") (i) Tenant's Proportionate Share of the Operating Charges (as defined in Section 5.1(b)) incurred during each calendar year falling entirely or partly within the Lease Term and (ii) Tenant's Proportionate Share of the amount of Real Estate Taxes (as defined in Schedule 5.1(b)) incurred during each calendar year falling entirely or partly within the Lease Term. Tenant's Proportionate Share has been set forth on the Rider. In the event the number of square feet comprising the Premises increases or decreases, respectively, pursuant to any provision of this Lease or of the Rider, or in the event the number of square feet of rentable area in the Complex increases or decreases, Tenant's Proportionate Share shall increase or decrease accordingly. Total Rentable Space for the Complex may change from time to time. Therefore, if and when same occurs, Tenant's Proportionate Share will be appropriately adjusted and Landlord will provide Tenant with a written statement describing the adjustment. A re-measurement supporting such a recalculation shall be performed by an independent architect or engineer designated by Landlord at Landlord's expense and the results thereof shall be furnished to Tenant. In the event Tenant disagrees with the re-measurement, such dispute, if not resolved within thirty (30) days of Tenant's receipt of notice of the change, shall be submitted to arbitration in accordance with the rules for commercial arbitration established by the American Arbitration Association.

(b) Operating Charges shall have the meaning set forth in Schedule 5.1(b) attached hereto and made a part hereof.

(c) Real Estate Taxes shall mean (1) all real estate taxes, vault and/or public space rentals (including general and special assessments, if any), which are imposed upon Landlord or assessed against the Complex and/or the land upon which the Complex is located (the "Land"), (2) any other present or future taxes or governmental charges that are imposed upon Landlord or assessed against the Complex and/or the Land which are in the nature of or in substitution for real estate taxes, including any tax levied on or measured by the rents payable by tenants of the Complex, and (3) expenses (including reasonable attorneys', consultants' and appraisers' fees) incurred in reviewing, protesting or seeking a reduction of Real Estate Taxes. Notwithstanding the foregoing, Real Estate Taxes shall not include (i) any profits or excess profits tax, franchise taxes, gift taxes, estate taxes, transfer taxes, recordation taxes, intangible taxes, state or local income taxes, gross receipts taxes, capital gains taxes, corporate or unincorporated business taxes or any other taxes to the extent applicable to Landlord's

general or net income, (ii) any items included as Operating Charges or specifically excluded from Operating Charges, and (iii) penalties or interest incurred as a result of Landlord's failure to make any required payment of Taxes. In the event of any refund of taxes with respect to any Lease Year, Tenant shall receive a credit (or direct refund in the event such refund relates to the final Lease Year, but such payment shall only be made upon the conclusion of such final Lease Year) equal to Tenant's Proportionate Share of such refund after deducting the reasonable costs incurred by Landlord in obtaining such refund. Landlord shall, at Tenant's written request, cooperate with Tenant in communicating with the taxing authorities to attempt to cause the taxation of Tenant's personal property to be segregated from the taxation of the Premises, the Building or the Complex.

5.2 (a) Tenant shall make estimated monthly payments to Landlord on account of the Operating Charges and Real Estate Taxes that are expected to be incurred during each calendar year. From time to time, Landlord will submit a statement to Tenant setting forth Landlord's reasonable estimate of such charges and the amount of Tenant's Proportionate Share thereof. Tenant shall pay to Landlord on the first day of each month following receipt of such statement, until Tenant's receipt of the succeeding annual statement, an amount equal to one-twelfth (1/12) of such share (estimated on an annual basis).

(b) Following the end of each calendar year, Landlord shall submit a reasonably detailed statement showing (1) Tenant's Proportionate Share of the actual amount of Operating Charges and Real Estate Taxes actually incurred during the preceding calendar year, and (2) the aggregate amount of Tenant's estimated payments during such year. If such statement indicates that the aggregate amount of such estimated payments exceeds Tenant's actual liability, then Tenant shall deduct the net overpayment from its next monthly payment(s) of estimated Operating Charges and Real Estate Taxes, or, in the case of the final Lease Year, Landlord shall refund such excess to Tenant within 60 days, based upon the best information then available to the Landlord. If such statement indicates that Tenant's actual liability exceeds the aggregate amount of such estimated payments, then Tenant shall pay the amount of such excess with the next monthly rental payment. Such statement of Operating Charges and Real Estate Taxes shall become binding and conclusive if not contested by Tenant within ninety (90) days after it is rendered. Tenant shall have the right to audit Landlord's books and records with respect to Operating Charges, at Tenant's cost, for said ninety (90) day period following receipt of Landlord's annual statement upon reasonable prior notice to Landlord.

(c) If the Lease Term commences or expires on a day other than the first day or the last day of a calendar year, respectively, then Tenant's liability for Tenant's Proportionate Share of Operating Charges and Real Estate Taxes incurred during such calendar year shall be equitably apportioned on a pro-rata basis.

ARTICLE 6

USE OF PREMISES

6 1 (a) Tenant may use, occupy and operate the Premises in accordance with the use clause set forth in the Rider. Tenant agrees at all times during the Lease Term and any extensions thereof to comply with all applicable laws affecting the use of the Premises.

(b) Tenant acknowledges and agrees that the precise location of equipment and cable within the Premises and within horizontal and vertical shafts, risers and pathways within the Building or the Complex, to the Building or between and among floors, and between and among buildings within the Complex, both at the commencement of Tenant's occupancy and as same may be modified, expanded or adjusted from time-to-time after initial occupancy, shall be in conformity with plans and specification which have been approved in writing in advance by the Landlord, such approval not to be unreasonably withheld, conditioned or delayed, and shall otherwise be in accordance with Complex operating regulations.

(c) Tenant shall not use the Premises for any unlawful purpose or in any manner that will constitute waste, nuisance or unreasonable annoyance to Landlord or any other tenant of the Complex, or in any manner that will increase the number of parking spaces required for the Complex at full occupancy or otherwise as required by law. Except for (i) diesel fuel and batteries required in connection with Tenant's back-up generator, (ii) coolants in connection with Tenant's HVAC equipment, and (iii) other materials customarily used in offices for cleaning and similar purposes, all of which shall be used, stored and disposed of by Tenant in accordance with all applicable laws, codes, rules and regulations, Tenant shall not generate, use, store, or dispose of any materials posing a health or environmental hazard in or about the Building, or the Complex nor use or occupy the Premises in any manner inconsistent with the permitted use which may result in an increase in Landlord's insurance premiums payable in respect of the Complex. Tenant's use of the Premises shall comply with and conform to all present and future laws, ordinances, regulations and orders of all applicable governmental or quasi-governmental authorities having jurisdiction over the Premises, including those concerning the use, occupancy and condition of the Premises and all machinery, equipment and furnishings therein. The party installing the initial leasehold improvements described in Exhibit D hereto shall obtain the initial certificate of occupancy for the Premises. Any amended or substitute certificate of occupancy necessitated by Tenant's particular use of the Premises or any Alterations made by Tenant in the Premises shall be obtained by Tenant at Tenant's sole expense. (The foregoing sentence shall not be construed as to constitute the consent of the Landlord for any Alterations of the Premises.) Use of the Premises is subject to all existing covenants, conditions and restrictions of record.

(d) Tenant shall not make any direct connection from the telecommunications fiber, cabling or any other equipment ("Telecommunication Facilities") within the Premises or Tenant's portion of the Tenant Equipment Area to or from the Telecommunication Facilities of another tenant in the Complex, without the prior written consent of the Landlord, which consent may be granted, conditioned or withheld in the sole and absolute discretion of the Landlord. Tenant agrees that any such connection shall be made by Tenant connecting with the Telecommunication Facilities made available or designated by Landlord within the Complex. Landlord intends to create a "meet me" room within the Complex in a location determined by Landlord. Access to said facility shall be based on a fee structure to be determined by the Landlord.

6 2 Tenant shall pay before delinquency any business, rent or other taxes or fees that are now or hereafter levied, assessed or imposed upon Tenant's use or occupancy of the Premises, the conduct of Tenant's business in the Premises or Tenant's equipment, fixtures, furnishings, inventory or personal property. If any such tax or fee is enacted or altered so that such tax or fee is levied against Landlord or so that Landlord is responsible for collection or payment thereof, then Tenant shall pay to Landlord as Additional Rent the amount of such tax or fee within thirty (30) days of its having been assessed, but in no event in a fashion as to constitute a delinquency in the payment of such taxes, fees or assessments.

6 3 (a) Except as set forth in Section 6 1(c) above, Tenant shall not cause or permit any Hazardous Materials to be generated, used, released, stored or disposed of in or about the Complex. Tenant shall be responsible for any damages, costs or liability occasioned by its use or generation of the material described in Section 6 1(c). At the expiration or earlier termination of this Lease, Tenant shall surrender the Premises to Landlord free of Hazardous Materials and in compliance with all Environmental Laws. "Hazardous Materials" means (a) asbestos and any asbestos containing material and any substance that is then defined or listed in, or otherwise classified pursuant to, any Environmental Law or any other applicable Law as a "hazardous substance," "hazardous material," "hazardous waste," "infectious waste," "toxic substance," "toxic pollutant" or any other formulation intended to define, list, or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, toxicity, reproductive toxicity, or Toxicity Characteristic Leaching Procedure (TCLP) toxicity, (b) any petroleum and drilling fluids, produced waters, and other wastes associated with the exploration, development or production of crude oil, natural gas, or geothermal resources, and (c) any petroleum product, polychlorinated biphenyls, urea formaldehyde, radon gas, radioactive material (including any source, special nuclear, or by-product material), medical waste, chlorofluorocarbon, lead or lead-based product, and any other substance whose presence could be detrimental to the Complex or the Land or hazardous to health or the environment. "Environmental Law" means any present and future Law and any

amendments (whether common law, statute, rule, order, regulation or otherwise), permits and other requirements or guidelines of governmental authorities applicable to the Complex or the Land and relating to the environment and environmental conditions or to any Hazardous Material (including, without limitation, CERCLA, 42 U.S.C. § 9601 *et seq.*, the Resource Conservation and Recovery Act of 1976, 42 U.S.C. § 6901 *et seq.*, the Hazardous Materials Transportation Act, 49 U.S.C. § 1801 *et seq.*, the Federal Water Pollution Control Act, 33 U.S.C. § 1251 *et seq.*, the Clean Air Act, 33 U.S.C. § 7401 *et seq.*, the Toxic Substances Control Act, 15 U.S.C. § 2601 *et seq.*, the Safe Drinking Water Act, 42 U.S.C. § 300f *et seq.*, the Emergency Planning and Community Right-To-Know Act, 42 U.S.C. § 1101 *et seq.*, the Occupational Safety and Health Act, 29 U.S.C. § 651 *et seq.*, and any so-called "Super Fund" or "Super Lien" law, any Law requiring the filing of reports and notices relating to hazardous substances, environmental laws administered by the Environmental Protection Agency, and any similar state and local Laws, all amendments thereto and all regulations, orders, decisions, and decrees now or hereafter promulgated thereunder concerning the environment, industrial hygiene or public health or safety)

(b) Notwithstanding any termination of this Lease, Tenant shall indemnify and hold Landlord, its employees and agents, and, if applicable, Landlord's prime landlord under any ground lease to which Landlord is a party, and Landlord's lender(s), harmless from and against any damage, injury, loss, liability, charge, demand or claim based on or arising out of the presence or removal of, or failure to remove, Hazardous Materials generated, used, released, stored or disposed of by Tenant or any Invitee in or about the Complex, whether before or after Lease Commencement Date. In addition, Tenant shall give Landlord immediate verbal and follow-up written notice of any actual or threatened Environmental Default, which Environmental Default Tenant shall cure at the sole expense of the Tenant in accordance with all Environmental Laws and to the satisfaction of Landlord and only after Tenant has obtained Landlord's prior written consent. An "Environmental Default" means any of the following by Tenant or any Invitee: a violation of an Environmental Law, a release, spill or discharge of a Hazardous Material on or from the Premises, the Land or the Complex, an environmental condition requiring responsive action, or an emergency environmental condition. Upon any Environmental Default, in addition to all other rights available to Landlord under this Lease, at law or in equity, Landlord shall have the right, but not the obligation, to immediately enter the Premises, to supervise and approve any actions taken by Tenant to address the Environmental Default, and, if Tenant fails to immediately address same to Landlord's satisfaction, to perform, at Tenant's sole cost and expense, any lawful action necessary to address same. This provision will survive the termination or expiration of this Lease, and any renewals, extensions or expansions thereof.

(c) Notwithstanding anything herein to the contrary, Tenant's obligations under this Section

6.3 shall not apply to any Hazardous Materials (a) located on, in, under or otherwise affecting the Premises or any surrounding area as of the Lease Commencement Date or (b) introduced to the Premises or any surrounding areas by Landlord or any other tenant or any of their respective agents, employees, sublessees, contractors or invitees. Landlord shall indemnify and hold harmless Tenant, its officers, directors, shareholders, employees and agents and each of their respective successors and assigns from and against any and all damages, injury, loss, liability, charge, demand or claim based upon Landlord's use of Hazardous Materials in the Common Areas.

ARTICLE 7

ASSIGNMENT AND SUBLETTING

7.1 Except as provided below, Tenant will not sell, assign, transfer, mortgage or otherwise encumber this Lease or sublet, rent or permit occupancy or use of the Premises or any part thereof by others, without obtaining the prior written consent of Landlord, nor shall any assignment or transfer of this Lease or the right of occupancy hereunder be effectuated by operation of law or otherwise without the prior written consent of Landlord, which consent shall not be unreasonably withheld. Any such assignment, subletting or occupancy without the prior written consent of Landlord shall constitute an Event of Default, or, at the election of the Landlord, shall be void. Tenant shall pay all reasonable expenses (including attorney's fees) incurred by Landlord in connection with Tenant's request for Landlord to give its consent to any assignment, subletting or occupancy.

7.2 Any transfer, by operation of law or otherwise, of Tenant's interest in this Lease (in whole or in part), or of a fifty percent (50%) or greater interest in Tenant (whether stock, partnership interest or otherwise) if Tenant is a privately-held corporation, partnership or limited liability company, or any mortgaging or encumbering of any interest in Tenant shall be deemed an assignment of this Lease within the meaning of this Article 7. If there has been a previous transfer of less than a fifty percent (50%) interest in Tenant, then any other transfer of an interest in Tenant which, when added to the total percentage interest previously transferred, totals a transfer of greater than a fifty percent (50%) interest in Tenant shall be deemed an assignment of Tenant's interest in this Lease within the meaning of this Article 7. Tenant shall be obligated to notify Landlord when a transfer of fifty percent (50%) or greater interest in Tenant is proposed. The provisions of this Section 7.2 shall not apply to the sale of shares by persons other than those deemed "insiders" within the meaning of the Securities Exchange Act of 1934, as amended, where such sale is effected through any recognized exchange or through the "over-the-counter market."

7.3 If Landlord shall decline to give its consent to any proposed assignment or sublease or if Landlord shall exercise any of its rights under this Article 7, Tenant shall indemnify, defend and hold harmless Landlord against and from any and all loss

liability, damages, costs and expenses (including reasonable attorneys' fees) resulting in connection with any claim relating to the proposed assignment or sublease that may be made against Landlord by the proposed assignee or sublessee or by any brokers or other persons, including, without limitation, claims for a commission or similar compensation in connection with the proposed assignment or sublease

7.4 In the event that (i) Landlord consents to any assignment or subletting under this Article 7 and (ii) Tenant fails to execute and deliver the assignment or sublease to which Landlord consented within ninety (90) days after the giving of such consent then, Tenant shall again comply with all of the provisions and conditions of this Article 7 before assigning its interest in this Lease or subletting any portion of the Premises

7.5 The consent by Landlord to an assignment or to a subletting shall not relieve Tenant from obtaining the express consent in writing of Landlord to any further assignment or subletting except as provided in Section 7.6 below. If Tenant's interest in this Lease is assigned, or if the Premises or any part thereof is sublet or occupied by anyone other than Tenant, Landlord may, following an Event of Default hereunder, collect rent from the assignee, subtenant or occupant and apply the net amount collected to the Rent payable hereunder, but no such assignment, subletting, occupancy or collection shall be deemed a waiver of the provisions of this Article 7 or of any default hereunder or the acceptance of the assignee, subtenant or occupant as Tenant, or a release of Tenant from the further observance or performance by Tenant of all covenants, conditions, terms and provisions on the part of Tenant to be performed or observed

7.6 Notwithstanding anything to the contrary in this Article 7, Tenant, without Landlord's consent may assign this Lease or sublet all or any portion of the Premises to any party (a) into which Tenant is merged, consolidated or reorganized, (b) which acquires Tenant or to which all or substantially all of Tenant's assets are transferred or sold, or (c) to any affiliate of Tenant, provided (x) Landlord shall receive a copy of the executed transfer document promptly after execution, (y) Tenant or its successors by merger shall remain liable under this Lease, and (z) the transferee shall expressly assume Tenant's obligations under this Lease. For purposes of this Lease, an affiliate of Tenant is a corporation, partnership, limited liability company, or other entity that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, the Tenant. The term "control" (including the terms "controlled by" and "under common control with") means the possession, direct or indirect, of the power to direct, or cause the direction of, the management and policies of Tenant, whether through the ownership of voting securities, by contract, or otherwise. Tenant shall give Landlord written notice (containing the information described above) of any such sublease to Tenant's affiliates

7.7 Landlord acknowledges that Tenant's business to be conducted in the Premises requires the

installation in the Premises of certain communications equipment by telecommunications customers of Tenant ("Customers") in order for Customers to interconnect with Tenant's terminal facilities and that Tenant would not be entering into this Lease in the absence of the following provisions of this paragraph. Tenant hereby notifies Landlord that such arrangements will require access by each Customer to the Premises on an infrequent basis. Each such Customer shall be accompanied by an employee or representative of Tenant while on the Premises. Notwithstanding anything to the contrary in this Lease, including, without limitation, this Article 7, Landlord hereby consents in advance to any license agreement, "co-location agreement" or similar agreement, howsoever denominated (collectively the "Co-location Agreements"), between Tenant and any such Customer for the limited purpose of permitting an arrangement as described in this paragraph and the installation of such equipment, provided, that (a) such Co-location Agreement is not inconsistent with any provision of this Lease, (b) does not purport to confer any right on any Customer to occupy or use any space independent of any right of Tenant under this Lease, and (c) does not require more in the way of utilities capacity or services than otherwise exists under this Lease. Landlord acknowledges that any such Co-location Agreement shall not require Landlord's consent. Tenant will provide a copy of each Co-location Agreement to Landlord within ten (10) business days of the execution of same by Tenant. Tenant shall be responsible for and liable to Landlord for any act or omission of its Customers and for any violation of this Lease by any Customer

ARTICLE 8

MAINTENANCE AND REPAIRS

8.1 Tenant shall keep and maintain the Premises and Tenant's Equipment Area, and all fixtures and equipment located therein, in clean, safe and sanitary condition, shall take good care thereof and make all repairs thereto, and shall suffer no waste or injury thereto. At the expiration or earlier termination of the Lease Term, Tenant shall surrender the Premises, and Tenant's Equipment Area, in substantially the same order and condition in which they were on the Lease Commencement Date, ordinary wear and tear, casualty damage not the responsibility of Tenant, and unavoidable damage by the elements, excepted. Except as otherwise provided in Article 18, all injury, breakage and damage to the Premises and to any other part of the Complex or the Land caused by any act or omission of Tenant or of any invitee, agent, employee, subtenant, assignee, contractor, client, family member, licensee, customer or guest of Tenant (collectively, "Invitees"), including any act or omission in connection with the installation and/or removal of any of Tenant's furniture, fixtures and equipment, shall be repaired by and at Tenant's expense, except that Landlord shall have the right at Landlord's option to make any such repair and to charge Tenant for all costs and expenses incurred in connection therewith

8.2 Landlord shall keep and maintain in good order and repair the base-building structure and systems, including the roof, exterior walls, elevators

electrical, plumbing and common area HVAC systems (which excludes such elevator, electrical, plumbing and HVAC systems to the extent same are located within or exclusively service the Tenant's Premises or the premises of other tenants only, in which event same shall be governed by Section 8 1 above), and the ground floor lobby and other common areas and facilities of the Complex

ARTICLE 9

INITIAL TENANT IMPROVEMENTS AND ALTERATIONS

9 1 The original improvement of the Premises, and Tenant's Equipment Area by Tenant shall be accomplished in accordance with Exhibit D. Landlord is under no obligation to make, or to permit Tenant or Tenant's contractors to make, any structural or other alterations, additions, improvements or other structural changes (collectively "Alterations") in or to the Premises and Tenant's Equipment Area except as set forth in Exhibit D or otherwise expressly provided in this Lease. For the purpose hereof, the original improvements made in accordance with Exhibit D shall not be Alterations if completed in conjunction with Tenant's build-out of the Premises.

9 2 Tenant shall not make or permit anyone for whom Tenant is responsible to make any Alterations in or to the Premises, Tenant's Equipment Area, the Building or the Complex without Landlord's prior written consent. The criteria for such consent shall be determined by the nature of the Alteration and whether same shall have an impact upon the structural integrity of the or the Complex or a building system of general use, or shall have an impact on a tenant other than the Tenant, in which event, the consent or approval of the Landlord may be granted, conditioned or withheld in the sole and absolute discretion of the Landlord. If the two impacts described in the preceding sentence are not factors, in the reasonable judgment of Landlord, then the consent or approval of the Landlord to an Alteration shall not be unreasonably withheld, conditioned or delayed. Any authorized and approved Alteration made by Tenant shall be made (a) in a good, workmanlike, first-class and prompt manner, (b) using new materials only, (c) by an experienced, reputable contractor, approved in advance by the Landlord in its reasonable discretion or expressly identified on the Rider, and constructed in accordance with plans and specifications approved in writing by Landlord in accordance with Exhibit D, (d) in accordance with all applicable legal requirements and requirements of any insurance company insuring the Complex or portion thereof, (e) after having obtained any required consent of the holder of any Mortgage (as defined in Section 22 1), (f) after Tenant has obtained public liability and worker's compensation insurance policies approved in writing by Landlord, and (g) after Tenant has obtained and delivered to Landlord written unconditional waivers of mechanics' and materialmen's liens against the Premises and the Complex from all proposed or approved contractors, subcontractors, laborers and material suppliers for all work and materials in connection with such Alteration.

Any such Alteration shall be performed in a manner consistent with the Complex Rules and Regulations as same may be promulgated from time-to-time by the Landlord. Notwithstanding the foregoing, Tenant may make Alterations to the Premises which do not affect (i) the structural integrity of the Building or the Complex, (ii) any building systems or (iii) any other tenant of the Complex, without first obtaining Landlord's written consent, provided that the cost of such Alterations do not exceed \$50,000 in the aggregate during any Lease Year. In such event, Tenant shall notify Landlord in writing of the Alteration to be made under the preceding sentence prior to undertaking the work in connection therewith and shall coordinate the work with the Landlord or its representative.

9 3 In the event of an approved Alteration after the initial build-out of Tenant's Premises, Tenant agrees that Tenant shall pay Landlord an alteration fee ("Alteration Fee") for plan review, construction monitoring and oversight by Landlord in an amount equal to Landlord's actual out-of-pocket expenses for such plan review, construction monitoring and oversight. Said Alteration Fee shall be due within ten (10) days of when Tenant is presented with an invoice therefor. Said obligation shall be additional rent within the meaning of this Lease.

9 4 If, notwithstanding the foregoing, any mechanic's or materialman's lien (or a petition to establish such lien) is filed in connection with any Alteration, then such lien (or petition) shall be discharged by Tenant at Tenant's expense within twenty (20) days thereafter by the payment thereof or the filing of a bond in a form reasonably acceptable to Landlord. If Tenant shall fail to discharge any such mechanic's or materialman's lien, Landlord may, at its option, discharge such lien and treat the cost thereof (including reasonable attorneys' fees incurred in connection therewith) as additional rent payable with the next monthly installment of Base Rent falling due, it being expressly agreed that such discharge by Landlord shall not be deemed to waive or release the default of Tenant in not discharging such lien. If Landlord gives its consent to the making of any Alteration, then such consent shall not be deemed to constitute Landlord's consent to subject its interest in the Premises, the Complex or the Land to any mechanic's or materialman's lien which may be filed in connection therewith.

9 5 Consent to an Alteration shall not constitute consent or authorization by the Landlord to the placement of financing by the Tenant relating to the Alterations that purports to create any security interest in the Complex or that purports to subordinate this Lease to any such financing, and any such effort or agreement by Tenant shall constitute an Event of Default. The foregoing shall not, however, preclude Tenant from financing any of its equipment so long as no lien or security interest encumbers the Premises or this Lease.

9 6 Tenant acknowledges and agrees that during the construction of initial improvements any subsequent Alterations and thereafter during the

operation of the Complex, Landlord has authority to coordinate access to loading areas, freight elevators, the roof, shafts, space and other areas of the Complex, which coordination shall be done by Landlord in a reasonable, non-discriminatory, manner, and that Landlord has authority to adopt reasonable rules and regulations pertaining to same, and to approve such Tenant access. Tenant will also cause its Contractor(s) to coordinate their use of and access to the foregoing with Landlord's Base Building Contractor, which will have authority to approve such access during construction.

ARTICLE 10

SIGNS

10.1 Landlord will list Tenant's name in the common area Complex directory, if any, and provide building standard signage on one suite entry door at Tenant's expense. No other sign, advertisement or notice referring to Tenant shall be painted, affixed or otherwise displayed on any part of the exterior or interior of the Complex, provided, however, that Tenant may install signs in the interior of the Premises that are not visible from the exterior of the Premises. Tenant shall not display any decoration, fitting or other item visible from the exterior of the Premises without Landlord's prior approval. If any sign or item visible from the exterior of the Premises is displayed without Landlord's approval, then Landlord shall have the right to remove such item at Tenant's expense or to require Tenant to do the same.

10.2 Landlord shall have the right to prescribe standards for curtains, drapes, blinds and shades to give the Complex a uniform appearance from the exterior.

10.3 To the extent that Tenant wishes to erect an exterior sign, it may do so only with the prior written consent of the Landlord, which consent may be granted, conditioned or withheld in the sole and absolute discretion of Landlord. If approved, Landlord will establish an annual fee for the value of such signage rights and Tenant shall also pay the cost of erection of such signage and such erection shall be treated as an Alteration.

ARTICLE 11

TENANT'S EQUIPMENT

11.1 Tenant may, from time to time during the Term or any extension hereof, install, maintain, replace, repair, expand, construct and operate in or upon the Premises and Tenant's Equipment Area and remove therefrom such trade fixtures and equipment as it may deem necessary or appropriate to its business operations, provided, any damage which may be caused to the Premises by the installation or removal of any of Tenant's trade fixtures or equipment shall be repaired by Tenant at its expense forthwith. Landlord may impose reasonable rules and regulations concerning the location, weight and timing and method of installation of trade fixtures or equipment, whether

installed in the Premises or in Tenant's Equipment Area.

11.2 Tenant covenants and agrees that, if directed by the Landlord at its sole discretion, Tenant shall remove, at Tenant's sole risk and expense, all fixtures and improvements to the Premises and to the Tenant's Equipment Area upon the expiration of the Lease Term. If so requested by the Landlord, Tenant shall restore the Premises and Tenant's Equipment Area to their original condition, normal wear and tear, casualty damage not caused by Tenant, and approved structural changes excepted. Tenant shall also exercise requisite care in removing such fixtures and improvements so as to eliminate damage to the Complex, the premises and property of other tenants and the inconvenience to the operation of the Complex and its tenants.

ARTICLE 12

SECURITY DEPOSIT

12.1 Simultaneously with Tenant's execution of this Lease, Tenant shall deposit with Landlord the Security Deposit as stated in the Rider. Landlord shall not be required to maintain the Security Deposit in a separate account. Except as may be required by law, Tenant shall not be entitled to interest on the Security Deposit. The Security Deposit shall be security for Tenant's performance of its obligations under this Lease and Landlord shall have the right to use the Security Deposit to cure any default by Tenant hereunder (after the giving of any required notice and the lapse of any applicable cure period) and to reimburse itself for any costs incurred in connection therewith. Within five (5) business days after written notice of Landlord's use of the Security Deposit or portion thereof, Tenant shall deposit with Landlord cash in an amount sufficient to restore the Security Deposit to its amount prior to such use, and Tenant's failure to do so shall constitute a default hereunder. Within approximately thirty (30) days after the later of (a) the expiration or earlier termination of the Lease Term, or (b) Tenant's vacating the Premises, Landlord shall return the Security Deposit less such portion thereof as Landlord shall have used to satisfy Tenant's obligations under this Lease. If Landlord transfers the Security Deposit to any transferee of the Complex or Landlord's interest therein, the Security Deposit shall be transferred to such transferee whereupon such transferee shall be liable to Tenant for the return of the Security Deposit, and Landlord shall be released from all liability for the return of the Security Deposit. The holder of any Mortgage shall not be liable for the return of the Security Deposit unless such holder actually receives the Security Deposit.

ARTICLE 13

ACCESS AND INSPECTION

13.1 Tenant shall permit Landlord and its designees to enter the Premises, without charge therefor and without diminution of the rent payable by Tenant to inspect the Premises, to make such repairs as

Landlord may deem necessary that Tenant to the extent it is obligated to do has failed to perform, to perform repairs to the Building or the Complex (to the extent temporary access to the Premises is required by Landlord to perform such work), or to exhibit the Premises to prospective tenants during the last one hundred eighty (180) days of the Lease Term. Additionally, with the consent of Tenant, which shall not be unreasonably withheld, conditioned or delayed, Landlord may also have access to the Premises to perform alterations. Tenant shall at all times during its occupancy of the Premises provide Landlord duplicates of the keys to the doors and other points of entry to the Premises. In connection with any such entry, Landlord shall make reasonable efforts to minimize the disruption to Tenant's use of the Premises and shall conform to Tenant's reasonable security requirements. Except in an emergency, Landlord shall give Tenant reasonable prior notice (which shall be in writing, except in an emergency) of any entry into the Premises pursuant to this Section. Notwithstanding the foregoing or anything to the contrary contained in this Lease, in the event Landlord desires to enter the Premises to make any permitted repairs or for any other reason permitted under this Lease, Landlord shall at all times, except in the event of an emergency, be accompanied by an employee of Tenant. In the event of an emergency, Landlord shall use reasonable efforts to locate an employee of Tenant before entering the Premises. Landlord acknowledges that the equipment to be installed by Tenant in the Premises is sophisticated electronic equipment which is integral to Tenant's business. Landlord agrees to take all reasonable precautions to protect Tenant's equipment in the event that Landlord enters the Premises for any reason. Notwithstanding the foregoing, Landlord does not by this provision undertake any duty to enter the Premises.

ARTICLE 14

INSURANCE

14.1 Tenant will not conduct or permit to be conducted any activity, or place any equipment in or about the Premises or the Complex, which will, in any way, invalidate the insurance coverage in effect or increase the cost of insurance on or for the Complex, unless Tenant procures such invalidated coverage or pays for such increase, and if any invalidation of coverage or increase in the cost of insurance is stated by any insurance company or by the applicable Insurance Rating Bureau to be due to any activity or equipment of Tenant in or about the Premises or the Complex, such statement shall be conclusive evidence that same is due to such activity or equipment and, as a result thereof, Tenant shall be liable for same and shall reimburse Landlord therefor upon demand and any such sum shall be considered Additional Rent payable with the monthly installment of Rent next becoming due.

14.2 Tenant, at Tenant's expense, shall carry and keep in full force and effect at all times during the Lease Term for the protection of Tenant, Landlord and any other persons designated by

Landlord pursuant to Section 14.4 hereof commercial general liability insurance including contractual liability coverage with a combined single limit of at least Three Million Dollars (\$3,000,000.00) for each occurrence of bodily or personal injury, death or property damage and Tenant shall deliver to Landlord a copy of said policy or, at Landlord's option, a binder or certificate showing the same to be in full force and effect. It is understood and agreed that liability coverage provided for hereunder shall extend beyond the Premises to portions of the common area of the Complex used from time to time by Tenant, its agents, employees, contractors, invitees, licensees, customers, clients, family members and guests, and, further, shall include contractual liability coverage insuring the indemnity provisions of this Lease. Notwithstanding the foregoing, during the construction of the initial improvements, Tenant shall carry such policy with coverage limitations of at least Ten Million Dollars (\$10,000,000.00).

14.3 Tenant, at Tenant's expense, shall further carry a policy of "all risk" insurance covering all of Tenant's personal property and improvements in the Premises for not less than the full insurable cost and replacement cost of such personal property and improvements without reduction for depreciation. All proceeds of such insurance shall be payable to Tenant and be used solely to restore, repair or replace the Tenant's personal property and improvements so long as this Lease is not being terminated following a casualty in accordance with Article 18 below.

14.4 Said commercial general liability and "all risk" insurance policies and any other insurance policies carried by Tenant with respect to the Premises and/or any common areas accessible to Tenant shall (i) be issued in form acceptable to Landlord by good and solvent insurance companies qualified to do business in the jurisdiction in which the Complex is located and otherwise reasonably satisfactory to Landlord, (ii) designate as additional named insureds, besides Tenant as named insured, Landlord, Landlord's managing agent, Landlord's lender(s) as may exist from time to time, and any other person from time to time designated in writing by notice from Landlord to Tenant, (iii) be written as primary policy coverage and not contributing with or in excess of any coverage which Landlord may carry, (iv) provide for thirty (30) days' prior written notice to Landlord of any cancellation or other expiration or material modification of such policy or any defaults thereunder, and (v) contain an express waiver of any right of subrogation by the insurance company against Landlord. Any such insurance may be obtained under a blanket policy so long as the individual coverage hereunder is identified, the additional named insureds are in place and recoveries with respect to other sites do not reduce, either at the time the insurance is placed or at any time thereafter, the amount of coverage allocated to the Complex. Neither the issuance of any insurance policy required hereunder nor the minimum limits specified herein with respect to Tenant's insurance coverage shall be deemed to limit or restrict in any way Tenant's liability arising under or out of this Lease.

14 5 Tenant shall obtain such additional amounts of insurance and additional types of coverage as Landlord may reasonably request from time to time consistent with comparable tenants in comparable buildings in downtown Cleveland, including this Complex. If Tenant fails to comply with any of the insurance requirements of this Lease, Landlord may obtain such insurance and keep the same in effect, and Tenant shall pay Landlord as Additional Rent the premium cost thereof with the next installment of Rent otherwise due.

14 6 Notwithstanding anything to the contrary contained in this Lease, Landlord and Tenant and all parties claiming under them, to the extent covered by insurance (or to the extent such party would have been covered by insurance had such party maintained the insurance required by the terms hereof to be maintained by such party), each hereby waives any and all rights of recovery, claim, action and liability against the other, its agents, officers or employees for any loss or damage that may occur to the Complex and Premises, or any improvements thereto, and any personal property owned by them therein, by reason of fire, the elements or any other cause(s) which could be covered by "all risk" property insurance, regardless of cause or origin, including negligence of the other party hereto.

14 7 Landlord shall maintain during the Lease Term general liability and "all risk" casualty policies with respect to the Complex with commercially reasonable deductibles and containing the waiver of subrogation set forth in Section 14 6 above.

ARTICLE 15

SERVICES AND UTILITIES

15 1 Landlord shall provide the following services and utilities in a manner consistent with the standards for quality followed in comparable facilities in the jurisdiction in which the Complex is located.

(i) Electrical service to operate the common areas of the Complex, and electrical capacity to a point of connection at the Building and the Complex in accordance with the provisions of Exhibit C.

(ii) Heat and air-conditioning for the common areas of the Complex during normal hours of operation of the Complex as set forth in Section 15 3 below.

(iii) Hot and cold water for drinking, lavatory and toilet purposes at those points of supply provided for nonexclusive general use of other tenants at the Complex, and supplies for such lavatory and toilet purposes.

(iv) Operatorless passenger elevator service 24 hours per day, 365 days per year, and freight elevator service (subject to scheduling by Landlord) in common with Landlord and other tenants and their contractors, agents and visitors, provided, however, that Landlord shall have the right to remove elevators from service as they are required for moving freight or for servicing and/or maintaining the elevators and/or the Complex so long as at least one elevator is operational, unless an emergency or breakdown temporarily limits such operation.

(v) Access to the Premises and the Building 24 hours per day, 365 days a year, subject to reasonable security regulations (such as providing identification to Complex security personnel) imposed by Landlord during non-business hours.

(vi) Replacement of all building standard lighting tubes and bulbs, if any, located in common areas.

(vii) Snow and ice removal for the walkways and parking areas, if any.

15 2 Landlord agrees to operate and maintain the Complex in accordance with the standards for quality followed by other comparable facilities in the jurisdiction in which the Complex is located and to provide Complex security personnel, equipment, procedures and systems in the Complex similar to other such comparable facilities. Landlord reserves the right upon prior notice that is reasonable under the circumstances (except in the case of an emergency, in which event notice is not required), to interrupt, curtail or suspend the services required to be furnished by Landlord under this Article 15 when the necessity therefor arises by reason of accident, emergency, mechanical breakdown, or when required by any Law, or for any other cause beyond the reasonable control of Landlord. Landlord shall use diligent efforts to complete all repairs or other work so that Tenant's inconvenience resulting therefrom may be for as short a period of time as circumstances will permit.

15 3 Landlord will furnish all services and utilities required by this Lease only during the normal hours of operation of the Complex, unless otherwise specified herein, in a manner consistent with industry standards for comparable buildings in the jurisdiction in which the Complex is located. The normal hours of operation of the Complex are twenty four (24) hours a day, seven days a week. It is understood and agreed that Landlord shall not be liable for failure to furnish, or for delay, suspension or reduction in furnishing, any of the utilities, services or other manner of thing required to be furnished by Landlord hereunder, if such failure to furnish or delay, suspension or reduction in furnishing same is caused by breakdown, maintenance repairs, strikes, scarcity of labor or materials, acts of God, Landlord's compliance with governmental regulation or legislation or judicial or administrative orders or from any other cause whatsoever, provided

however, that Landlord shall, in the event of a breakdown, use reasonable diligence to repair all equipment owned by Landlord and all building standard equipment furnished by Landlord which is required to provide such utilities and services

15 4 Landlord agrees to provide and maintain an electronic security system for the common areas of the Complex during the Lease Term, provided, however, that no representation or warranty with respect to the adequacy, completeness or integrity of the security system is made by Landlord, and except for losses attributable to Landlord's gross negligence, or willful misconduct the risk that any such security system may not be effective, or may malfunction, or be circumvented by a criminal, is assumed by Tenant with respect to Tenant's property and interest, and Tenant shall obtain insurance coverage to the extent Tenant desires protection against such criminal acts and other losses. The security system shall provide access control at the main entry of the Building. Landlord reserves the right to modify, eliminate, supplement or revise the security system at any time in its sole judgment. Said security system is not intended to serve as security for the Premises or otherwise for individual tenant-occupied spaces or suites

15 5 Tenant shall have the right to provide and maintain a security system within the Premises in accordance with plans and specifications approved by the Landlord in accordance with the Tenant Work approval process or, in the event that such system is installed after completion of the Tenant Work, in accordance with the approval of Alterations under Article 9 above

ARTICLE 16

LIABILITY OF LANDLORD

16 1 Landlord, its employees and agents shall not be liable to Tenant, any Invitee or any other person or entity for any damage (including indirect and consequential damage), injury, loss or claim (including claims for the interruption of or loss to business) based on or arising out of (except as otherwise provided in this Lease) the following: repair to any portion of the Premises or the Complex, interruption in the use of the Premises or any equipment therein, any accident or damage resulting from any use or operation (by Landlord, Tenant or any other person or entity) of elevators or heating, cooling, electrical, sewerage or plumbing equipment or apparatus, termination of this Lease by reason of damage to the Premises or the Building, fire, robbery, theft, vandalism, mysterious disappearance or any other casualty, actions of any other tenant of the Complex or of any other person or entity, failure or inability of Landlord to furnish any utility or service specified in this Lease, and leakage in any part of the Premises or the Complex, or from water, rain, ice or snow that may leak into, or flow from, any part of the Premises or the Complex, or from drains, pipes or plumbing fixtures in the Premises or the Complex. Any property stored or placed by Tenant or Invitees in or about the Premises or the Complex shall be at the sole risk of Tenant, and Landlord shall

not in any manner be held responsible therefor. If any employee of Landlord receives any package or article delivered for Tenant, then such employee shall be acting as Tenant's agent for such purpose and not as Landlord's agent. For purposes of this Article, the term "Building" shall be deemed to include the Land. Notwithstanding the foregoing provisions of this Section, Landlord shall not be released from liability, if any, to Tenant for any damage caused by Landlord's, or any of its agent's employee's or contractor's willful misconduct or gross negligence, to the extent such damage is not covered by insurance carried by Tenant or required to be carried by Tenant.

16 2 Tenant shall indemnify and hold Landlord, its employees and agents harmless from and against all costs, damages, claims, liabilities and expenses (including reasonable attorneys' fees) suffered by or claimed against Landlord, directly or indirectly, based on or arising out of (a) Tenant's use and occupancy of the Premises or the business conducted by Tenant therein, (b) any act or omission of Tenant or any Invitee, (c) any breach of Tenant's obligations under this Lease, including failure to surrender the Premises upon the expiration or earlier termination of the Term, or (d) any entry by Tenant or any Invitee upon the Land prior to the Lease Commencement Date. Landlord shall indemnify and hold Tenant, its employees, officers, directors and agents harmless from and against all costs, damages, claims, liabilities and expenses (including reasonable attorneys' fees) suffered by Tenant, based on or arising out of (a) any act or omission of Landlord or any of its employees, agents or contractors or (b) any breach of Landlord's obligations under this Lease.

16 3 If any landlord hereunder transfers the Complex or such landlord's interest therein, then such landlord shall not be liable for any obligation or liability based on or arising out of any event or condition occurring on or after the date of such transfer. Within fifteen (15) days after any such transferee's request, Tenant shall attorn to such transferee and execute, acknowledge and deliver any requisite or appropriate document submitted to Tenant confirming such attornment.

16 4 Tenant shall not have the right to offset or deduct the amount allegedly owed to Tenant pursuant to any claim against Landlord from any rent or other sum payable to Landlord. Tenant's sole remedy for recovering upon such claim shall be to institute an independent action against Landlord.

16 5 Notwithstanding anything to the contrary contained herein, if Tenant or any Invitee is awarded a money judgment against Landlord, then recourse for satisfaction of such judgment shall be limited to execution against Landlord's estate and interest in the Complex and the proceeds thereof. No other asset of Landlord, any member or partner of Landlord or any other person or entity shall be available to satisfy, or be subject to, such judgment nor shall any such member, partner, person or entity be held to have personal liability for satisfaction of any claim or judgment against Landlord or any member or partner of Landlord.

16 6 Notwithstanding anything to the contrary contained in this Lease, if any provision of this Lease expressly or impliedly obligates Landlord not to unreasonably withhold its consent or approval, an action for declaratory judgment or specific performance will be Tenant's sole right and remedy in any dispute as to whether Landlord has breached such obligation

16 7 Landlord shall not be liable in any manner to Tenant, its agents, employees, invitees or visitors for any injury or damage to Tenant, Tenant's agents, employees, invitees or visitors, or their property, caused by the criminal or intentional misconduct of third parties or of Tenant, Tenant's employees, agents, invitees or visitors. All claims against Landlord for any such damage or injury are hereby expressly waived by Tenant, and Tenant hereby agrees to hold harmless and indemnify Landlord from all such damages and the expense of defending all claims made by Tenant's employees, agents, invitees, or visitors arising out of such acts

ARTICLE 17

RULES

17 1 Tenant and its Invitees shall at all times abide by and observe the rules set forth in Exhibit E. Tenant and its Invitees shall also abide by and observe any other rule that Landlord may reasonably promulgate from time-to-time for the operation and maintenance of the Complex, provided that notice thereof is given and such rule is not inconsistent with the provisions of this Lease and is non-discriminatory in application. In the event of any conflict between the terms of this Lease and any such rules, the terms of this Lease shall control. Nothing contained in this Lease shall be construed as imposing upon Landlord any duty to enforce such rules or any condition or covenant contained in any other lease against any other tenant, and Landlord shall not be liable to Tenant for the violation of such rules or regulations by any other tenant or its invitees

ARTICLE 18

DAMAGE OR DESTRUCTION

18 1 If the Premises or the Building are, or the Complex is, totally or partially damaged or destroyed, thereby rendering the Premises totally or partially inaccessible or unusable, then Landlord shall diligently repair and restore the Premises and the Complex to substantially the same condition they were in prior to such damage or destruction, provided, however, that if in the judgment of an independent architect designated by Landlord such repair and restoration cannot be completed within one hundred eighty (180) days after the adjustment of the loss in connection with such damage or destruction, then Landlord shall have the right, at its sole option, to terminate this Lease by giving written notice of termination within forty-five (45) days after the occurrence of such damage or destruction

18 2 If Landlord determines, in its sole but reasonable judgment, based on an independent

architect's certification that the repairs and restoration cannot be substantially completed within one hundred eighty (180) days after the date of adjustment of the loss in connection with such damage or destruction, Landlord shall promptly notify Tenant of such determination. For a period of thirty (30) days after receipt of such determination, Tenant shall have the right to terminate this Lease by providing written notice to Landlord. If Tenant does not elect to terminate this Lease within such thirty (30) day period, and provided that Landlord has not elected to terminate this Lease, Landlord shall proceed to repair and restore the Premises and the Complex. Notwithstanding the foregoing, Tenant shall not have the right to terminate this Lease if the act or omission of Tenant or any of its Invitees shall have caused the damage or destruction

18 3 If this Lease is terminated pursuant to Section 18 1 or 18 2 above, then all rent shall be apportioned (based on the portion of the Premises which is usable after such damage or destruction) and paid to the date of termination. If this Lease is not terminated as a result of such damage or destruction, then until the day which is 90 days following the date such repair and restoration of the Premises are substantially complete, Tenant shall be required to pay the Base Rent and additional rent only for the portion of the Premises that is usable while such repair and restoration are being made. Landlord shall bear the expenses of repairing and restoring the Premises and the Complex, provided, however, that Landlord shall not be required to repair or restore any Alteration previously made by Tenant or any of Tenant's trade fixtures, furnishings, equipment or personal property, and provided further that if such damage or destruction was caused by the act or omission of Tenant or any Invitee, then Tenant shall pay the amount by which such expenses exceed the insurance proceeds, if any, actually received by Landlord on account of such damage or destruction

18 4 Notwithstanding anything herein to the contrary, Landlord shall not be obligated to restore the Premises or the Complex and shall have the right to terminate this Lease if (a) the holder of any Mortgage fails or refuses to make insurance proceeds available for such repair and restoration if, as a result thereof, the out-of-pocket cost to Landlord would exceed \$100,000, (b) zoning or other applicable laws or regulations do not permit such repair and restoration, or (c) the cost of repairing and restoring the Complex would exceed fifty percent (50%) of the replacement value of the Complex, whether or not the Premises are damaged or destroyed, provided the leases of all other tenants in the Complex are similarly terminated

18 5 Notwithstanding the foregoing Sections of this Article 18, Landlord shall not be obligated to restore the Tenant Work which was a part of the work required to be performed under Exhibit D attached hereto. Rather, the restoration of such Tenant Work shall be the sole expense and responsibility of Tenant

ARTICLE 19

CONDEMNATION

19 1 If a substantial portion of the Premises or of the Building shall be permanently taken or condemned by any governmental or quasi-governmental authority for any public or quasi-public use or purpose or sold under threat of such a taking or condemnation (collectively, "condemned"), such that in either Landlord's or Tenant's reasonable judgment, the Premises can no longer be used for its intended purpose, then this Lease shall, either at Landlord's or Tenant's option, terminate on the date title thereto vests in such authority and rent shall be apportioned as of such date. Landlord may only exercise such right of termination if it terminates other leases of similarly situated tenants in the Building. If neither party makes such an election, then this Lease shall continue in full force and effect as to the part of the Premises not condemned, except that as of the date title vests in such authority Tenant shall not be required to pay the Base Rent and additional rent with respect to the part of the Premises condemned. Notwithstanding anything herein to the contrary, if fifty percent (50%) or more of the Land or the Complex is condemned, then whether or not any portion of the Premises is condemned, Landlord shall have the right to terminate this Lease as of the date title vests in such authority.

19 2 All awards, damages and other compensation paid by such authority on account of such condemnation shall belong to Landlord, and Tenant assigns to Landlord all rights to such awards, damages and compensation. Tenant shall not make any claim against Landlord or the authority for any portion of such award, damages or compensation attributable to damage to the Premises, value of the unexpired portion of the Lease Term, loss of profits or goodwill, leasehold improvements or severance damages. Nothing contained herein, however, shall prevent Tenant from pursuing a separate claim against the authority for the value of furnishings and trade fixtures installed in the Premises at Tenant's expense and for relocation expenses, provided that such claim shall in no way diminish the award, damages or compensation payable to or recoverable by Landlord in connection with such condemnation. In the event this Lease is not terminated, Landlord shall, consistent with the condition of the Complex and Premises after the taking, promptly and diligently restore the Complex and the Premises to as nearly the same condition as existed prior to such taking as possible.

ARTICLE 20

DEFAULT

20 1 Each of the following shall constitute an Event of Default: (a) Tenant's failure to make any payment of the Base Rent, Additional Rent or other sum on or before such payment's due date, which failure continues for more than five (5) business days after written notice; (b) Tenant's violation or failure to perform or observe any other covenant or condition within thirty (30) days after notice thereof from Landlord, provided, however, that if such default is a non-monetary default that is not reasonably susceptible of cure within such thirty (30) day period, no Event of Default shall be deemed to exist so long as Tenant commences the curing of such default within such

thirty (30) day period and thereafter diligently prosecutes such cure to completion, it being understood that under no circumstance or condition shall the period to effect a cure exceed ninety (90) days from the notice thereof from Landlord; (c) Tenant's vacation or abandonment of the Premises; (d) an Event of Bankruptcy as specified in Article 21 with respect to Tenant, any general partner or member or managing member of Tenant (a "General Partner") or any Guarantor, or (e) Tenant's dissolution or liquidation.

20 2 If there shall exist an Event of Default, then Landlord shall have the right, at its sole option, to terminate this Lease. In addition, with or without terminating this Lease, Landlord may re-enter, terminate Tenant's right of possession and take possession of the Premises. The provisions of this Article shall operate as a notice to quit, any other notice to quit or of Landlord's intention to re-enter the Premises being hereby expressly waived. If necessary, Landlord may proceed to recover possession of the Premises under and by virtue of the laws of the jurisdiction in which the Complex is located, or by such other proceedings, including re-entry and possession, as may be applicable. If Landlord elects to terminate this Lease and/or elects to terminate Tenant's right of possession, then everything contained in this Lease to be done and performed by Landlord shall cease, without prejudice, however, to Landlord's right to recover from Tenant all rent and other sums accrued through the later of termination or Landlord's recovery of possession. Whether or not this Lease and/or Tenant's right of possession is terminated, Landlord may, but shall not be obligated to, relet the Premises or any part thereof, alone or together with other premises, for such rent and upon such terms and conditions (which may include concessions or free rent and alterations of the Premises) as Landlord, in its sole discretion, may determine, but Landlord shall not be liable for, nor shall Tenant's obligations be diminished by reason of, Landlord's failure to relet the Premises or collect any rent due upon such reletting. Landlord shall, however, use reasonable efforts to mitigate damages. Whether or not this Lease is terminated, Tenant nevertheless shall remain liable for any Base Rent, Additional Rent or damages which may be due or sustained prior to such default, all costs, fees and expenses (including without limitation reasonable attorneys' fees, brokerage fees and expenses incurred in placing the Premises in first-class rentable condition) incurred by Landlord in pursuit of its remedies and in renting the Premises to others from time to time. Tenant shall also be liable for additional damages which at Landlord's election shall be either

(a) an amount equal to the Base Rent and Additional Rent which would have become due during the remainder of the Lease Term, less the amount of rental, if any, which Landlord receives during such period from others to whom the Premises may be rented (other than any additional rent payable as a result of any failure of such other person to perform any of its obligations), which damages shall be computed and payable in monthly installments, in advance, on the first day of each calendar month following Tenant's default and continuing until the date

on which the Lease Term would have expired but for Tenant's default. Separate suits may be brought to collect any such damages for any month(s), and such suits shall not in any manner prejudice Landlord's right to collect any such damages for any subsequent month(s), or Landlord may defer any such suit until after the expiration of the Lease Term, in which event the cause of action shall be deemed not to have accrued until the expiration of the Lease Term, or

(b) an amount equal to the present value (as of the date of the termination of this Lease) of the difference between (i) the Base Rent and Additional Rent which would have become due during the remainder of the Lease Term, and (ii) the fair market rental value of the Premises for the same period, which damages shall be payable to Landlord in one lump sum on demand. For purpose of this Section, present value shall be computed by discounting at a rate equal to one (1) whole percentage point above the discount rate then in effect at the Federal Reserve Bank of New York (or, if such rate is not reasonably available, such substitute rate as Landlord reasonably shall select).

Tenant waives any right of redemption, re-entry or restoration of the operation of this Lease under any present or future law, including any such right which Tenant would otherwise have if Tenant shall be dispossessed for any cause.

20.3 Landlord's rights and remedies set forth in this Lease are cumulative and in addition to Landlord's other rights and remedies at law or in equity. Landlord's exercise of any such right or remedy shall not prevent the concurrent or subsequent exercise of any other right or remedy. Landlord's delay or failure to exercise or enforce any of Landlord's rights or remedies or Tenant's obligations shall not constitute a waiver of any such rights, remedies or obligations. Landlord shall not be deemed to have waived any default unless such waiver expressly is set forth in an instrument signed by Landlord. If Landlord waives in writing any default, then such waiver shall not be construed as a waiver of any covenant or condition set forth in this Lease except as to the specific circumstances described in such written waiver. Neither Tenant's payment of a lesser amount than the sum due hereunder nor Tenant's endorsement or statement on any check or letter accompanying such payment shall be deemed an accord and satisfaction, and Landlord may accept the same without prejudice to Landlord's right to recover the balance of such sum or to pursue any other remedy available to Landlord. Landlord's re-entry and acceptance of keys shall not be considered an acceptance of a surrender of this Lease.

20.4 If more than one natural person and/or entity shall execute this Lease as Tenant, then the liability of each such person or entity shall be joint and several. Similarly, if Tenant is a general partnership or other entity the partners or members of

which are subject to personal liability, then the liability of each such partner or member shall be joint and several.

20.5 If Tenant fails to make any payment to any third party or to do any act herein required to be made or done by Tenant, after the giving of any required notice and the lapse of any applicable cure period, then Landlord may, but shall not be required to, make such payment or do such act. Landlord's taking such action shall not be considered a cure of such failure by Tenant or prevent Landlord from pursuing any remedy to which it is otherwise entitled in connection with such failure. If Landlord elects to make such payment or do such act, then all expenses incurred, plus interest thereon at a rate per annum (the "Default Rate") which is five (5) whole percentage points higher than the prime rate published from time to time in the Money Rates section of The Wall Street Journal (or, if such rate is not reasonably available, such substitute rate as Landlord reasonably shall select), from the date incurred to the date of payment thereof by Tenant, shall constitute additional rent.

20.6 If Tenant fails to make any payment of the Base Rent, Additional Rent or any other sum payable to Landlord within ten (10) days after the date such payment is due and payable, then Tenant shall pay a late charge of five percent (5%) of the amount of such payment. In addition, in the event such payment is not made within ten (10) days following the due date, such payment and such late fee shall bear interest at the Default Rate from the date such payment was due to the date of payment thereof.

20.7 Landlord hereby expressly waives and relinquishes any and all rights to any lien, whether statutory, contractual or otherwise, in any furniture, fixtures, inventory, equipment or other personal property now or hereafter placed upon or installed by Tenant or any of its Customers in the Premises or elsewhere in the Building as contemplated hereunder, provided, that the foregoing shall not alter Landlord's rights, as expressly provided herein, to determine whether upon the expiration or termination of this Lease to direct Tenant to remove any item or items from the Premises or leave such item or items at the Premises upon expiration or termination of the tenancy granted hereby in accordance with the terms of this Lease.

ARTICLE 21

BANKRUPTCY

21.1 The following shall be Events of Bankruptcy under this Lease: (a) Tenant's or any Guarantor's appointment of a receiver or custodian for any substantial portion of Tenant's property, which is not discharged within sixty (60) days; (b) filing of a voluntary petition by Tenant or of the Guarantor, if any, under the provisions of the Bankruptcy Code or Insolvency Laws; (c) filing of an involuntary petition against Tenant or a Guarantor as the subject debtor under the Bankruptcy Code or Insolvency Laws, which either (i) is not dismissed or stayed within ninety (90) days of filing, or (ii) results in the issuance of an order

for relief against the debtor, or (e) Tenant's or Guarantor's, making or consenting to an assignment for the benefit of creditors or a composition of creditors

21.2 (a) Upon occurrence of an Event of Bankruptcy, Landlord shall have all rights and remedies available pursuant to Article 20, provided, however, that while a case in which Tenant is the subject debtor under the Bankruptcy Code is pending, Landlord shall not exercise its rights and remedies pursuant to Article 20 so long as (i) the Bankruptcy Code prohibits the exercise of such rights and remedies, and (ii) Tenant or its trustee in Bankruptcy ("Trustee") is in compliance with the provisions of Section 21.2(b)

(b) If Tenant becomes the subject debtor in a case pending under the Bankruptcy Code, then Landlord's right to terminate this Lease pursuant to Section 21.2(a) shall be subject, to the extent required by the Bankruptcy Code, to any rights of Trustee to assume or assign this Lease pursuant to the Bankruptcy Code. Trustee shall not have the right to assume or assign this Lease unless Trustee promptly (1) cures all defaults under this Lease, (2) compensates Landlord for monetary damages incurred as a result of such defaults, (3) provides adequate assurance of future performance on the part of Tenant as debtor in possession or of the assignee of Tenant, and (4) complies with all other requirements of the Bankruptcy Code. This Lease may be terminated in accordance with Section 21.2(a) if the foregoing criteria for assumption or assignment are not met, or if Tenant, Trustee or such assignee defaults under this Lease after such assumption or assignment. Adequate assurance of future performance, as used in this Section 21.2(b), shall mean that all of the following minimum criteria must be met: (A) Tenant's gross receipts in the ordinary course of business during the thirty (30) day period immediately preceding the initiation of the case under the Bankruptcy Code must be greater than two (2) times the next monthly installment of the Base Rent and additional rent, (B) both the average and median of Tenant's monthly gross receipts in the ordinary course of business during the six (6) month period immediately preceding the initiation of the case under the Bankruptcy Code must be greater than two (2) times the next monthly installment of the Base Rent and additional rent, (C) Tenant must pay its estimated pro rata share of the cost of all services performed or provided by Landlord (whether directly or through agents or contractors and whether or not previously included as part of the Base Rent) in advance of the performance or provision of such services, (D) Trustee must agree that Tenant's business shall be conducted in a first-class manner, and that no liquidating sale, auction or other non-first-class business operation shall be conducted in the Premises, (E) Trustee must agree that the use of the Premises as stated in this Lease shall remain unchanged and that no prohibited use shall be permitted, (F) Trustee must agree that the assumption or assignment of this Lease shall not violate or affect the rights of other tenants in the Complex, (G) Trustee must pay to Landlord at the time the next monthly installment of the Base Rent is due, in addition to such installment, an amount equal to the monthly installments of the Base Rent and additional rent due

for the next six (6) months thereafter, such amount to be held as a security deposit, and (H) all assurances of future performance specified in the Bankruptcy Code must be provided

ARTICLE 22

SUBORDINATION

22.1 This Lease is subject and subordinate to the lien, provisions, operation and effect of all mortgages, deeds of trust, ground leases or other security instruments which may now or hereafter encumber the Complex or the Land (collectively "Mortgages"), to all funds and indebtedness intended to be secured thereby, and to all renewals, extensions, modifications, recastings or refinancings thereof, provided, however, that such subordination shall be expressly conditioned upon the delivery to Tenant by any such mortgagee or holder of any such other mortgage, of a non-disturbance agreement in commercially reasonable form and substance. The holder of any Mortgage to which this Lease is subordinate shall have the right (subject to any required approval of the holders of any superior Mortgage) at any time to declare this Lease to be superior to the lien, provisions, operation and effect of such Mortgage and Tenant shall execute, acknowledge and deliver all documents required by such holder in confirmation thereof. Landlord represents and warrants that it is the owner in fee simple of the Complex and the land on which it is constructed. Within ten (10) days after the execution of this Lease, Landlord shall deliver to Tenant a commercially reasonable Subordination, Non-Disturbance and Attornment Agreement executed and acknowledged by its lender. Tenant acknowledges that any loan and mortgage may be replaced from time to time and that, in such event, a commercially reasonable Subordination, Non-Disturbance and Attornment Agreement shall be delivered to Tenant within ten (10) days following the placement of any new financing.

22.2 In confirmation of the foregoing subordination, Tenant shall at Landlord's request promptly execute any requisite or appropriate document, provided, that the required non-disturbance protection is incorporated therein. Tenant shall attorn to such purchaser and shall recognize such purchaser as the landlord under this Lease. Upon such attornment such purchaser shall not be (a) bound by any payment of the Base Rent or additional rent more than one (1) month in advance, (b) bound by any amendment of this Lease made without the consent of the holder of each Mortgage existing as of the date of such amendment, (c) liable for damages for any breach, act or omission of any prior landlord, or (d) subject to any offsets or defenses which Tenant might have against any prior landlord, provided, however, that after succeeding to Landlord's interest, such purchaser shall perform in accordance with the terms of this Lease all obligations of Landlord arising after the date such purchaser acquires title to the Complex. Within fifteen (15) days after the request of such purchaser, Tenant shall execute, acknowledge and deliver any requisite or appropriate document submitted to Tenant confirming such attornment.

22 3 (a) After Tenant receives notice from any person, firm or other entity that it holds a Mortgage on the Complex or the Land, no notice from Tenant to Landlord alleging any default by Landlord shall be effective unless and until a copy of the same is given to such holder, provided that Tenant shall have been furnished with the name and address of such holder. Any such holder shall have thirty (30) days after its receipt of notice from Tenant of a default by Landlord under this Lease to cure such default before Tenant may exercise any remedy hereunder. The curing of any of Landlord's defaults by such holder shall be treated as performance by Landlord.

(b) In the event that any lender providing construction, interim or permanent financing or any refinancing for the Complex requires, as a condition of such financing, that modifications to this Lease be obtained, and provided that such modifications (i) are reasonable, (ii) do not adversely affect in a material manner Tenant's use of the Premises as herein permitted or other rights granted hereunder, and (iii) do not increase the rent and other sums to be paid by Tenant hereunder, or otherwise increase Tenant's other obligations hereunder, Landlord may submit to Tenant a written amendment to this Lease incorporating such required changes, and Tenant hereby covenants and agrees to execute, acknowledge and deliver such amendment to Landlord within fifteen (15) days of Tenant's receipt thereof.

ARTICLE 23

HOLDING OVER

23 1 If Tenant does not immediately surrender the Premises upon the expiration or earlier termination of the Lease Term, then Tenant shall become a tenant by the month and the rent shall be increased to equal the greater of (a) fair market rent for the Premises, or (b) 150% of the Base Rent, additional rent and other sums that would have been payable pursuant to the provisions of this Lease if the Lease Term had continued during such holdover period. Such rent shall be computed on a monthly basis and shall be payable on the first day of such holdover period and the first day of each calendar month thereafter during such holdover period until the Premises have been vacated. Landlord's acceptance of such rent shall not constitute consent by Landlord to tenant's holdover possession and shall not in any manner adversely affect Landlord's other rights and remedies, including Landlord's right to evict Tenant and to recover damages. Notwithstanding the foregoing, not less than one (1) year before the end of the Lease Term Tenant may notify Landlord that it is electing to hold over for a period specified in such notice up to a maximum of three (3) months, and upon such election the Lease Term shall continue for the specified period on all of the terms and conditions of the Lease, except that the rental shall increase to the level specified above. At the end of such specified holdover period if Tenant has not vacated the Premises in compliance with the Lease, Tenant shall be deemed a tenant at will and subject to the remaining provisions of this Section, provided, that the rent for such holding over shall in that instance, be increased to equal the greater of (a) fair market rent for the Premises or (b)

200% of the Base Rent, additional rent and other sums that would have been payable to Landlord pursuant to the terms of this Lease if the Lease had continued during such holdover period.

ARTICLE 24

COVENANTS OF LANDLORD

24 1 Landlord covenants that it has the right to enter into this Lease and that if Tenant shall perform timely all of its obligations hereunder, then subject to the provisions of this Lease Tenant shall during the Lease Term peaceably and quietly occupy and enjoy the full possession of the Premises and the other rights granted hereunder without hindrance by Landlord or any party claiming through or under Landlord.

24 2 Landlord reserves the following rights: (a) to change the street address and name of the Complex, (b) to change the arrangement and location of entrances, passageways, doors, doorways, corridors, elevators, stairs, toilets or other public parts of the Complex, (c) subject to Tenant's prior approval, which shall not be unreasonably withheld, conditioned or delayed, and the limitations on access otherwise contained in this Lease, to erect, use and maintain pipes and conduits in and through the Premises, and (d) to grant to anyone the exclusive right to conduct any particular business in the Complex not inconsistent with Tenant's permitted use of the Premises. Landlord shall also have the right to construct a building on the property owned by Landlord adjacent to the Complex, if any, and to install connections and/or passageways linking the Building to such neighboring building within the Complex, if any. Landlord may exercise any or all of the foregoing rights without being deemed to be guilty of an eviction, actual or constructive, or a disturbance of Tenant's business or use or occupancy of the Premises. In addition, Landlord reserves for itself the exclusive use of all portions of the roof of the Building.

ARTICLE 25

PARKING

25 1 During the Lease Term, Tenant shall have the right to use the parking spaces as described in the Rider. Tenant shall not sell, assign or permit anyone other than Tenant's personnel to use any of the aforesaid parking spaces, except in conjunction with a permitted assignment of this Lease or a permitted sublease of the Premises. Tenant and its personnel shall comply with all reasonable rules and regulations promulgated by Landlord or Landlord's parking area manager for the orderly functioning of the Complex's parking areas.

ARTICLE 26

GENERAL PROVISIONS

26 1 Tenant acknowledges that neither Landlord nor any broker, agent or employee of Landlord has made any representations or promises

with respect to the Premises or the Complex except as herein expressly set forth, and no right, privilege, easement or license is being acquired by Tenant except as herein expressly set forth

26 2 Nothing contained in this Lease shall be construed as creating a partnership or joint venture between Landlord and Tenant or to create any other relationship other than that of landlord and tenant

26 3 Landlord and Tenant each warrant to the other that in connection with this Lease neither has employed or dealt with any broker, agent or finder, other than the Broker(s) identified in the Rider. Landlord acknowledges that it shall pay any commission or fee due to the Broker(s), pursuant to the terms of the Rider or, if existent, a separate written agreement. Landlord and Tenant shall indemnify and hold each other harmless from and against any claim for brokerage or other commissions asserted by any broker, agent or finder employed by the indemnifying party or with whom the indemnifying party has dealt, other than the Broker(s)

26 4 At any time and from time to time upon not less than fifteen (15) days' prior written notice, Tenant and each subtenant or assignee of Tenant or occupant of the Premises shall execute, acknowledge and deliver to Landlord and/or any other person or entity designated by Landlord, an estoppel certificate (a) certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that this Lease is in full force and effect as modified and stating the modifications), (b) stating the dates to which the rent and any other charges have been paid, (c) stating whether or not, to the best knowledge of Tenant, Landlord is in default in the performance of any obligation of Landlord contained in this Lease, and if so, specifying the nature of such default, (d) stating the address to which notices are to be sent, and (e) certifying to such other matters as Landlord may reasonably request. Any such statement may be relied upon by any owner of the Complex or the Land, any prospective purchaser of the Complex or the Land, or any holder or prospective holder of a Mortgage. Tenant acknowledges that time is of the essence to the delivery of such statements. Upon request, Tenant agrees to furnish Landlord with the most recent financial statements for Tenant and any Guarantor (including "stub" statements through the most recent quarter)

26 5 Landlord and Tenant, waive trial by jury in any action, proceeding, claim or counterclaim brought in connection with any matter arising out of or in any way connected with this Lease, the landlord-tenant relationship, Tenant's use or occupancy of the Premises or any claim of injury or damage. Tenant consents to service of process and any pleading relating to any such action at the location identified in the Rider, and Tenant agrees to accept service in that manner. Landlord, Tenant and any Guarantor, waive any objection to the venue of any action filed in any court situated in the jurisdiction in which the Complex is located and waive any right under the doctrine of forum non conveniens or otherwise, to transfer any such action filed in any such court to any other court

26 6 All notices or other required communications hereunder shall be in writing and shall be deemed duly given when delivered in person (with receipt therefor), or when sent by Express Mail or overnight courier service (provided a receipt will be obtained) or by certified or registered mail, return receipt requested, postage prepaid, to the following addresses: (i) if to Landlord, care of T-Rex Cleveland LLC, 5301 Wisconsin Avenue, N W, Suite 740, Washington, D C 20015, with a copy to L Mark Winston, Esquire, Preminger & Glazer, 5301 Wisconsin Avenue N W, Suite 740, Washington, D C, 20015, (ii) if to Tenant, at the Tenant Address for Notices identified in the Rider. Either party may change its address for the giving of notices by notice given in accordance with this Section. If Landlord or the holder of any Mortgage notifies Tenant that a copy of each notice to Landlord shall be sent to such holder at a specified address, then Tenant shall send (in the manner specified in this Section and at the same time such notice is sent to Landlord) a copy of each such notice to such holder, and no such notice shall be considered duly sent unless such copy is so sent to such holder

26 7 Each provision of this Lease shall be valid and enforceable to the fullest extent permitted by law. If any provision of this Lease or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, then such provision shall be deemed to be replaced by the valid and enforceable provision most substantively similar to such invalid or unenforceable provision, and the remainder of this Lease and the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable shall not be affected thereby

27 8 Feminine, masculine or neuter pronouns shall be substituted for those of another form, and the plural or singular shall be substituted for the other number, in any place in which the context may require such substitution

27 9 The provisions of this Lease shall be binding upon and inure to the benefit of the parties and each of their respective representatives, successors and assigns, subject to the provisions herein restricting assignment or subletting

27 10 This Lease contains the entire agreement of the parties hereto and supersedes all prior agreements, negotiations, letters of intent, proposals, representations, warranties, understandings and discussions between the parties hereto. Any representation, inducement, warranty, understanding or agreement that is not contained in this Lease shall be of no force or effect. This Lease may be modified or changed in any manner only by an instrument duly signed by both parties

27 11 This Lease shall be governed by and construed in accordance with the laws of the jurisdiction in which the Complex is located

27 12 Article and section headings are used for convenience and shall not be considered when construing this Lease

27 13 The submission of an unsigned copy of this document to Tenant shall not constitute an offer

or option to lease the Premises This Lease shall become effective and binding only upon execution and delivery by both Landlord and Tenant

27 14 Time is of the essence of each provision of this Lease

27 15 This Lease may be executed in multiple counterparts, each of which shall be deemed an original and all of which together constitute one and the same document

27 16 This Lease shall not be recorded, except that upon the request of Landlord Tenant agrees to execute, in recordable form, a short-form memorandum of this Lease, provided that such memorandum shall not contain any of the specific rental terms set forth herein Such memorandum may be recorded in the land records of the jurisdiction in which the Complex is located at Landlord's cost

27 17 Except as otherwise provided in this Lease, any Additional Rent or other sum owed by Tenant to Landlord, and any cost, expense, damage or liability incurred by Landlord for which Tenant is liable, shall be considered Additional Rent payable pursuant to this Lease and paid by Tenant no later than ten (10) days after the date Landlord notifies Tenant of the amount thereof

27 18 Tenant's liabilities existing as of the expiration or earlier termination of the Lease Term shall survive such expiration or earlier termination Similarly, Landlord's liabilities existing as of the expiration or earlier termination of the Lease Term shall survive the expiration or earlier termination of the Lease Term

27 19 If Landlord or Tenant are in any way delayed or prevented from performing any of their respective non-monetary obligations under this Lease due to fire, act of God, governmental act or failure to act strike, labor dispute, inability to procure materials or any other cause beyond such party's reasonable control (whether similar or dissimilar to the foregoing events), then the time for performance of such obligation shall be excused for the period of such delay or prevention and extended for a period equal to the period of such delay or prevention

27 20 Tenant represents and warrants that the person executing and delivering this Lease on Tenant's behalf is duly authorized to so act Promptly following the execution of this Lease, Tenant shall deliver to Landlord certified copies of any corporate resolution or partnership consent necessary to evidence the due execution of this Lease on Tenant's behalf

27 21 This Lease includes and incorporates the Rider and all Exhibits attached hereto

27 22 This Lease shall, for purposes of applicable law, be deemed a deed of lease executed under seal

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease, under seal, as of the day and year first above written

LANDLORD

Cleveland Technology Center
LLC, an Ohio limited liability
company

By T-Rex Cleveland LLC,

Its Manager

By

Clifford Preminger

Its Manager

WITNESS

TENANT.

Allegiance Telecom, Inc., a

Delaware corporation

By

Title

Patricia E Koide
Senior Vice President

WITNESS/ATTEST

Name

Mark B Tresnowski

Title

Senior Vice President
& Corporate General Counsel

EXHIBIT C

WORK AGREEMENT - LANDLORD'S WORK

This Exhibit is attached to and made a part of that certain Lease Agreement dated the ____ day of March, 2000 (the "Lease"), by and between Cleveland Technology Center LLC, an Ohio limited liability company ("Landlord") and Allegiance Telecom, Inc., a Delaware corporation ("Tenant")

1 Landlord's Work The following is the work to be performed by Landlord at Landlord's sole expense, all of which shall be performed diligently and in good and workmanlike manner in accordance with all applicable laws, codes, statutes, permits and regulations

- 1 1 Environmental Remove or encapsulate, at the discretion of Landlord, any asbestos or other hazardous materials in the Premises and common areas of the Building in compliance with applicable laws and regulations
- 1 2 ADA Compliance Modify the entranceway and access to the Building and to the Premises as reasonably required so that they shall be in compliance with the requirements of the Americans With Disabilities Act as it applies to Tenant's proposed use
- 1 3 Legal Compliance The structural components of the Building and the Building mechanical and electrical systems and equipment that serve the Premises (but which do not comprise Tenant Work, Ancillary Equipment, or Alterations by Tenant), shall be in compliance with applicable building laws, codes and municipal ordinances
- 1 4 Electrical Service Present electrical service to the Building consists of a 120/240 single phase lighting and 240 volt three phase power of approximately 800 amps. Said service will be rearranged by the power utility to provide nominal 480 volt, three phase power of approximately 600 amps by no later than March 27, 2000, and approximately 1200 amps of service to Tenant not later than September 15, 2000. Pursuant to the Master Utilization Plan being prepared for the Building (a copy of which, together with any amendments thereto, shall be promptly furnished to Tenant), Landlord will provide two (2) additional 11,000 volt (15 kv) services underground with an automatic tie, so the public utility has spare service to the Building. Landlord will provide nominal 15 kv switchgear line-up that will be comprised of individual switches properly sized to meet the needs of Tenant. Tenant shall obtain and pay for its entire supply of electrical current from the public utility by appropriate meter and Landlord shall identify the point of connection within the electrical distribution system and in accordance with the Master Plan of Utilization for the Building. Tenant also shall be responsible for obtaining, incorporating into its Premises after complying with all applicable requirements, housing within its Premises, and paying for any equipment (e.g., network transformers, network protectors, step-down transformers, etc.) necessary to satisfy its own or a public utility's requirements for the requested service, and to satisfy its own requirements to extend such service to its Premises. **TENANT ACKNOWLEDGES THAT THIS IS A LONG LEAD ITEM, and, therefore, shall not constitute a Landlord Delay as defined in the Rider**
- 1 5 Utilities During Construction Landlord will provide 480 volt, three phase power service on a non-exclusive basis, in the amounts set forth below: water, and sewer service to the Building and to the Premises during Tenant's construction of the Premises, at Tenant's expense. Landlord shall initially furnish 400 amps of power. The power supply shall be increased to (i) 600 amps by no later than March 27, 2000, and (ii) 1200 amps by no later than September 15, 2000. Landlord shall also provide to Tenant adequate space,

at no additional charge to Tenant, to be located next to the Building 3 third floor electrical vault, to install a step-down transformer at Tenant's expense

- 1 6 Roof Replace roof of the Building with a new water-tight roof
- 1 7 Elevators Evaluate, decommission (in the discretion of Landlord) and remove select elevators in the Building and modernize remaining elevators, to be completed by January 1, 2001 Landlord shall exercise reasonable efforts to ensure that during construction at least one elevator shall remain operational in its current condition. **TENANT ACKNOWLEDGES THAT DECOMMISSIONING AND MODERNIZING ELEVATORS MAY BE A LONG LEAD-TIME ITEM, and , therefore, shall not constitute a Landlord Delay as defined in of the Rider.**
- 1 8 Security Install on-site security equipment for tenant access to the Building Install Building fire safety alarms and strobes in common areas, as well as fire enunciation panel at or near the main entrance to Building
- 1 9 Standpipe Provide standpipe access to the Premises for Tenant's tie-in with pressure in compliance with code requirements for Tenant's anticipated fire suppression system and equipment
- 1 10 Risers Install vertical shaft space in the Building to accommodate Tenant requirements for risers in the Complex
- 1 11 Telephone Closet Landlord shall install a telephone closet in a reasonable location in Building 3 by no later than March 31, 2000
- 1 12 Fire Escapes Landlord shall remove all exterior fire escapes located outside Buildings 2 and 4 of the Premises by no later than March 31, 2000
- 1 13 Loading Dock Landlord shall permanently close, by "bricking in", one of the loading dock doors on the ground floor of the Building by no later than April 30, 2000
- 1 14 Platform, Stairs Landlord shall install a platform and stairs at the door to the Premises by no later than April 30, 2000

2 Except as expressly set forth heretn, the Premises shall be delivered to Tenant broom clean and in its as-in condition

EXHIBIT D
WORK AGREEMENT – TENANT'S WORK

1 General Considerations

a) Tenant acknowledges that all improvements to the Premises and related installations desired by Tenant shall be made strictly in accordance with the terms of this Lease and at Tenant's sole cost and expense. All of Tenant's Work shall be in compliance with a 1-B construction type within the meaning of and in accordance with the 1998 Ohio Base Building Code ("OBBC"). Landlord's only obligation with respect to the improvement of the Premises is set forth and listed on Exhibit C to the Lease. All of Tenant's Work, and the installation of any of Tenant's Equipment, shall be in compliance with all applicable laws, codes and regulations of any federal, state and local government or agency having jurisdiction thereof.

b) All initial improvements desired to be performed by Tenant, and approved by Landlord in accordance with the terms of this Lease, are hereinafter referred to as "Tenant's Work". Tenant's contractor must coordinate all of its work with the Landlord's designated base building contractor or construction manager ("CM") and shall work in cooperation with said CM (subject to the reasonable rules and regulations imposed by the CM) so as to coordinate the use of and access to the Building common areas, the loading facilities, freight elevators, risers, etc. throughout the development and alteration of the Building and the Premises.

c) Notwithstanding anything to the contrary in the Rider and the Lease, Tenant shall submit all plans and specifications for construction of improvements and installation of equipment and materials to the Landlord and CM for review, comments and approval in conformity with the Rider and Lease. Given the extraordinary complexity of the inter-relationship between the needs of the various tenants of the Complex, and Landlord's wish to accommodate the needs of all tenants to the extent reasonably possible as they relate to the initial construction and alteration of their respective premises, and as it relates to affording each of them utility capacity and access to Tenant's Equipment Areas, Tenant has a duty to consult with Landlord and CM and afford them adequate opportunity to coordinate work and installations so as to ensure that no conflict arises between or among tenants.

2 Tenant's Requirements and Equipment In connection with Tenant's build-out of its initial improvements within the Premises and Tenant's intended use of its Premises, Landlord hereby grants Tenant the following rights with respect to the following technical requirements and installations of equipment (collectively, "Tenant's Equipment") pursuant and subject to the terms of this Lease, including but not limited to the conditions set forth in this Exhibit D, provided, however, that in each case (i) Tenant shall be responsible for installing, maintaining and repairing Tenant's Equipment and for restoring the Premises, the Building and the Complex, as applicable, upon installation or removal, as applicable, at Tenant's sole cost and expense, (ii) the Tenant's Equipment shall be located in the designated portion of Tenant's Equipment Area as approved by Landlord, (iii) the Tenant's Equipment shall be installed, maintained and repaired by qualified engineers, contractors and technicians and shall at all times comply with all applicable laws, and (iv) there shall be no additional rent or charge imposed on Tenant as a result of any Tenant's Equipment, except to the extent that said installation now or in the future occupies more than the allocated portion of the Tenant's Equipment Area within the meaning of the Lease, provided, however, that any required relocation of the generator as set forth below shall not result in any additional charges to Tenant hereunder. Except as otherwise provided in this Lease regarding ownership of such Tenant Equipment at the end of the Lease, all of the Tenant's Equipment shall be and remain the property of Tenant and shall be for Tenant's exclusive use. Landlord acknowledges that all of Tenant's Equipment is integral to Tenant's business operations and that Tenant would not be entering into this Lease in the absence of these provisions. Subject to the reasonable regulation

thereof by Landlord, Tenant shall have access to those portions of the Building containing the Tenant's Equipment 24 hours per day/7 days a week

A HVAC/Mechanical Landlord hereby grants to Tenant the right to install, operate, maintain, repair and replace Tenant's HVAC system with related chillers, wiring, piping, conduits, vents and equipment. Such equipment (collectively the "Cooling Equipment") will be located in the Premises.

B Generator Tenant shall be permitted to install, operate, maintain, repair and replace, with like-kind equipment, one 750 kw/480 volt diesel generator to be located in Tenant's Equipment Area outside of the Building in a location designated by Landlord, in Landlord's reasonable discretion, as shown in Exhibit B-2, together with related wiring, piping, conduits, vents and equipment, including three 4-inch and two 2-inch conduits, the location of which is also to be reasonably approved by Landlord. It is understood and agreed that in the event that the municipal authority required to approve the location of the generator does not so approve, Landlord and Tenant agree in good faith to work together to identify and seek governmental approval of an alternate location that will reasonably meet their respective requirements. In connection with such generator, Tenant shall also have the right to place up to a 3,000 gallon fuel storage tank in the base of the generator in a belly tank configuration, in accordance with all local rules, laws and regulations. Tenant shall have the right to test the generator once per week at a time agreed to by Landlord in its reasonable discretion. Generator shall be equipped with silencers and attenuator systems, sufficient to maintain sound levels at or below a rating of 65 dba measured within five (5) feet of the generator.

C Temporary Generator Subject to review and approval of Tenant's plans, until a permanent generator is installed or if at any time the permanent generator is not functioning for any reason, Tenant shall have the right to bring in and operate a temporary generator to protect Tenant's business from risks attendant to power failure affecting the Building, with such temporary generator to be placed at a location reasonably acceptable to Landlord and subject to the same sound limitations set forth in subparagraph 2(B) above.

D Grounding Installation. Landlord's CM, together with other design professionals designated by Landlord, are evaluating the grounding design of McLeod Telecommunications, another tenant in the Complex, for the purpose of developing a grounding installation that integrates the McLeod system with a system to be installed for the benefit of all tenants within the Complex. In cooperation with the Tenant so as to reasonably ensure that Tenant shall have sufficient grounding capacity to serve Tenant's requirements, Landlord shall build, install, operate, maintain, repair and replace the grounding installation for the Complex. Tenant acknowledges that the construction of this system shall be a cost that will be passed through to the tenants based on their respective Proportionate Share. The cost of operating, maintaining, repairing, upgrading and replacing the installation shall be considered an Operating Charge and shall also be passed through to the tenants based on their respective Proportionate Share. Subject to Landlord's review and approval of the plans and specifications thereof to ensure, among other things, the integration of same into the Complex grounding system, Tenant shall have the right to install, operate, maintain, repair and replace a system within the Premises for the proper grounding of the telecommunications equipments which shall connect same to the Complex grounding system.

E Conduit/Access/Riser Space Subject to review and approval of Tenant's plans, not to be unreasonably withheld or delayed.

(i) Tenant shall have the right to construct dual telecommunications entrances to the Premises for the purposes of redundancy. These entrances shall be located in areas approved by Landlord in its reasonable judgment and shall be separated to the extent reasonably practical in the reasonable judgment of Landlord. The construction of such entrances may include the removal and replacement of driveway, curbing and/or sidewalks in such manner as reasonably approved by Landlord at Tenant's expense.

(ii) Any conduit installed by Tenant shall become the property of Landlord and shall be surrendered with the Premises upon the expiration of

the Lease

(iii) Tenant shall have the right to install conduits to construct its fiber optic backbone. Tenant may install (a) two diverse paths for up to two (2) 4-inch conduits from the Premises to two separate penetrations in the foundation of the Building to the property line and (b) one 4-inch conduit and one 2-inch conduit from the Premises to Ameritech's demarcation point, in such manner and at such location as shall be reasonably approved by Landlord, at Tenant's expense

(iv) Tenant shall have the right to install additional conduit and piping required for the installation and operation of its emergency backup generator, dry coolers, HVAC piping or antennas to and from the Premises consistent with Tenant's allocation of space within Tenant's Equipment Area

F Life Safety Tenant shall have the right to install a fire suppression system (or similar system that may be appropriate) independent of the Complex's systems. Tenant shall also have the right to modify any sprinkler systems to a dry pipe double pre-action system. Any modification shall be in strict compliance with all codes and after approval by Landlord and coordination with CM. Landlord shall cooperate with such reasonable modification and the cost of any such modification shall be borne by Tenant. Tenant shall have the right to relocate all wetlines within the Premises, with Landlord's approval, which shall not be unreasonably withheld or delayed, and in a manner consistent with the requirements and regulations of all governmental agencies having jurisdiction thereof, at Tenant's sole cost. The installation of any life safety system or equipment within the Premises shall be performed in a manner that enables it to be appropriately integrated into the life safety system for the Complex, and such integration shall be subject to Landlord's approval. Tenant shall provide audio and visual fire safety within the Premises at its expense that is compatible with Landlord's fire safety system for the Complex, and Landlord shall have the on-going right to monitor Tenant's systems.

G Access to Public Rights of Way Landlord agrees to allow Tenant to have underground and other necessary access in, to and about the Complex to the public rights-of-way for installation of Tenant's telecommunications conduits to the Premises at Tenant's sole cost and expense, provided, that such access and right-of-way (i) shall not interfere with those being granted to any other tenant, (ii) shall be permitted by and not interfere with any other easements and rights of way granted to public utilities and others, and (iii) Tenant shall maintain and repair its own telecommunications conduits and other facilities within such points of access and permitted rights of way, at its own cost and expense. In the event that it is determined that there are conflicting rights granted to any tenant or other user, Landlord shall, in a commercially reasonable fashion, work with such affected parties to resolve such conflicts in a manner to minimize interference or disruption of service in Landlord's reasonable judgment.

H GPS Tenant shall have access to and may place telecommunications equipment, including one GPS antenna and mast of a height not to exceed five (5) feet, on the roof at a location to be approved by Landlord, such approval not to be unreasonably withheld, conditioned or delayed. Tenant shall have the right to install one 2-inch and one 3/4-inch conduit from the Premises to the antenna located on the roof of the Building. Attachment of such equipment to the roof shall be subject to the prior approval of Landlord.

I Replacement Tenant shall have the right to replace any or all of its equipment, including generators, batteries, GPS systems, HVAC, etc., with like kind equipment, at any time during the term of the Lease. To the extent that there are such changes and replacements, utilizing like-kind equipment, Tenant shall only be obligated to provide prior notice to Landlord. With respect to any replacement which would involve a material change from the existing equipment, Landlord's approval shall be required, which approval shall not be unreasonably withheld or delayed. Notwithstanding the foregoing, in no event shall the relocation of the generator alone as contemplated above be deemed a material change for the purposes hereof. Tenant shall promptly restore any damage to the Building or the Complex caused by such replacement at Tenant's expense.

J Security Tenant shall have the right to install a specialized "card-key" security system to govern access to the Premises or certain portions thereof as designated by Tenant. Landlord agrees that Tenant shall have the right to install such a system at Tenant's sole cost and

expense provided that Tenant provides to Landlord a "card-key" to enable Landlord to access the relevant portions of the demised premises, subject to the limitations on access set forth in this Lease

K Demising Walls Tenant is required to install at its expense fire- rated demising walls at a one hour fire rating for all common area corridors as required by code

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EXHIBIT E
RULES AND REGULATIONS

This Exhibit is attached to and made a part of that certain Lease Agreement dated as of the ____ day of March, 2000, (the "Lease"), by and between Cleveland Technology Center LLC ("Landlord") and Allegiance Telecom, Inc ("Tenant")

The following Rules and Regulations have been formulated for the safety and well-being of all tenants of the Complex and to ensure compliance with all municipal and other legal requirements. Strict adherence to these Rules and Regulations is necessary to guarantee that each and every tenant will enjoy a safe and unannoyed occupancy in the Complex in accordance with the Lease.

Landlord may, upon request by any tenant, waive the compliance by such tenant to any of these Rules and Regulations, provided that (i) no waiver shall be effective unless signed by Landlord or Landlord's authorized agent, (ii) any such waiver shall not relieve such tenant from the obligation to comply with such Rule and Regulation in the future unless expressly consented to by Landlord, (iii) no waiver granted to any tenant shall relieve any other tenant from the obligation of complying with the Rules and Regulations unless such other tenant has received a similar waiver in writing from Landlord, and (iv) any such waiver by Landlord shall not relieve Tenant from any obligation or liability of Tenant to Landlord pursuant to the Lease for any loss or damage occasioned as a result of Tenant's failure to comply with any such Rule or Regulation.

1 The sidewalks, entrances, passages, courts, elevators, vestibules, stairways, corridors, halls and other parts of the Complex not occupied by any tenant shall not be obstructed or encumbered by any tenant or used for any purpose other than ingress and egress to and from the Premises, and if the Premises are situated on the ground floor of any building within the Complex, then Tenant shall, at its own expense, keep the sidewalks and curbs directly in front of the Premises clean and free from ice and snow. Landlord shall have the right to control and operate the public portions of the Complex and the facilities furnished for common use of the tenants in such manner as Landlord deems best for the benefit of the tenants generally. No tenant shall permit the visit to the Premises of persons in such numbers or under such conditions as to interfere with the use and enjoyment by other tenants of the entrances, corridors, elevators and other public portions or facilities of the Complex.

2 No awnings or other projections shall be attached to any wall of the Complex without the prior written consent of Landlord. No drapes, 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 prior written consent of Landlord. Such awnings, projections, curtains, blinds, shades, screens or other fixtures must be of a quality, type, design and color, and attached in the manner, approved by Landlord.

3 No showcases or other articles shall be put in front of or affixed to any part of the exterior of the Complex, nor placed in the halls, corridors or vestibules without the prior written consent of Landlord.

4 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, chemicals, paints, cleaning fluids or other 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.

5 Except as provided in the Lease, there shall be no marking, painting, drilling into or in any way defacing the Complex or any part of the Premises visible from public areas of the Complex. Tenant shall not construct, maintain, use or operate within the Premises any electrical device, wiring or apparatus in connection with a loud speaker system or other sound system, except as reasonably required for its communication system and approved prior to the installation thereof by Landlord. No such loudspeaker or sound system shall be constructed, maintained, used or operated outside of the Premises.

6 No bicycles, vehicles, animals, birds or pets (other than guide dogs) of any kind shall be brought into or kept in or about the Premises, and no cooking (except for hot-plate or microwave cooking by Tenant's employees for their own consumption, the equipment for and location of which are first approved by Landlord) shall be done or permitted by any tenant on the Premises. No tenant shall cause or permit any unusual or objectionable odors to be produced upon or to permeate from the Premises.

7 The use of the Premises by each tenant was approved by Landlord prior to execution of the Lease and such use may not be changed from the Permitted Use without the prior approval of Landlord. No space in the Complex shall be used for manufacturing of goods for sale in the ordinary course of business, for the storage of merchandise for sale in the ordinary course of business or for the sale at auction of merchandise, goods or property of any kind.

8 No tenant shall make any unseemly or disturbing noises or disturb or interfere with occupants of the Complex or neighboring buildings or premises or those having business with them whether by the use of any musical instrument, radio, talking machine, unmusical noise, whistling, singing or in any other way. No tenant shall throw anything out of the doors or windows or down the corridors or stairs.

9 Except as provided in the Lease, no flammable, combustible or explosive fluid, chemical, asbestos or other hazardous substance or any other material harmful to tenants of the Complex shall be brought, installed in or kept upon the Premises. No space heaters, fans or individual air conditioning units may be used in the Premises. Any electrical or extension cords deemed to be a fire hazard by Landlord in Landlord's sole discretion shall be removed.

10 Except as provided in the Lease 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. The doors leading to the corridors or main halls shall be kept closed during business hours except as they may be used for ingress or egress. Each tenant shall, upon the termination of its tenancy, restore to the Landlord all keys of stores, offices, storage 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.

SCHEDULE 4.2
WIRE TRANSFER INSTRUCTIONS

SCHEDULE 5.1(b)

TENANT'S OPERATING CHARGES

Operating Charges shall mean, without duplication, all costs and expenses incurred by Landlord in the ownership and operation of the Complex, including all of the following (1) electricity, gas, water, sewer and other utility charges with respect to the operation of common areas of the Complex, (2) premiums and other charges for insurance (including, but not limited to, property insurance, rent loss insurance and liability insurance), (3) all market rate management fees incurred in the management of the Complex, (4) all costs incurred in connection with service and maintenance contracts, (5) maintenance and repair expenses and supplies, (6) amortization (calculated over the useful life of the improvement, with interest at Landlord's cost of funds or (if the improvement is not financed) at the prime rate reported in The Wall Street Journal) for capital expenditures which have been approved by Tenant or which are made by Landlord for the purpose of complying with legal or insurance requirements [imposed after Rent Commencement Date or that are intended to result in a net decrease in Operating Charges (hereinafter referred to as "Qualified Capital Expenditures"), (7) salaries, wages, benefits and other expenses of Complex personnel, (8) legal fees (except as excluded below), administrative expenses, and accounting, architectural and other professional fees and expenses, (9) costs of any service not provided to the Complex on the Lease Commencement Date but thereafter provided by Landlord in the prudent management of the Complex, (10) charges for concierge, security, janitorial, and cleaning services and supplies furnished to the Common Areas of the Complex, (11) costs associated with the provision or operation of any common facilities and service amenities, (12) the cost of maintaining management, engineering and/or maintenance offices in the Complex (including the fair market rental value of the space devoted to such uses), (13) any business, professional and occupational license tax paid by Landlord with respect to the Complex, (14) any personal property tax payable with respect to Landlord's property located at the Complex that is used in connection with the maintenance, repair, or operation of the Complex, and (15) any other expense incurred by Landlord in maintaining, repairing or operating the Complex and related property and considered an operating expense under generally accepted accounting principles. Operating Charges shall not include the following

- (i) Principal payments or interest payments on any mortgage, other debt costs and ground rent payments on any ground lease
- (ii) Leasing or brokerage commissions paid by Landlord
- (iii) Cost of repair or other work occasioned by fire, windstorm or other casualty, or by condemnation, to the extent reimbursed by insurance proceeds or condemnation award, and any other costs of items for which Landlord receives reimbursement from a third party
- (iv) Costs incurred due to renovating, decorating, redecorating or otherwise improving space for tenants in the Complex
- (v) Costs of correcting latent defects (not standard repairs) during the initial warranty period after construction. All repairs and replacements resulting from ordinary wear and tear, use, fire, casualty, vandalism and other matters shall not be deemed to be latent construction defects.
- (vi) Landlord's costs of electricity and other services sold to particular tenants which services are not standard for the Complex and for which Landlord is entitled to reimbursement by such particular tenants
- (vii) Depreciation and amortization of the Complex or any fixtures or improvements therein

(viii) Expenses in connection with services or other benefits of a type which are not standard for the Complex and which are not available to Tenant without specific charge therefor, but which are provided to another tenant or occupant and for which such other tenant or occupant is specifically charged by Landlord

(ix) Costs, penalties, fines and associated legal expenses incurred due to violation by Landlord or any tenant in the Complex of the terms of any applicable federal, state or local government laws, codes or similar regulations that would not have been incurred but for any such violations by Landlord or such tenant, it being intended that each party shall be responsible for costs resulting from its own violation of such laws, codes and regulations as the same shall pertain to the Complex. Notwithstanding the foregoing, interest or penalties incurred in connection with assessments or taxes which are reasonably contested by Landlord shall be included as an acceptable Operating Charge

(x) Costs of Landlord's general overhead and general administrative expenses (individual, partnership or corporate, as the case may be), which costs would not be chargeable to operating expenses of the Complex in accordance with generally accepted accounting principles, consistently applied

(xi) Any compensation paid to clerks, attendants or other persons in commercial concessions (such as snack bar or restaurant), if any, operated by Landlord

(xii) All items and services for which Tenant or any other Complex tenant specifically reimburses Landlord

(xiii) Legal fees in connection with leasing, tenant disputes or enforcement of leases or defending landlord's title to the Complex

(xiv) Capital expenditures, except Qualified Capital Expenditures

(xv) Costs of overtime HVAC service whether provided to the Tenant or any other tenant of the Complex

(xvi) Costs of repairing, replacing or otherwise correcting defects (including latent defects) in or inadequacies of (but not the costs of ordinary and customary repair for normal wear and tear) the initial design or construction of the Complex

(xvii) Allowances, concessions, permits, licenses, inspections and other costs and expenses incurred in completing, fixturing, renovating or otherwise improving, decorating or redecorating space for tenants (including Tenant), prospective tenants or other occupants of the Complex, or vacant leasable space in the Complex, or constructing or finishing demising walls and public corridors with respect to any such space

(xviii) Any amount specifically required to be paid by Landlord to Tenant under this Lease, and any cost or expense (A) which is due to Landlord's negligence or willful misconduct, (B) which is incurred pursuant to any Landlord indemnification and/or hold harmless provision, or (C) which is a result of any breach of this Lease or any other lease for space in the Complex

(xix) Costs incurred in connection with the sale, financing, refinancing, mortgaging, selling or change of ownership of the Land or Complex

(xx) Costs, fines, interest, penalties, legal fees or costs of litigation incurred due to the late payments of utility bills and other costs of

operating the Complex incurred by Landlord's failure to make such payments when due

(xxi) All amounts which would otherwise be included in Operating Charges which are paid to any affiliate or subsidiary of Landlord, or any representative, employee or agent of same, to the extent the costs of such services exceed the competitive rates for similar services of comparable quality rendered by persons or entities of similar skill, competence and experience. It is hereby acknowledged by Tenant that the management fee in the amount of 5% of gross rentals to be paid to an affiliate of Landlord is a competitive, market rate fee.

(xxii) Increased insurance premiums caused by Landlord's or any other tenant's hazardous acts.

(xxiii) Moving expense costs of tenants of the Complex or any other costs of relocating tenants in the Complex.

(xxiv) Advertising, public relations and promotional costs associated with the promotion or leasing of the Complex, and costs of signs in or on the Complex identifying the owners of the Complex or any tenant of the Complex.

(xxv) Costs incurred to correct violations by Landlord of any law, regulation, rule, order or ordinance which was in effect as of the Lease Commencement Date.

(xxvi) Non-cash items, such as interest on capital invested, bad debt losses, rent losses and reserves for such losses.

(xxvii) Electric power costs for which any tenant directly contracts with the local public service company.

(xxviii) Any political or charitable contributions.

(xxix) The cost of any artwork.

(xxx) The wages of any off-site management personnel (except to the extent Landlord elects to cease operating an on-site management office in which case a reasonable allocation of off-site personnel wages shall be chargeable as Operating Charges hereunder).

(xxxi) Salaries, wages and other compensation paid to officers or directors of Landlord in their capacity as officers and directors.

(xxxii) The cost of operating any retail space in the Complex.

(xxxiii) Costs incurred by Landlord in connection with the operation of a business entity which constitutes Landlord (as opposed to the operation of the Complex).

(xxxiv) Any other expenses or costs that would not, in accordance with generally accepted accounting principles, consistently applied, normally be treated as Operating Charges by comparable landlords of comparable properties.

In the event a single expenditure pays for the provision of a good or service to both the Complex and any neighboring building owned by Landlord, then Operating Charges of the Complex shall include only the portion of such payment that is equitably allocable to the Complex, as reasonably determined by Landlord.

Basic Lease Information Rider

Cleveland Technology Center LLC

The terms of this Basic Lease Information Rider ("Rider") contain fundamental information relating to the Lease, many of the principal economic terms, the commencement dates, and related obligations. The Rider and the Lease are, by this reference, hereby incorporated into one another. Terms defined herein apply both for the purpose of this Rider and the Lease. Capitalized terms that are defined in the Lease have the same meaning when used in this Rider. In the event of any conflict between the terms of the Rider and the terms of the Lease, the terms of the Rider shall control.

1 **Date of Lease** March __, 2000 ("Effective Date")

2 **Landlord** **Cleveland Technology Center LLC, an Ohio limited liability company**

3 **Tenant** **Allegiance Telecom, Inc., a Delaware corporation.**

4 **Complex and Building** The "Complex" is the entire property, including the land and improvements described and depicted on Exhibit A-1. The "Building" is Building number 2 within the Complex outlined on Exhibit A-1.

5 **Premises**

A The Premises are shown on Exhibit B-1 attached to the Lease, which includes the third floor of the Building. In addition to Tenant's right to use and occupy the Premises, Tenant shall be entitled to use and occupy during the Lease Term, at no additional cost (unless Tenant's Equipment Area is expanded beyond that originally designated hereunder) for the placement of its Ancillary Equipment, the Tenant's Equipment Area. For purpose of this Rider and the Lease, the term "Ancillary Equipment" includes, but is not limited to, Tenant's back-up generator and related fuel storage tanks, antennas, dry coolers and related HVAC systems and equipment, fiber optic cable, conduits, horizontal and vertical shafts, electrical and power rooms and vaults, power lines from the main entry point into the Building, power lines from Tenant's back-up generator, and related systems and equipment. For the purpose of this Rider and the Lease, the term "Tenant's Equipment Area" means the risers, equipment pads, platforms and/or structurally supported roof areas identified and allocated for Tenant on Exhibit B-2 attached to the Lease.

B Tenant shall have access to the Premises and to Tenant's Equipment Area twenty-four (24) hours per day, seven (7) days per week. Tenant shall obtain, in advance and at its own cost, all permits and approvals required from any municipal or other governmental authority necessary for it to use and occupy the Premises and Tenant's Equipment Area for Tenant's intended purposes and to install Tenant's Ancillary Equipment. Landlord's prior written approval, not to be unreasonably withheld, conditioned or delayed, shall be obtained with respect to the specific equipment Tenant desires to place in Tenant's Equipment Area. Tenant acknowledges that Landlord may have reserved certain risers, pads, roof locations, and similar areas of the Complex and Building for lease to tenants who have in excess of building standard need for such areas, provided, that the foregoing shall not interfere with the rights granted Tenant hereunder.

6 **Rentable Area** The Rentable Area of the Premises is 16,800 square feet on the third floor of the Building. The Rentable Area consists of (i) the rentable square footage of the Premises determined in accordance with BOMA standards for either full floor or partial floor tenants (as appropriate), increased by (ii) a common equipment core factor (the "Equipment Core Factor") of 1.12. The Equipment Core Factor has been computed by Landlord's architect and takes into account the areas within the Complex (of which Tenant's Equipment Area is a part) made available to tenants of the Complex for the location of their Ancillary Equipment. At Landlord's or Tenant's request, the Rentable Area of the Premises shall be remeasured by Landlord's architect (in accordance with

BOMA standards) after possession of the Premises is delivered to Tenant (but before the Commencement Date), and to the extent the Rentable Area is revised as a result of such remeasurement, the rentals and other charges set forth herein shall be equitably and proportionately adjusted (and the parties shall execute a written lease amendment to confirm the changes, if any)

7 **Proportionate Share** Tenant's Proportionate Share is a fraction, stated in decimal terms, the numerator of which is the Rentable Area of the Premises and the denominator of which is the product of (i) number of square feet of leasable floor area in the Complex, as reasonably determined by Landlord (measured in accordance with BOMA standards), times (ii) the Equipment Core Factor. Tenant's Proportionate Share is agreed to be 6.14%

8 **Lease Commencement Date** The date on which Landlord and Tenant fully execute and deliver this Lease and the Guarantor fully executes and delivers the Guaranty

9 **Rent Commencement Date** The Rent Commencement Date is June 1, 2000, which is the date on which the Basic Rent and the Additional Rent shall commence being paid by Tenant. The Rent Commencement Date shall be extended on a day-for-day basis on account of each day of Landlord Delay. "Landlord Delay" means any delay in the completion of Landlord's Work, that are in its direct control, which causes a delay in the completion of Tenant's Work which, in turn, directly causes a delay in the commencement of tenant's business operations beyond June 1, 2000. In addition, Landlord Delay shall include Landlord's failure to timely review and respond to requests for approval of Tenant's plans, specifications and other documentation submitted by Tenant. If Landlord's response exceeds ten (10) days from receipt by Landlord of a written request in the event of a review of a structural matter, or seven (7) days in the case of any other matter, then the amount of said review in excess of the ten (10) and seven (7) periods described above shall be deemed a Landlord Delay for such period. The periods described above will apply to an initial request on a particular subject or item. Subsequent requests pertaining to that subject or item will have Landlord response times of seven (7) days in the case of a structural matter and five (5) days as to all other matters.

10 **Expiration Date** The last day of the month which is ten (10) years after the Rent Commencement Date, subject to extension as provided below

11 **Lease Term** From the Lease Commencement Date to the Expiration Date, unless extended or sooner terminated in accordance with the Lease

12 **Renewal Options**

A Landlord grants to Tenant two options to extend the Lease Term for an additional period of five (5) years each (each, a "Renewal Term"), under the terms and conditions hereinafter set forth. Tenant may only validly exercise the aforesaid options to extend if (a) the Lease is in full force and effect at the time of the exercise of said option, and no Event of Default exists at the time of Tenant's notice and at the time that the extension of the Term would take effect, (b) Tenant shall be in possession of the entire Premises, except to the extent that a different party is properly in possession of all or any part of the Premises pursuant to the terms of the Lease, and (c) Tenant shall have exercised the particular option to extend by delivering a notice (the "Notice") in writing to the Landlord not later than twelve (12) months prior to the expiration of the then-extant Lease Term. Failure to exercise the first option shall result in the automatic termination of the second option.

B The Base Rent for each Renewal Term shall be the then-effective "Market Rent" as determined in accordance with this section. "Market Rent", including escalations for successive years, shall be determined by Landlord in its reasonable judgment. Landlord's determination shall be based upon then-current and projected rents in the Complex, adjusted for any special conditions applicable to such space and leases, for location, length of term, concessions being granted, amounts of space and other factors that Landlord deems relevant in computing rents for space in the Complex, including adjustments for anticipated inflation. Landlord shall determine the

Base Rent for the first year of any Renewal Term on a price per square foot basis ("Renewal Term Rental Rate") The Renewal Term Rental Rate shall then be multiplied by the Rentable Area Thereafter, the first year Base Rent for the Renewal Term will be annually adjusted (on the anniversary date of the beginning of the Renewal Term) by three percent (3%) compounded annually Landlord shall provide Tenant in writing with its determination of the then-effective Market Rent within thirty (30) days after receipt of the Notice Landlord and Tenant shall negotiate in good faith to agree upon such Market Rent, provided, however, that if Tenant is not satisfied with Landlord's determination of Market Rate, Tenant may, prior to the day nine (9) months before the Expiration Date for the then current Lease Term either (i) withdraw the Notice, or (ii) submit the determination of Market Rate to Binding Arbitration pursuant to the provisions of paragraph 12C of this Rider The election of (i) or (ii) shall be in writing

C If Tenant elects Binding Arbitration to determine the Market Rate, then with such election Tenant shall identify an independent real estate broker licensed and practicing in Cleveland, Ohio, with at least ten (10) years experience in office and/or warehouse leasing in the central downtown business district Landlord shall, within fifteen (15) days, select a similarly experienced broker, and the two promptly shall select a third broker with similar qualifications The brokers shall be instructed to determine within thirty (30) days the Market Rate for the Premises as of the beginning of the Renewal Term in question, assuming (i) the Premises are delivered to a tenant in their "as-is" condition, but with all of Tenant's equipment removed (it being agreed that for this purpose Tenant's equipment shall not include light fixtures, HVAC systems and equipment and fire suppression system and equipment, which shall be deemed to remain in the Premises) The average of the two brokers who are closest together in rental rate shall be deemed to be the Rental Rate The Rental Rate so established shall be subject to three percent (3%) annual increases, and in no event shall it be less than the Base Rent then in effect for the Premises increased by three percent (3%) All other economic and other terms of this Rider (including, by way of example only, the Additional Rent provisions) and of the Lease shall remain in full force and effect during any Renewal Term Landlord and Tenant independently shall pay the broker they select and shall share equally the cost of the third broker

13 **Expansion Rights** Provided that no Event of Default exists, Tenant is not subletting any of its space under this Lease, except to the extent otherwise expressly authorized under this Lease, and that there is at least five (5) years remaining on Tenant's Lease Term, Tenant shall have the one (1) time right of first refusal to expand by leasing contiguous space on floors contiguous to level three on Building Two of the Complex as such space becomes available The rental rate for such space shall be at the then-prevailing rate for comparable space in the central business district of Cleveland, Ohio, as determined in good faith by Landlord Landlord shall advise Tenant in writing of the availability of such contiguous space and the proposed rental rate for such space Tenant shall have fifteen (15) days from such written notice to elect to exercise its expansion rights If Tenant exercises its rights, the Lease shall be deemed amended to include such contiguous space and the Base Rent and Proportionate Share shall be adjusted accordingly If Tenant does not timely exercise its rights, such rights shall be deemed waived

14 **Base Rent**

<u>Year</u>	<u>Rent/SF</u>	<u>Annual Rent</u>	<u>Monthly Rent</u>
1	\$16 50	\$277,200 00	\$23,100 00
2	\$17 00	\$285,600 00	\$23,800 00
3	\$17 50	\$294,000 00	\$24,500 00
4	\$18 03	\$302,904 00	\$25,242 00
5	\$18 57	\$311,976 00	\$25,998 00
6	\$20 63	\$346,584 00	\$28,882 00
7	\$21 25	\$357,000 00	\$29,750 00
8	\$21 89	\$367,752 00	\$30,646 00
9	\$22 55	\$378,840 00	\$31,570 00
10	\$23 23	\$390,264 00	\$32,522 00

15 **Additional Rent** Additional Rent consists of Tenant's Proportionate Share of the sum of Operating Charges, the Real Estate Taxes and any other expenses passed through to Tenant under the Lease, as more fully set forth in Article 5 of the Lease

16 **Operating Charges** As described in Article 5 of the Lease

17 **Real Estate Taxes** As described in Article 5 of the Lease

18 **Security Deposit Paid** Tenant will pay to Landlord the sum of \$23,100 00, which corresponds to the first month's Base Rent for the first year of the Term, and which shall, among other things, secure the faithful performance of Tenant's obligations under the Lease

19 **Use of Premises** The installation, operation, maintenance and replacement of communications and switch equipment and facilities in connection with Tenant's communications business, together with related office and storage uses

20 **Parking Spaces** Tenant acknowledges that current parking areas serving the Complex are being planned for utilization, at least in part, as Tenant Equipment Areas and, consequently, no parking spaces therein are allocated for use by Tenant Public parking spaces are available in lots proximate to the Complex

21 **Tenant's Address for Notices**
 Allegiance Telecom, Inc
 4 Westbrook Corporate Center
 Suite 400
 Westchester, Illinois 60154
 Attention Patricia E Koide

With copy to

Partners National Real Estate Group, Inc
3838 Oak Lawn Avenue
Suite 850
Dallas, Texas 75219
Attention Bianca Laughlin

22 **Tenant's Representative For Build-Out** Mr Terry Nordlund

23 **Tenant's Approved Contractor** To be determined and submitted to Landlord for Landlord approval in conformity with this Lease

24 **Broker(s)** Partners National Real Estate Group, Inc and Infomart Company

25 **Tenant Access for Tenant Work**

Tenant shall be granted access to the Premises only by Landlord's construction manager for the purpose of performing its Tenant Work commencing on the Lease Commencement Date, provided, that in no event may Tenant commence any Tenant Work until Tenant has received Landlord's written approval of all of Tenant's plans and specifications for such work, the approval of Tenant's proposed contractor, and of the location of Tenant's Equipment within the Tenant's Equipment Area, provided, further, that if Tenant has delivered its plans and specifications to Landlord's construction manager for the entire scope of Tenant's work prior to the Lease

Commencement Date then Tenant may seek approvals for modifications to portions of the plans and specifications as they may be modified during the construction process, which approval shall not be unreasonably withheld, conditioned or delayed. Tenant shall pay no fee to Landlord for its review and supervision of Tenant's proposed initial construction-plans. Landlord shall charge Tenant a fee for the review and supervision of any Alteration as set forth in the Lease.

26 Equipment Testing Tenant shall test and otherwise "exercise" its redundant HVAC and power equipment and facilities on a regular periodic basis, although such testing shall be in accordance with reasonable rules and regulations established by Landlord from time-to-time in its discretion for the purpose of reducing the inconvenience to other tenants of the Complex.

27 Management The Complex shall be professionally managed for Landlord by a management company (which may be affiliated with Landlord) selected by Landlord.

28 Indemnity Relating to Occupancy Prior to Lease Commencement Date Anything to the contrary in this Rider and the Lease notwithstanding, Tenant indemnifies and holds harmless Landlord from and against any and all claims, demands, actions, causes of action and liabilities of whatever nature (including reasonable attorney's fees and the costs of litigation or any other proceeding), whether direct or indirect, and whether known or unknown as of the date hereof, arising from or relating to Tenant's occupancy of the Premises or any other portion of the Building or the Complex prior to the Lease Commencement Date. In addition, in the event that any construction work performed by Tenant prior to the Lease Commencement Date has been performed in violation of any law, regulation or other governmental requirement, or in the absence of any permit, which causes the governmental agency having jurisdiction to require certain additional work to be performed in order to cure any asserted violation proximately caused by Tenant, Tenant covenants and agrees that Tenant shall bear the cost of any such work, whether required to be performed within the Premises or otherwise. Tenant shall obtain the approval of Landlord, in Landlord's sole and absolute discretion, for the means and methods to be employed to perform such curative work prior to the commencement of same.

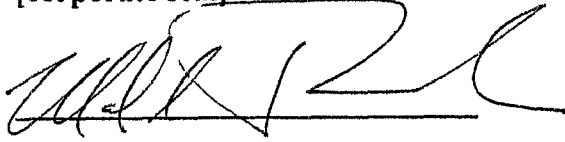
29 Conforming License Agreement and Lease To the extent that there is any conflict between the terms of the License Agreement between the prior owner of the Complex and Tenant and this Rider and the Lease, this Rider and the Lease shall control.

..

IN WITNESS WHEREOF, the parties hereto have executed this Basic Lease Information Rider on this ____ day of March, 2000, intending that it be, and the same hereby is, incorporated into and made a part of the Cleveland Technology Center Lease

Attest.

[corporate seal]



Tenant.

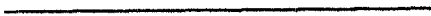
ALLEGIANCE TELECOM, INC.

By



Landlord:

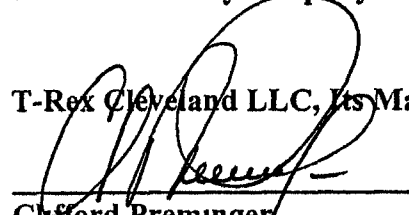
Witness.



Cleveland Technology Center LLC,
an Ohio limited liability company

By: T-Rex Cleveland LLC, Its Manager

By:


Clifford Preminger
Its Manager

First Amendment to Basic Lease Information Rider

The Basic Lease Information Rider is hereby amended to add the following as paragraph thirty (30) to the Rider

“30 **Special Construction and Bonding Requirements** Tenant covenants and agrees that

- a) Tenant has delivered to Landlord, and Landlord acknowledges receipt of, a copy of the budget for original tenant improvements being constructed within the Premises (“Original Improvements”), and costs for any other items (“Other Installations”) which may be placed within the Premises which might subject the Premises, Building or Complex to a lien for unpaid amounts due (“Construction Budget”) The submission of the Construction Budget to Landlord shall be deemed Tenant’s representation and warranty that such budget is true and correct as of such date
- b) Tenant has delivered to Landlord the following documentation, which is certified as correct by the undersigned officer of Tenant
 - i) Copies of any Applications for Payment received by Tenant as of May 5, 2000, for its Construction Manager, or any Contractor, Subcontractor or Supplier (collectively “Contractors”), for any Original Improvements or Other Installations Tenant represents and warrants to Landlord that the two Applications for Payment dated March 30, 2000 and April 7, 2000 in the aggregate of \$1,927,563 (the “Current Applications”), copies of which have previously been forwarded to Landlord, are the only such applications received as of May 5, 2000 Landlord acknowledges receipt of the Current Applications With respect to any application received by Tenant after May 5, 2000, Tenant shall promptly forward a copy thereof to Landlord
 - ii) Copies of any approved requisitions for payment and other evidence that amounts have been paid in respect of the Current Applications (including copies of bank wire transfer confirmations or checks or lien waivers), copies of fully executed and effective partial or full lien releases and waivers of claims Tenant will also provide copies of any correspondence or memorandum addressing or relating to any unpaid portions of any Applications for Payment, if any, and a current break-down identifying and explaining the amounts being held by Tenant as retainage under any construction contracts Tenant hereby certifies to Landlord that all amounts due under the Current Applications have been paid and that, except for retainage, there are no unpaid amounts thereunder Landlord acknowledges that it has received copies of lien waivers in respect of the

amounts paid under the Current Applications and a breakdown of the retainage held in connection with the Current Applications

- c) Not later than May 31, 2000, Tenant shall deliver to Landlord an original of one or more surety bonds which guaranty the payment and performance of Tenant's General Contractors, in form and substance reasonably satisfactory to Landlord and Landlord's lender. The surety bond shall name Landlord and Landlord's lender as additional beneficiaries. Unless otherwise agreed to by Landlord, the amount of the surety bond shall be equal to the total budget for Original Improvements submitted under Section 30(a) above. In lieu thereof, Tenant may deliver to Landlord either (i) a surety bond in an amount equal to the difference between the Construction Budget and the total amount of money represented by the partial lien waivers, or (ii) a letter of credit from a financial institution reasonably acceptable to Landlord's lender in the same amount as required in the preceding clause (i) of this subparagraph. A surety bond in the form of Exhibit A attached hereto shall be deemed to satisfy the requirements of this subparagraph c.

Tenant acknowledges and agrees that Tenant's failure to comply with the foregoing in any material respect on or before the respective dates provided above, time being of the essence, shall, without further notice being required and without further opportunity to cure, constitute a material breach of the Lease and give rise, without any further action by Landlord, to all of Landlord's rights and remedies under this Lease. This provision expressly makes inapplicable the rights to notice and of cure which otherwise exist under Article 20, or any other provision, of the Lease."

[Signature Block Appears on Following Page]

IN WITNESS WHEREOF, the parties hereto have executed this Basic Lease Information Rider on this ____ day of May, 2000, intending that it be, and the same hereby is, incorporated into and made a part of the Cleveland Technology Center Lease

Attest:
[corporate seal]

Tenant.

ALLEGIANCE TELECOM, INC.

By: _____

Landlord:

Witness:

Cleveland Technology Center LLC,
an Ohio limited liability company

By: T-Rex Cleveland LLC, Its Manager

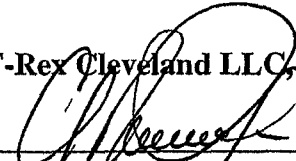
By: 
Clifford Preminger
Its Manager

EXHIBIT B

INVOICES

T-Rex Technology Center @ Cleveland

Electric Bill

Customer Statement

Allegiance Telecom, Inc
700 E Butterfield Road, Suite 400
Lombard, IL 60148

Invoice Date 02 May 03
Due Date 15 May 03
Invoice Number 21

Account No 6 140 16 000037-0 01 5
Service Address 1425 Rockwell Avenue

Service Dates 4/1/03 4/30/03
Service Days 30
Next Scheduled Read Date 31 May 03

Illuminating Company Charges

Total Energy Consumption	588 000 KWH
Total Charges	\$40 716 93
Average Electric Consumption Cost	\$0 06925 per KWH
Account Adjustment	0
Electric Energy Usage	2,975 KWH
Electric Cost	\$206 01
Balance Before New Charges	\$0 00
Late Payment Charge	\$0 00
Total Amount Due	\$206 01
Electrical Allowance	\$0 00
Total Amount Due	\$206 01

A late payment charge of 1 5% will be applied if not paid by 15-May-03

Direct Questions to (561) 989 2403

Please Make Check Payable to **Cleveland Technology Center LLC**

Please Detach and Return this Portion of your Bill

Amount Due \$ 206 01

Amount Paid _____

Account No 6 140 16-000037 0-01 5
Due Date 15 May-03
Invoice Number 21

From

Cleveland Technology Center LLC
5000 T Rex Avenue Suite 100
Boca Raton FL 33431

Please Send Payment to

Cleveland Technology Center LLC
Hatfield Philips, Inc on behalf of LBHI
P O Box 945 761
Atlanta GA 30394 5761

T-Rex Technology Center @ Cleveland

Electrical Power Summary

Account No 6-140-16-000037-0-01-5

Allegiance Telecom, Inc
Cleveland, OH

Service Dates
4/1/03 - 4/30/03

[illegible]

Total Tenant KWH	2,975
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Notes

T-Rex Technology Center @ Cleveland

Electric Bill

Customer Statement

Allegiance Telecom, Inc
700 E Butterfield Road, Suite 400
Lombard, IL 60148

Invoice Date 04 Jun 03
Due Date 15 Jun 03
Invoice Number 22

Account No 6 140 16 000037-0 01 5
Service Address 1425 Rockwell Avenue

Service Dates 5/1/03 5/31/03
Service Days 31
Next Scheduled Read Date 30 Jun-03

Illuminating Company Charges

Total Energy Consumption	486 080 KWH
Total Charges	\$36 726 46
Average Electric Consumption Cost	\$0 07556 per KWH
Account Adjustment	0
Electric Energy Usage	2 606 KWH
Electric Cost	\$196 90
Balance Before New Charges	\$0 00
Late Payment Charge	\$0 00
Total Amount Due	\$196 90
Paid Post Petition	\$114 33
Total Amount Due	\$82 57

A late payment charge of 1 5% will be applied if not paid by 15-Jun-03

Direct Questions to (561) 989 2403

Please Make Check Payable to **Cleveland Technology Center LLC**

Please Detach and Return this Portion of your Bill

Amount Due \$ 82 57

Amount Paid _____

Account No 6 140 16-000037-0-01 5
Due Date 15-Jun-03
Invoice Number 22

From

Cleveland Technology Center LLC
5000 T Rex Avenue, Suite 100
Boca Raton FL 33431

Please Send Payment to

Cleveland Technology Center LLC
Hatfield Philips Inc on behalf of LBHI
P O Box 945 761
Atlanta GA 30394 5761

T-Rex Technology Center @ Cleveland

Electrical Power Summary

Account No 6-140-16-000037-0-01-5

Allegiance Telecom, Inc
Cleveland, OH

Service Dates
5/1/03 - 5/31/03

[illegible]

Total Tenant KWH	2,606
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Notes

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Docket #1579
eod 7/26/04

WHEREAS, the Debtors' chapter 11 cases were consolidated for procedural purposes only and were jointly administered pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure;

WHEREAS, in March 2000, prior to the Commencement Date, CTC and Allegiance, entered into a lease agreement (the "Lease"), whereby CTC leased the premises located at The Cleveland Technology Center in Cleveland, Ohio 44114 (the "Premises") to Allegiance for the term of ten (10) years from the Rent Commencement Date¹;

WHEREAS, on or about February 20, 2004, the Bankruptcy Court entered an order (the "Sale Order") pursuant to which, among other things, the Bankruptcy Court: (i) approved the sale to XO Communications, Inc. ("XO") or its designee (together with XO, the "Buyer"), pursuant to and in accordance with a certain Asset Purchase Agreement dated as of February 18, 2004 by and among certain of the Debtors and the Buyer (as amended, the "Purchase Agreement"), of either (a) substantially all of the assets of Allegiance and Allegiance Telecom Company Worldwide ("ATCW") and all of the stock of the direct and indirect reorganized subsidiaries of ATCW, excluding the stock of Shared Technologies, to be effectuated through a plan of reorganization, or (b) alternatively, at the election of either of the parties as provided in and subject to the terms of the Purchase Agreement substantially all of the assets of Allegiance, ATCW, and the Subsidiary Sellers (in either instance ((a) or (b)) above, collectively, the "Sale Assets"); free and clear of all liens, claims, encumbrances and interests, and certain taxes; (ii) authorized the assumption and/or assignment to the Buyer of certain executory contracts and unexpired leases; (iii)

¹ Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Lease.

modified that certain order of the Bankruptcy Court entered on January 15, 2004 (the "Bidding Procedures Order"); and (iv) granted certain related relief;

WHEREAS, on or about May 18, 2004, in accordance with the Bidding Procedures Order, the Debtors served a notice of cure amount on CTC with respect to the Debtors' proposed assumption and assignment of the Lease to Buyer;

WHEREAS, the Debtors' scheduled CTC's claim in the amount of \$206.01, Claim No. 2284;

WHEREAS, CTC disputed the Debtors' proposed cure amount and the Parties engaged in negotiations regarding the appropriate cure amount with respect to the Lease;

WHEREAS, on November 20, 2003, CTC filed a Proof of Claim, Claim No. 1720 relating to the Lease and on November 21, 2003, CTC filed another Proof of Claim in the amount of \$288.58 for unpaid electricity charges for the Premises for the period prior to the Commencement Date;

WHEREAS, CTC subsequently filed its Amended Proof of Claim, Claim No. 2835 (together with Claim Nos. 1720, 1721 and 2284, the "Proofs of Claim"), whereby CTC asserted that under the Lease, the Debtors were also required to pay CTC Additional Rent for the Premises, which included the Debtors' proportionate share of the Operating Charges as set forth in Section 5.1(b) of the Lease. The Operating Charges in connection with the Premises were paid in arrears after CTC had an opportunity to provide the Debtors with a reconciliation of the amounts CTC actually incurred and the Debtors' pro rata share of that amount for the previous calendar year. CTC's Operating Charge Reconciliation calculated \$5,701.83 as due and owing from the Debtors to CTC for the Operating Charges for the period from January 1, 2003 through December 31, 2003;

WHEREAS, CTC submitted to the Debtors as part of the Amended Proof of Claim an invoice and payment schedule that demonstrated that the Debtors prorated the Operating Charge Reconciliation and that the Debtors had already paid \$3,624.18 in Operating Charges, which accrued from the Commencement Date through December 31, 2003. Accordingly, CTC's Amended Proof of Claim revised Claim 1721 to include the \$2,077.65 for the 2003 Operating Charges that CTC incurred prior to the Commencement Date, which increased CTC's total claim against the Debtors to \$2,366.23 (the "Cure Amount");

WHEREAS, on June 10, 2004, the Bankruptcy Court entered its Findings of Fact, Conclusions of Law, and Order Confirming Debtors' Third Amended Joint Plan of Reorganization (the "Confirmation Order");

WHEREAS, the Debtors' Third Amended Joint Plan of Reorganization (the "Plan") was declared effective on June 23, 2004;

WHEREAS, in accordance with the terms of the Plan, on the Initial Effective Date (as defined in the Plan), the Allegiance Telecom Liquidating Trust (the "ATLT") was created;

WHEREAS, pursuant to the Plan, Eugene I. Davis was appointed as the plan administrator (the "Plan Administrator") for the ATLT;

WHEREAS, among other things, the purpose of the ATLT is to (i) wind-down the Debtors' affairs, including making distributions as contemplated in the Plan, (ii) investigate, enforce and prosecute avoidance and other causes of action, (iii) object to, settle, compromise, dispute and/or prosecute disputed claims, and (iv) administer the Plan and take such actions as are necessary to effectuate the terms of the Plan;

WHEREAS, the ATLT is the successor to the rights of the Debtors, and the Plan Administrator has the authority to, inter alia, perform the duties, exercise the powers, and assert the rights of a trustee under Sections 704 and 1106 of the Bankruptcy Code;

WHEREAS, the Parties have agreed to resolve this matter consensually, on the terms hereof, to avoid the costs and uncertainties of litigation; and

WHEREAS, the terms of this Stipulation have been negotiated at arm's-length and have been agreed to by the Parties in good faith.

AGREEMENT

NOW, THEREFORE, the Parties stipulate and agree as follows:

1. The Debtors are hereby authorized to assume the Lease pursuant to section 365 of the Bankruptcy Code.
2. The Debtors are hereby authorized to assign the Lease to Buyer pursuant to section 365 of the Bankruptcy Code, and CTC hereby consents to such assignment.
3. The sum of \$2,366.23 shall constitute the full and final satisfaction and cure payment (the "Cure Payment") by the Debtors to CTC in connection with the assumption of the Lease and CTC agrees that there are no other present defaults under the Lease. The Cure Amount shall be satisfied by payment of the Cure Payment to CTC within five (5) days of the entry of an order by the Bankruptcy Court approving this Stipulation.
4. This Stipulation may be signed in counterparts and a facsimile signature shall be deemed an original for purposes hereof.

5. This Stipulation shall be binding upon the ATLT as successor to the Debtors and CTC and their respective successors and assigns, the Plan Administrator, and any trustee appointed under chapter 7 of the Bankruptcy Code.

6. Upon entry of this Stipulation by the Bankruptcy Court, the Proofs of Claim shall be deemed withdrawn and expunged.

7. Upon entry of this Stipulation by the Bankruptcy Court and payment of the Cure Payment, CTC shall be deemed to waive any right to receive any distribution in these bankruptcy cases (other than the payment of the Cure Amount) on account of any claims encompassed by the Cure Payment and the Proofs of Claim.

8. This Stipulation contains the entire agreement of the Parties with respect to its subject matter and supercedes any prior or contemporaneous oral or written agreements.

9. The Parties agree and acknowledge that they will make no claim at any time or place that this Stipulation has been orally altered or modified or otherwise changed by oral communication of any kind or character.

10. CTC warrants and represents that it is the sole holder of all claims against the Debtors related to the Lease and CTC has not assigned, sold or otherwise transferred any of the claims against the Debtors related to the Lease.

11. This Stipulation is subject to approval by the Bankruptcy Court and the entry of a Final Order by the Bankruptcy Court approving this Stipulation; provided, however, that the Parties shall support such Bankruptcy Court approval and comply with this Stipulation pending the Bankruptcy Court's entry of a Final Order approving or disapproving this Stipulation. For the purposes of this Stipulation, the term "Final Order" shall mean an order approving this Stipulation that has not been stayed, reversed or

amended and the time, as computed under the Bankruptcy Rules, to appeal or seek review or rehearing of such order (or any revision, modification or amendment thereof) has expired and no appeal or petition for review or rehearing of such order was filed, or if filed, remains pending.

12. The Bankruptcy Court shall retain jurisdiction to construe and enforce the terms of this Stipulation.

Dated: July 15, 2004
New York, New York

ACCEPTED AND AGREED TO:

ALLEGIANCE TELECOM LIQUIDATING
TRUST

By: /s/Mark Stachiw
Mark Stachiw, Esq.
Allegiance Telecom Liquidating Trust
1405 South Beltline Road, Suite 100
Coppell, Texas 75019
Tel: (972) 462-5933

and

/s/Jonathan S. Henes
KIRKLAND & ELLIS LLP
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New York, New York 10022-4675 Telephone:
(212) 446-4800
Facsimile: (212) 446-4900

ATTORNEYS FOR THE ALLEGIANCE
TELECOM LIQUIDATING TRUST

SO ORDERED this 26th day
of July, 2004.

/s/Robert D. Drain
ROBERT D. DRAIN,
UNITED STATES BANKRUPTCY JUDGE

CLEVELAND TECHNOLOGY
CENTER LLC

By: /s/Andrew A. Kress
KAYE SCHOLER LLP
Andrew A. Kress
425 Park Avenue
New York, NY 10022-3596
(212) 836-8000

ATTORNEYS FOR CLEVELAND
TECHNOLOGY CENTER LLC

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WHEREAS, the Debtors' chapter 11 cases were consolidated for procedural purposes only and were jointly administered pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure;

WHEREAS, in March 2000, prior to the Commencement Date, CTC and Allegiance, entered into a lease agreement (the "Lease"), whereby CTC leased the premises located at The Cleveland Technology Center in Cleveland, Ohio 44114 (the "Premises") to Allegiance for the term of ten (10) years from the Rent Commencement Date¹;

WHEREAS, on or about February 20, 2004, the Bankruptcy Court entered an order (the "Sale Order") pursuant to which, among other things, the Bankruptcy Court: (i) approved the sale to XO Communications, Inc. ("XO") or its designee (together with XO, the "Buyer"), pursuant to and in accordance with a certain Asset Purchase Agreement dated as of February 18, 2004 by and among certain of the Debtors and the Buyer (as amended, the "Purchase Agreement"), of either (a) substantially all of the assets of Allegiance and Allegiance Telecom Company Worldwide ("ATCW") and all of the stock of the direct and indirect reorganized subsidiaries of ATCW, excluding the stock of Shared Technologies, to be effectuated through a plan of reorganization, or (b) alternatively, at the election of either of the parties as provided in and subject to the terms of the Purchase Agreement substantially all of the assets of Allegiance, ATCW, and the Subsidiary Sellers (in either instance ((a) or (b)) above, collectively, the "Sale Assets"); free and clear of all liens, claims, encumbrances and interests, and certain taxes; (ii) authorized the assumption and/or assignment to the Buyer of certain executory contracts and unexpired leases; (iii)

¹ Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Lease.

modified that certain order of the Bankruptcy Court entered on January 15, 2004 (the "Bidding Procedures Order"); and (iv) granted certain related relief;

WHEREAS, on or about May 18, 2004, in accordance with the Bidding Procedures Order, the Debtors served a notice of cure amount on CTC with respect to the Debtors' proposed assumption and assignment of the Lease to Buyer;

WHEREAS, the Debtors' scheduled CTC's claim in the amount of \$206.01, Claim No. 2284;

WHEREAS, CTC disputed the Debtors' proposed cure amount and the Parties engaged in negotiations regarding the appropriate cure amount with respect to the Lease;

WHEREAS, on November 20, 2003, CTC filed a Proof of Claim, Claim No. 1720 relating to the Lease and on November 21, 2003, CTC filed another Proof of Claim in the amount of \$288.58 for unpaid electricity charges for the Premises for the period prior to the Commencement Date;

WHEREAS, CTC subsequently filed its Amended Proof of Claim, Claim No. 2835 (together with Claim Nos. 1720, 1721 and 2284, the "Proofs of Claim"), whereby CTC asserted that under the Lease, the Debtors were also required to pay CTC Additional Rent for the Premises, which included the Debtors' proportionate share of the Operating Charges as set forth in Section 5.1(b) of the Lease. The Operating Charges in connection with the Premises were paid in arrears after CTC had an opportunity to provide the Debtors with a reconciliation of the amounts CTC actually incurred and the Debtors' pro rata share of that amount for the previous calendar year. CTC's Operating Charge Reconciliation calculated \$5,701.83 as due and owing from the Debtors to CTC for the Operating Charges for the period from January 1, 2003 through December 31, 2003;

WHEREAS, CTC submitted to the Debtors as part of the Amended Proof of Claim an invoice and payment schedule that demonstrated that the Debtors prorated the Operating Charge Reconciliation and that the Debtors had already paid \$3,624.18 in Operating Charges, which accrued from the Commencement Date through December 31, 2003. Accordingly, CTC's Amended Proof of Claim revised Claim 1721 to include the \$2,077.65 for the 2003 Operating Charges that CTC incurred prior to the Commencement Date, which increased CTC's total claim against the Debtors to \$2,366.23 (the "Cure Amount");

WHEREAS, on June 10, 2004, the Bankruptcy Court entered its Findings of Fact, Conclusions of Law, and Order Confirming Debtors' Third Amended Joint Plan of Reorganization (the "Confirmation Order");

WHEREAS, the Debtors' Third Amended Joint Plan of Reorganization (the "Plan") was declared effective on June 23, 2004;

WHEREAS, in accordance with the terms of the Plan, on the Initial Effective Date (as defined in the Plan), the Allegiance Telecom Liquidating Trust (the "ATLT") was created;

WHEREAS, pursuant to the Plan, Eugene I. Davis was appointed as the plan administrator (the "Plan Administrator") for the ATLT;

WHEREAS, among other things, the purpose of the ATLT is to (i) wind-down the Debtors' affairs, including making distributions as contemplated in the Plan, (ii) investigate, enforce and prosecute avoidance and other causes of action, (iii) object to, settle, compromise, dispute and/or prosecute disputed claims, and (iv) administer the Plan and take such actions as are necessary to effectuate the terms of the Plan;

WHEREAS, the ATLT is the successor to the rights of the Debtors, and the Plan Administrator has the authority to, inter alia, perform the duties, exercise the powers, and assert the rights of a trustee under Sections 704 and 1106 of the Bankruptcy Code;

WHEREAS, the Parties have agreed to resolve this matter consensually, on the terms hereof, to avoid the costs and uncertainties of litigation; and

WHEREAS, the terms of this Stipulation have been negotiated at arm's-length and have been agreed to by the Parties in good faith.

AGREEMENT

NOW, THEREFORE, the Parties stipulate and agree as follows:

1. The Debtors are hereby authorized to assume the Lease pursuant to section 365 of the Bankruptcy Code.
2. The Debtors are hereby authorized to assign the Lease to Buyer pursuant to section 365 of the Bankruptcy Code, and CTC hereby consents to such assignment.
3. The sum of \$2,366.23 shall constitute the full and final satisfaction and cure payment (the "Cure Payment") by the Debtors to CTC in connection with the assumption of the Lease and CTC agrees that there are no other present defaults under the Lease. The Cure Amount shall be satisfied by payment of the Cure Payment to CTC within five (5) days of the entry of an order by the Bankruptcy Court approving this Stipulation.
4. This Stipulation may be signed in counterparts and a facsimile signature shall be deemed an original for purposes hereof.

5. This Stipulation shall be binding upon the ATLT as successor to the Debtors and CTC and their respective successors and assigns, the Plan Administrator, and any trustee appointed under chapter 7 of the Bankruptcy Code.

6. Upon entry of this Stipulation by the Bankruptcy Court, the Proofs of Claim shall be deemed withdrawn and expunged.

7. Upon entry of this Stipulation by the Bankruptcy Court and payment of the Cure Payment, CTC shall be deemed to waive any right to receive any distribution in these bankruptcy cases (other than the payment of the Cure Amount) on account of any claims encompassed by the Cure Payment and the Proofs of Claim.

8. This Stipulation contains the entire agreement of the Parties with respect to its subject matter and supercedes any prior or contemporaneous oral or written agreements.

9. The Parties agree and acknowledge that they will make no claim at any time or place that this Stipulation has been orally altered or modified or otherwise changed by oral communication of any kind or character.

10. CTC warrants and represents that it is the sole holder of all claims against the Debtors related to the Lease and CTC has not assigned, sold or otherwise transferred any of the claims against the Debtors related to the Lease.

11. This Stipulation is subject to approval by the Bankruptcy Court and the entry of a Final Order by the Bankruptcy Court approving this Stipulation; provided, however, that the Parties shall support such Bankruptcy Court approval and comply with this Stipulation pending the Bankruptcy Court's entry of a Final Order approving or disapproving this Stipulation. For the purposes of this Stipulation, the term "Final Order" shall mean an order approving this Stipulation that has not been stayed, reversed or

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