

UNITED STATES BANKRUPTCY COURT		Southern District of New York	PROOF OF CLAIM
Name of Debtor SHARED TECHNOLOGIES ALLEGIANCE, INC		Case Number 03-13108	<div style="font-size: 24pt; font-weight: bold;">REC'D JUN 15 2004</div> <div style="font-size: 12pt; font-weight: bold;">FILED SOUTHERN DISTRICT OF NEW YORK ALLEGIANCE TELECOM, INC 03-13057 (RRD) 2800</div> <div style="font-size: 10pt;">THIS SPACE IS FOR COURT USE ONLY</div>
NOTE 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) MENDOTA PROPERTIES, LLC		<input type="checkbox"/> Check box if you are aware that anyone else has filed a proof of claim for this claim. Attach a copy of the claim giving particulars. <input type="checkbox"/> Check box if you have never received any notices from the bankruptcy court in this case. <input type="checkbox"/> Check box if the address differs from the address on the envelope sent to you by the court.	
Name and Addresses Where Notices Should be Sent MENDOTA PROPERTIES LLC C/O LINDQUIST & VENNUM PLLP ATTN: GEORGE H. SINGER 80 SOUTH 8 TH STREET SUITE 4200 MINNEAPOLIS MN 55402 Telephone Number (612) 371 2493			
Account Or Other Number By Which Creditor Identifies Debtor		Check here if this claim <input type="checkbox"/> replaces a previously filed claim, dated _____ <input type="checkbox"/> amends	
1 BASIS FOR CLAIM <input type="checkbox"/> Goods sold <input type="checkbox"/> Services performed <input type="checkbox"/> Money loaned <input type="checkbox"/> Personal injury/wrongful death <input type="checkbox"/> Taxes <input checked="" type="checkbox"/> Other <u>Lease Rejection and Damages</u> <input type="checkbox"/> Retiree benefits as defined in 11 U.S.C. § 1114(a) <input type="checkbox"/> Wages, salaries, and compensation (Fill out below) Last four digits of SS# _____ Unpaid compensations for services performed from _____ to _____ (date)			
2 DATE DEBT WAS INCURRED See Attached		3 IF COURT JUDGMENT, DATE OBTAINED	
4 TOTAL AMOUNT OF CLAIM AT TIME CASE FILED \$ <u>167,838.91</u> (unsecured) <u>22,570</u> (secured) <u>190,408.91</u> (Total) If all or part of your claim is secured or entitled to priority, also complete Item 5 or 7 below. <input type="checkbox"/> 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 <input checked="" type="checkbox"/> Check this box if your claim is secured by collateral (including a right to setoff). Brief Description of Collateral: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input checked="" type="checkbox"/> Other <u>Deposit</u> Value of Collateral \$ <u>22,570</u> Amount of arrearage and other charges at time case filed included in secured claim, if any: \$ _____		7 UNSECURED PRIORITY CLAIM <input type="checkbox"/> Check this box if you have an unsecured priority claim. Amount entitled to priority \$ _____ Specify the priority of the claim: <input type="checkbox"/> 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) <input type="checkbox"/> Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(4) <input type="checkbox"/> 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) <input type="checkbox"/> Alimony, maintenance, or support owed to a spouse, former spouse, or child. 11 U.S.C. § 507(a)(7) <input type="checkbox"/> Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8) <input type="checkbox"/> Other—Specify applicable paragraph of 11 U.S.C. § 507(a)(_____)	
6 UNSECURED NONPRIORITY CLAIM \$ _____ <input type="checkbox"/> Check this box if: a) there is no collateral or lien securing your claim, or b) your claim exceeds the value of the property securing it, or if c) none or only part of your claim is entitled to priority.		*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.	
8 CREDITS The amounts of all payments on this claim have been credited and deducted for the purpose of making this proof of claim.		<div style="border: 2px solid black; padding: 5px; font-weight: bold; font-size: 12pt;"> RECEIVED JUN - 4 2004 CLAIMS PROCESSING CENTER USBC SDNY </div>	
9 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.			
10 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 June 2 2004		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). <div style="text-align: center;"> <u>George H. Singer, Attorney</u> </div>	

Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.



LINDQUIST & VENNUM P L L P

4200 IDS CENTER
80 SOUTH EIGHTH STREET
MINNEAPOLIS MN 55402 2274
TELEPHONE 612 371 3211
FAX 612 371 3207

IN ST PAUL
444 CEDAR STREET SUITE 1700
ST PAUL MN 55101 3157
TELEPHONE 651 312 1300
FAX 651 223 5332

IN DENVER
600 17TH STREET SUITE 1800 SOUTH
DENVER CO 80202 5441
TELEPHONE 303 573 5900
FAX 303 573 1956

ATTORNEYS AT LAW

www.lindquist.com

GEORGE H SINGER
(612) 371 2493
gsinger@lindquist.com

June 3, 2004

VIA FEDERAL EXPRESS

Clerk of Court
U S Bankruptcy Court
Southern District of New York
One Bowling Green
New York, NY 10004-1408

***Re In re Shared Technologies Allegiance, Inc / In re Allegiance Telecom, Inc
Case No 03-13108 / Case No 03-13057***

Dear Sir or Madam

Enclosed herein for filing, please find a Proof of Claim in the above-referenced matter
Please return a date-stamped copy of the Proof of Claim in the self-addressed stamped envelope
at your earliest convenience

If you have any questions or concerns, please feel free to contact me

Very truly yours,

LINDQUIST & VENNUM P L L P



George H Singer

GHS/mpw
Enclosures
cc Maureen Hall

ADDENDUM TO PROOF OF CLAIM

**In re Allegiance Telecom, Inc , BKY No 03-13057 (RDD)
In re Shared Technologies Allegiance, Inc , BKY No. 03-13108 (RDD)**

This Addendum and attachments/exhibits constitute an integral part of the Proof of Claim

Basis for Claim

This claim is based upon amounts owed by the above-referenced Debtor to Mendota Properties, LLC ("Landlord"), under a certain Lease Agreement and pursuant to a certain Assignment and Assumption of Lease and Consent to Assignment of Lease (collectively, the "Agreements") A copy of the Agreements and other related documents are attached to this Proof of Claim as **Exhibit A**

Reservation of Rights

Landlord reserves the right to amend this Proof of Claim for any reason Landlord further reserves the right to seek priority treatment for any unpaid amounts, if any, that have or may have arisen or may arise under 11 U S C §§ 365, 503, & 507

Neither this Proof of Claim nor any subsequent amendment hereof, appearance, pleading, claim or suit is intended to waive (i) the right of Landlord to have the final orders in non-core matters entered only after *de novo* review by a district judge, (ii) the right of Landlord to trial by jury in any proceeding so triable herein or in any case, controversy or proceeding related hereto, (iii) the right of Landlord's to have the reference withdrawn by the District Court in any matter subject to mandatory or discretionary withdrawal, or (iv) any other rights, claims actions, defenses, set-offs or recoupments to which Landlord is or may be entitled under agreements, in law or in equity, all of which rights, claims, actions, defenses, set-offs, and recoupments Landlord expressly reserves

Contact Information

All court orders, notices, objections, responses and other pleadings or papers with respect to this Proof of Claim should be served upon

Mendota Properties, LLC
c/o Lindquist & Vennum P L L P
Attn George H Singer
4200 IDS Center
80 South Eighth Street
Minneapolis, Minnesota 55402
Telephone 612/371-2493
Facsimile 612/371-3207
e-mail gsinger@lindquist.com

Calculation of Claim

See attached

11-May-04

Shared Allegiance

Suite 125

Lease terminates on June 20, 2005

Security Deposit on file - \$22,570 00

	RENT	CAM
June 2004	\$7,821 33	\$4,737 00
July 2004	\$7,821 33	\$4,737 00
August 2004	\$7,821 33	\$4,737 00
September 2004	\$7,821 33	\$4,737 00
October 2004	\$7,821 33	\$4,737 00
November 2004	\$7,821 33	\$4,737 00
December 2004	\$7,821 33	\$4,737 00
January 2005	\$7,821 33	\$4,737 00
February 2005	\$7,821 33	\$4,737 00
March 2005	\$7,821 33	\$4,737 00
April 2005	\$7,821 33	\$4,737 00
May 2005	\$7,821 33	\$4,737 00
June 2005	\$7,821 33	\$4,737 00
Totals	\$101,677 29	\$61,581 00

May 1st begins F2006 operating year -
used same CAM amount as F2005

GRAND TOTAL	\$163,258 29	Rent & CAM CAM includes real estate taxes and operating expenses
Legal Fees	\$2,943 50	(See attached Invoice)
Tenant		
Improvements and		
Other Costs	\$24,207 12	(See attached Invoice)

Table of Contents
for
Building: Mendota Office Center
Tenant: Shared Technologies
Allegiance, Inc.
Unit(s) #: 125
Lease ID/PDF File Name: 9600101801



UNITED PROPERTIES

- A. Standard Office Lease Agreement (Net), dated March 3, 2000**
 - A1. Exhibit A-1 - Premises**
 - A2. Exhibit A-2 - Building**
 - A3. Exhibit A-3 - Construction Work Letter**
 - A4. Exhibit B - Mendota Heights Office Center Building Rules and Regulations**
 - A5. Exhibit C - Antennae License Agreement**
 - A6. Exhibit D - Unconditional Irrevocable Letter of Credit – Model**
 - A7. Addendum to that Certain Lease Agreement Dated March 3, 2000**
 - B. Letter re: Change of Address and Notice of Assignment and Assumption, dated July 23, 2002**
 - C. Assignment and Assumption of Lease, dated July 16, 2002**
 - C1. Exhibit A – The Lease**
 - D. Consent to Assignment of Lease, dated October 16, 2002**
-

- A. Standard Office Lease Agreement (Net), dated March 3, 2000**
 - 1. Premises and Term**
 - 2. Use**
 - 3. Rentals**
 - 4. Construction**

- 5. Possession**
- 6. Tenant's Pro Rata Share of Real Estate Taxes and Operating Expenses**
- 7. Utilities and Service**
- 8. Non-Liability of Landlord**
- 9. Care of Premises**
- 10. Non-Permitted Use**
- 11. Inspection**
- 12. Alterations**
- 13. Signs**
- 14. Common Areas**
- 15. Assignment and Subletting**
- 16. Loss by Casualty**
- 17. Waiver of Subrogation**
- 18. Eminent Domain**
- 19. Surrender**
- 20. Non-Payment of Rent, Defaults**
- 21. Landlord's Default**
- 22. Holding Over**
- 23. Subordination**
- 24. Indemnity, Insurance and Security**
- 25. Notices**
- 26. Applicable Law**
- 27. Mechanics' Lien**
- 28. Security Interest**
- 29. Brokerage**
- 30. Substitution**
- 31. Estoppel Certificates**
- 32. General**
- 33. Exculpation**
- 34. Security Deposit/Letter of Credit**
- 35. Right of First Negotiation**
- 36. Antenna License**
- 37. Monument Signage License**
- 38. ADA Compliance**
- 39. Parking**

- A1. Exhibit A-1 - Premises**

- A2. Exhibit A-2 - Building**
 - A3. Exhibit A-3 - Construction Work Letter**
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allegiance telecom inc

9201 North Central Expressway
Dallas, Texas 75231
469/259-2304 Direct Voice
469/461 6110 Direct Fax

DT July 23, 2002

FR Annabelle Jo Frycki

RE Allegiance Telecom, Inc
1270 Northland Drive, Suite 125, Mendota Heights, Minnesota 55120

Enclosed is the August 2002 monthly lease payment for the above captioned property

Pursuant to an Asset Purchase Agreement dated June 17, 2002 by and among Intermedia Communications, Inc, Shared Technologies Fairchild, Inc, Shared Technologies Fairchild Telecom, Inc, MCI WorldCom Communications, Inc, WorldCom, Inc, Allegiance CPE, Inc and Shared Technologies Allegiance, Inc, Allegiance Telecom acquired certain leases, one of which is the above location.

Effective immediately, all invoices, statements and other correspondence related to this location should be sent to the following

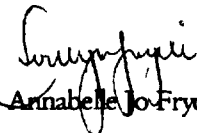
Annabelle Jo Frycki
Manager, Lease Administration
Allegiance Telecom, Inc
9201 North Central Expressway
Dallas, Texas 75231

(469) 259-2304 - Direct Voice
(469) 461-6110 - Direct Fax

Information regarding assignment, assumption and/or request for consent will be forthcoming

Thank you for your attention and cooperation. Should you have any questions or need additional information, please feel free to contact me directly at (469) 259-2304

Sincerely,


Annabelle Jo Frycki

9600101801

STANDARD OFFICE LEASE AGREEMENT (NET)

THIS LEASE AGREEMENT (hereafter called the Lease Agreement) made as of the 3rd day of March, 2000 by and between MENDOTA OFFICE HOLDINGS LLC having offices at Suite 200 3500 West 80th Street, Bloomington, Minnesota, 55431 (hereafter called the Landlord) and Intermedia Communications Inc a Delaware corporation (hereafter called the Tenant)

WITNESSETH

FOR AND IN CONSIDERATION of the sum of One Dollar (\$1.00) in hand paid by each of the parties to the other and other good and valuable consideration receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows

ARTICLE 1 – PREMISES AND TERM

A Landlord does hereby lease and let unto Tenant, and Tenant does hereby hire, lease and take from Landlord, that area outlined in red or otherwise described on Exhibit A 1 attached hereto and by this reference incorporated herein, and described as Suite 125 of the building containing approximately 6 704 rentable square feet, (hereafter called the Premises) at 1270 Northland Drive (hereafter called the Building) in the City of Mendota Heights, County of Dakota, State of Minnesota. The term Building as it is used herein shall consist of the land and building(s) set forth in Exhibit A 2 hereto

B To have and to hold said Premises for a term of approximately sixty one (61) months commencing on the earlier of 1) June 1 2000 or upon substantial completion of the "Tenant Improvements" (as defined in ARTICLE 4 below) and terminating ~~May 31 2005~~ *TNT June 30 2005 M Edg* (hereafter called the "Term") upon the rentals and subject to the conditions set forth in this Lease Agreement, and the Exhibits attached hereto The commencement and termination dates are specifically subject to the provisions of ARTICLE 5 hereof

C Provided the Lease Agreement is in full force and effect and Tenant is not in default beyond any applicable cure period under any of the other terms and conditions of the Lease Agreement at the time of either notification of renewal or commencement of the Renewal Term then Tenant shall have one (1) option to renew this Lease for an additional term of five (5) years, on the same terms and conditions set forth in this Lease Agreement except as modified by the terms covenants and conditions as set forth below

1 If Tenant elects to exercise said option(s) then Tenant shall provide Landlord with written notice no earlier than the date which is twelve (12) months prior to the expiration of the then current Term or Renewal Term of the Lease Agreement but no later than the date which is nine (9) months prior to the expiration of the then current Term or Renewal Term of this Lease Agreement time being of the essence If Tenant fails to provide such notice Tenant shall have no right or additional right to extend or renew the Term of the Lease Agreement The notice shall be given in the manner provided in this Lease Agreement for the giving of notices to Landlord

2 The Minimum Rent in effect at the expiration of the current Term of the Lease Agreement shall be increased to reflect the net Minimum Rent rate Landlord is then receiving for new leases within the Building for similar premises but in no event less than such rent as was in effect at the expiration of the then current Term (the "Fair Rental Rate") provided however if Landlord has not entered into at least two (2) leases for the Building within the six (6) month period prior to determination of the Fair Rental Rate then Fair Rental Rate shall mean the annual net Minimum Rent, as determined by Landlord, that a tenant would pay to a landlord under a net lease containing other terms and conditions substantially as set forth herein with respect to comparable premises in a comparable building in the south suburban Twin Cities metropolitan area, where both the landlord and tenant are willing and able to enter into such a lease transaction but neither would be under any compulsion to do so and taking into account all relevant facts and circumstances concerning the Building, the parties and the relevant market.

3 Tenant may request from Landlord, not more than twelve (12) months prior to the expiration of the initial Term Landlord's determination of Fair Rental Rate Landlord shall give notice to Tenant of its determination of Fair Rental Rate after request by Tenant within at least ten (10) business days subsequent to such request, and such determination shall constitute the Fair Rental Rate if Tenant elects to renew

4 The option set forth in this Section 1C is not transferable except to an "Affiliate" (as defined below) the parties hereto acknowledge and agree that the options to renew as set forth in this Section 1C shall be "personal" to the Tenant executing this Lease Agreement and that in no event will any assignee or sublessee have any rights to exercise any rights set forth in this Section 1C except to an Affiliate

ARTICLE 2 – USE

The Premises shall be used by the Tenant solely for the following purposes

ARTICLE 3 – RENTALS

Tenant agrees to pay to Landlord as minimum rental (hereafter called "Minimum Rental") for the Premises, without notice set off or demand the sum of \$0.00 for the first month subsequent to the commencement of the Term (the first day thereafter shall be referred to as the Rent Commencement Date) then the sum of \$7 542.00 per month for the period commencing with the Rent Commencement Date and continuing through the 36th month thereafter and then the sum of \$7 821.33 per month for the period of the third anniversary of the Rent Commencement Date through the end of the initial Term said monthly installments to be due and payable by Tenant in advance on the first day of each calendar month during the Term of this Lease Agreement, or any extension or renewal thereof at the office of Landlord set forth in the preamble to this Lease Agreement or at such other place as Landlord may designate In the event of any fractional calendar month Tenant shall pay for each day in such partial month a rental equal to 1/30 of the Minimum Rental Tenant agrees to pay as Additional Rent, which shall be collectible to the same extent as Minimum Rental all amounts which may become due to Landlord hereunder and any tax charge or fee that may be levied, assessed or imposed upon or measured by the rents reserved hereunder by any governmental authority acting under any present or future law before any fine penalty interest or costs may be added thereto for non payment Pursuant to ARTICLE 6 hereof Landlord's estimated Operating Expenses for 2000 are \$4.90 per square foot and estimated Real Estate Taxes payable in 2000 are \$1.80 per square foot.

ARTICLE 4 – CONSTRUCTION

A Plans and/or a description for improvements to the Premises are to be prepared pursuant to the provisions of the "Work Letter" which are attached hereto as Exhibit A 3 When the Plans have been approved pursuant to the Work Letter they shall be deemed final subject only to value engineering, as set forth in Paragraph 4B below and change orders approved by each of the parties The parties acknowledge that the Plans are to modify the Premises to accommodate Tenant's intended use Tenant has engaged Landlord to construct and complete all of the work set forth on the Plans ("Tenant Improvements") for and on behalf of Tenant.

B Landlord shall submit to Tenant for Tenant's reasonable approval a bid list of at least three qualified subcontractors to perform each major category of the Tenant Improvement work (except for the carpentry category) Tenant shall have the right to submit and add qualified subcontractors to such bid list subject to Landlord's reasonable approval Landlord shall be responsible to solicit a minimum of three bids for each major category of the Tenant Improvement work in such format and in accordance with such bid requirements and specifications as may be reasonably approved by Tenant including without limitation the itemization of the entire or designated portions of each bid Landlord shall be

responsible to review and tabulate the bids, consult with Tenant regarding the bids, and shall recommend to Tenant, for Tenant's approval, the lowest and best bids to be selected. Tenant shall require all bids to be rejected or may, with or without making changes to the Tenant Improvements in order to reduce the cost thereof, negotiate, or direct landlord to negotiate, with one or more of such bidders (including on the basis of reducing the amount of or replacing any subcontract) in order to achieve a reasonably acceptable price for the Tenant's Improvements.

C As used herein "substantially completed" is defined to mean that said Tenant Improvement work has been completed in such fashion as to enable the Tenant, upon performance of the work to be done by Tenant, to take occupancy of and use the Premises for its intended purpose.

ARTICLE 5 – POSSESSION

Except as otherwise provided, Landlord shall deliver possession of the Premises on or before the date hereinabove specified for commencement of the Term, but delivery of possession prior to such commencement date shall not affect the expiration date of this Lease Agreement. Failure of Landlord to deliver possession of the Premises by the date hereinabove provided, due to a holding over by a prior tenant, or any other cause beyond Landlord's control, or time required for construction delays due to material shortages, strikes, or acts of God, shall automatically postpone the date of commencement of the Term of this Lease Agreement and shall extend the termination date by periods equal to those which shall have elapsed between and including the date hereinabove specified for commencement of the Term hereof and the date on which possession of the Premises is delivered to the Tenant. The rentals herein reserved shall commence on the first day of the Term provided however, in the event of any occupancy by Tenant prior to the beginning of the Term, such occupancy shall in all respects be the same as that of a tenant under this Lease Agreement, and the rental shall commence as of the date that Tenant enters into such occupancy of the Premises. Provided further, that if Landlord shall be delayed in delivery of the Premises to Tenant due to Tenant's failure to meet the Tenant's Plan Delivery Date as set forth in the Work Letter, or Tenant's failure to agree to the Plans by April 1, 2000 (provided the Landlord's Architects Plan Delivery Date as set forth in the Work Letter was timely met) or any delay caused by a party employed by or the agent of Tenant, or by Tenant's failure to pay for the costs (or increase the Letter of Credit as set forth in the Work Letter) of the Tenant Improvements in excess of the T-1 Allowance, then in such case the rental shall be accelerated by the number of days of such delay, and the rentals shall commence the same as if occupancy had been taken by Tenant. Prior to the commencement of the Term, Landlord shall have no responsibility or liability for loss or damage to fixtures, facilities or equipment installed or left on the Premises. By occupying the Premises as a Tenant, or to install fixtures, facilities or equipment, or to perform finishing work, Tenant shall be conclusively deemed to have accepted the same and to have acknowledged that the Premises are in the condition required by this Lease Agreement, except items which are not in compliance with the Plans and for which Tenant has given Landlord a written punch list within thirty (30) days of Tenant's first occupancy of the Premises. Should the Rent Commencement Date occur for any reason on a day other than the first day of a calendar month, then in that event solely for the purposes of computing the Term of this Lease Agreement, the first month following the Rent Commencement Date shall become and be deemed to include such partial calendar month plus the first full calendar month following the Rent Commencement Date, and the termination date shall be adjusted accordingly, provided however that the termination date shall be the last day of a calendar month, which date shall in no event be earlier than the termination date set out in ARTICLE 1. Immediately after Tenant's occupancy of the Premises, the Landlord and Tenant shall execute a ratification agreement which shall set forth the final commencement and termination dates for the Term and shall acknowledge the Minimum Rental, the square footage of the Premises, and delivery of the Premises in the condition required by this Lease Agreement.

ARTICLE 6 – TENANT'S PRO RATA SHARE OF REAL ESTATE TAXES AND OPERATING EXPENSES

A Commencing as of June 1, 2000, during each full or partial calendar year during the Term of this Lease Agreement, Tenant shall pay to Landlord, as Additional Rental, an amount equal to the Real Estate Taxes and Operating Expenses (both as hereinafter defined) per square foot of rentable area in the Building multiplied by the number of square feet of rentable area in the Premises prorated for the period that Tenant occupied the Premises. Notwithstanding the preceding sentence, Tenant's share of the following Operating Expenses shall be computed on the basis of the cost of said expenses per rentable square foot of area within the Building actually occupied: cleaning, management, and energy expenses. Landlord shall provide in the annual Operating Expense Reconciliation Statement a reasonably detailed description of how the Operating Expenses were grossed up. Only those component expenses that are affected by variations in occupancy levels shall be grossed up.

B Landlord shall each year during the Term of this Lease Agreement, give Tenant an estimate of Operating Expenses and Real Estate Taxes payable per square foot of rentable area for the coming calendar year. Tenant shall pay as Additional Rental, along with its monthly Minimum Rental payments required hereunder, one twelfth (1/12) of such estimated Operating Expenses and Real Estate Taxes, and such Additional Rental shall be payable until subsequently adjusted for the following year pursuant to this Article.

C As soon as possible after the expiration of each calendar year, but no later than April 15, Landlord shall determine and certify to Tenant the actual Operating Expenses and Real Estate Taxes for the previous year per square foot of rentable area in the Building and the amount applicable to the Premises (the "Reconciliation Statement"). Such Reconciliation Statement shall be itemized as to major expense categories. If such Reconciliation Statement shows that Tenant's share of Operating Expenses and Real Estate Taxes exceeds Tenant's estimated monthly payments for the previous calendar year, then Tenant shall, within thirty (30) days after receiving Landlord's Reconciliation Statement, pay such deficiency to Landlord. In the event of an overpayment by Tenant, such overpayment shall be refunded to Tenant, at the time of Reconciliation Statement, in the form of an adjustment in the Additional Rental next coming due, or if at the end of the Term by a refund. Landlord shall keep books and records of Operating Expenses, which for a period of six (6) months subsequent to the receipt of the Reconciliation Statement (but not thereafter) shall be subject to review and examination by Tenant, its authorized representatives and/or accountants at reasonable times, with reasonable advance notice during business hours at the offices of Landlord or Landlord's property manager, all for purposes of verifying Operating Expenses. If Landlord's Reconciliation Statement shall be overstated, Landlord shall pay to Tenant the amount by which Tenant has overpaid Operating Expenses together with interest on the overpaid amount as provided in Article 20 below. All examinations of Landlord's books and records shall be solely at Tenant's expense, provided however, if Landlord's Reconciliation Statement shall be overstated by five percent (5%) or more, Landlord shall promptly reimburse Tenant for Tenant's reasonable expenses of such examination.

D For the purposes of this Article, the term "Real Estate Taxes" means the total of all taxes, fees, charges and assessments, general and special, ordinary and extraordinary, foreseen or unforeseen, which become due or payable upon the Building. All costs and expenses incurred by Landlord during negotiations for or contests of the amount of Real Estate Taxes shall be included within the term "Real Estate Taxes." For purposes of this Article, the term "Operating Expenses" shall be deemed to mean all costs and expenses directly related to the Building incurred by Landlord in the repair, operation, management and maintenance of the Building, including interior and exterior and common area maintenance, management fees, cleaning expenses, energy expenses, insurance premiums, and the amortization of capital investments made to reduce operating costs or that are necessary due to governmental requirements, all in accordance with generally accepted accounting principles. The following items shall not be included within the meaning of Operating Expenses:

1. Costs of repairs or other work occasioned by the exercise of the right of eminent domain;
2. Leasing commissions, attorneys' fees, costs and disbursements and other expenses which are incurred in connection with negotiations or disputes with tenants, other occupants or prospective tenants;
3. Cost of renovating or otherwise improving or decorating, painting or redecorating leased space for tenants or other occupants or vacant tenant space, other than ordinary maintenance provided to all tenants, except in all common areas.

4 Landlord's cost of electricity and other services sold separately to tenants which Landlord is entitled to be reimbursed by such tenants as an additional charge over and above the base rent and operating expenses or other rental adjustments payable under the Lease with such tenant and domestic water submetered and separately billed to tenants

5 Depreciation

6 Expenses in connection with services or other benefits of a type which Tenant is not entitled to receive under the Lease but which are provided to another tenant or occupant

7 Costs incurred due to violation by Landlord or any tenant of the terms and conditions of any Lease

8 Overhead and profit paid to subsidiaries or affiliates of Landlord for services on or to the Building and/or Demised Premises, to the extent only that the costs of such services exceed competitive costs for such services were they not so rendered by a subsidiary or affiliate provided, however that the property management fee charged by Landlord or an affiliate of Landlord shall not be in excess of the rates then customarily charged for building management for buildings of like class and character The salaries and benefits of executive officers of the Landlord above the rank of Building or Property Manager shall be excluded

9 Any cost or expense related to financing or refinancing Ground rents, principal payments or any interest expense on any loans secured by mortgages placed upon the Building and underlying land (or a leasehold interest therein)

10 Any particular items and services for which Tenant otherwise reimburses Landlord by direct payment over and above Minimum Rent and operating expense adjustments

11 Advertising and promotional expenditures

12 Any costs fines or penalties incurred due to violations by Landlord of any governmental law ordinance rule or authority

13 Any expense for which Landlord is compensated through proceeds of insurance and

14 Charges for Landlord's income tax, franchise tax or similar taxes on Landlord's business

E Landlord may at any time designate a fiscal year in lieu of a calendar year and in such event, at the time of such a change there may be a billing for the fiscal year which is less than 12 calendar months In the event Landlord owns buildings on adjacent land in addition to the Building and/or such buildings are under common management (the "Building Complex") Landlord shall have the option for purposes of managing and administering the Building and the calculation of Tenant's pro rata share of Real Estate Taxes and Operating Expenses to combine such additional building(s) with the Building (the "Complex Option") and in such case all such Operating Expenses and/or Real Estate Taxes shall be combined but Tenant's Pro Rata Share of the same shall be reduced by using the total rentable area of all buildings in the Complex Option rather than just the Building for purposes of determining Tenant's Pro Rata Share pursuant to this Article

F Landlord reserves and Tenant hereby assigns to Landlord the sole and exclusive right to contest, protest, petition for review or otherwise seek a reduction in the Real Estate Taxes

ARTICLE 7 – UTILITIES AND SERVICE

A Landlord agrees to furnish water electricity elevator service and janitorial service In the event Tenant's requirements and/or usage of such utilities and services is substantially greater than is customarily supplied to a typical tenant in the Building, Landlord or Tenant may request that the difference in such requirement and/or usage be determined and that appropriate adjustments be made in the Minimum Rental provided for in ARTICLE 3 of this Lease Agreement.

B Landlord agrees to furnish heat during the usual heating season and air conditioning during the usual air conditioning season all during normal business hours as defined in this Lease Agreement

C No temporary interruption or failure of such services incidental to the making of repairs, alterations or improvements, or due to accidents or strike or conditions or events not under Landlord's control shall be deemed as an eviction of the Tenant or relieve the Tenant from any of the Tenant's obligations hereunder Notwithstanding the foregoing if for any reason, there is a failure, stoppage, interruption or reduction in the furnishing of any facilities, utilities or services which Landlord is to provide to the Premises or to Tenant pursuant to the terms of this Lease Agreement in excess of 3 consecutive business days and any stoppage, interruption or reduction renders any portion of the Premises untenantable or Tenant's access to the Premises or any portion thereof or its right to use and occupy the Premises in excess of 1 day (an "Abatement Event") then, provided that Tenant shall not use or occupy that portion of the Premises for the normal conduct of its business during such period of untenantability the base Minimum Rental and Additional Rent under Article 6 payable with respect to such portions of the Premises shall be abated or reduced, as the case may be, in the proportion that the untenantable rentable area of the Premises bears to the total rentable area of the Premises on a day-by-day basis for each day that Tenant shall not use or occupy the Premises, or such portion thereof for the normal conduct of Tenant's business during the period of untenantability and terminating on the date that such portion of the Premises shall become tenantable again or Tenant commences to use or occupy the Premises or such portion thereof for the normal conduct of Tenant's business

D For the purposes of this ARTICLE 7 normal business hours shall be deemed to mean the period of time between 7:00 a.m. and 6:00 p.m. Monday through Friday and specifically excluding Saturdays, Sundays and legal holidays

ARTICLE 8 – NON LIABILITY OF LANDLORD

Except in the event of negligence of Landlord, its agents employees or contractors Landlord shall not be liable for any loss or damage for failure to furnish heat air conditioning, electricity elevator service, water sprinkler system or janitorial service Landlord shall not be liable for personal injury death or any damage from any cause about the Premises or the Building except if caused by Landlord's gross negligence

ARTICLE 9 – CARE OF PREMISES

A Tenant agrees

1 To keep the Premises in as good condition and repair as they were in at the time Tenant took possession of same reasonable wear and tear and damage from fire and other casualty for which insurance is normally procured excepted

2 To keep the Premises in a clean and sanitary condition

3 Not to commit any nuisance or waste on the Premises, overload the Premises or the electrical water and/or plumbing facilities in the Premises or Building, throw foreign substances in plumbing facilities or waste any of the utilities furnished by Landlord

4 To abide by such rules and regulations as may from time to time be reasonably promulgated by Landlord (A copy of the Building's current Rules and Regulations are attached hereto as Exhibit B)

5 To preserve and protect all carpeted areas and to provide and use carpet protector mats in all locations within the Premises where chairs with castors are used and

6 To obtain Landlord's prior approval of the interior design of any portion of the Premises visible from the common areas or from the outside of the Building. Interior design" as used in the preceding sentence shall include but not be limited to floor and wall coverings, furniture, office design, artwork and color scheme

B If Tenant shall fail to keep and preserve the Premises in the state of condition required by the provisions of this ARTICLE 9, the Landlord may at its option, after notice to Tenant, put or cause the same to be put into the condition and state of repair agreed upon, and in such case the Tenant, on demand, shall pay the cost thereof

ARTICLE 10 – NON-PERMITTED USE

Tenant agrees to use the Premises only for the purposes set forth in ARTICLE 2 hereof. Tenant further agrees not to commit or permit any act to be performed on the Premises or any omission to occur which shall be in violation of any statute, regulation or ordinance of any governmental body or which will increase the insurance rates on the Building or which will be in violation of any insurance policy carried on the Building by the Landlord. Tenant, at its expense, shall comply with all governmental laws, ordinances, rules and regulations applicable to the use of the Premises and its occupancy and shall promptly comply with all governmental orders, rulings and directives for the correction, prevention and abatement of any violation upon or in connection with the Premises or Tenant's use or occupancy of the Premises, including the making of any alterations or improvements to the Premises, all at Tenant's sole cost and expense. The Tenant shall not disturb other occupants of the Building by making any undue or unseemly noise or otherwise and shall not do or permit to be done in or about the Premises anything which will be dangerous to life or limb. Tenant acknowledges that the Building is 'smoke free' and shall not allow or permit its employees, or invitees to smoke either within the Premises within the Building or within twenty feet (20') of the entrances to the Building.

ARTICLE 11 – INSPECTION

The Landlord or its employees or agents shall have the right without any diminution of rent or other charges payable hereunder by Tenant to enter the Premises at all reasonable times, after notice to Tenant (except for instances of an emergency nature) for the purpose of exhibiting the Premises to prospective tenants or purchasers, inspection, cleaning, repairing, testing, altering or improving the same or said Building, but nothing contained in this Article shall be construed so as to impose any obligation on the Landlord to make any repairs, alterations or improvements.

ARTICLE 12 – ALTERATIONS

Tenant will not make any alterations, repairs, additions or improvements which exceed \$10,000 in cost, in or to the Premises or which would add, disturb or in any way change any plumbing, wiring, life/safety or mechanical systems, locks, or structural portions of the Building without the prior written consent of the Landlord as to the character of the alterations, additions or improvements to be made, the manner of doing the work and the contractor doing the work. Such consent shall not be unreasonably withheld or delayed. If such alterations, repairs, additions or improvements are required of Tenant or are the obligation of Tenant pursuant to this Lease Agreement, all such work shall comply with all applicable governmental laws, ordinances, rules and regulations. The Landlord as a condition to said consent may require a surety performance and/or payment bond from the Tenant for said actions. Tenant agrees to indemnify and hold Landlord free and harmless from any liability, loss, cost, damage or expense (including attorney's fees) by reasons of any said alteration, repairs, additions or improvements.

ARTICLE 13 – SIGNS

Tenant agrees that no signs or other advertising materials shall be erected, attached or affixed to any portion of the interior or exterior of the Premises or the Building without the express prior written consent of Landlord.

ARTICLE 14 – COMMON AREAS

A Tenant agrees that the use of all corridors, passageways, elevators, toilet rooms, parking areas and landscaped area in and around said Building by the Tenant or Tenant's employees, visitors or invitees, shall be subject to such rules and regulations as may from time to time be made by Landlord for the safety, comfort and convenience of the owners, occupants, tenants and invitees of said Building. Tenant agrees that no awnings, curtains, drapes or shades shall be used upon the Premises except as may be approved by Landlord.

B In addition to the Premises, Tenant shall have the right of non-exclusive use in common with others, of (a) all unrestricted automobile parking areas, driveways and walkways, and (b) loading facilities, freight elevators and other facilities as may be constructed in the Building, all to be subject to the terms and conditions of this Lease Agreement and to reasonable rules and regulations for the use thereof as prescribed from time to time by Landlord.

C Landlord shall have the right to make changes or revisions in the site plan and in the Building so as to provide additional leasing area. Landlord shall also have the right to construct additional buildings on the land described on Exhibit A.2 for such purposes as Landlord may deem appropriate. Landlord also reserves all airspace rights above, below and to all sides of the Premises, including the right to make changes, alterations or provide additional leasing areas.

D Landlord and Tenant agree that Landlord will not be responsible for any loss, theft or damage to vehicles, or the contents thereof parked or left in the parking areas of the Building and Tenant agrees to so advise its employees, visitors or invitees who may use such parking areas. The parking areas shall include those areas designated by Landlord, in its sole discretion, as either restricted or unrestricted parking areas. Any restricted parking areas shall be leased only by separate license agreement with Landlord. Tenant further agrees not to use or permit its employees, visitors or invitees to use the parking areas for overnight storage of vehicles.

ARTICLE 15 – ASSIGNMENT AND SUBLETTING

A Tenant agrees not to assign, sublet, license, mortgage or encumber this Lease Agreement, the Premises, or any part thereof whether by voluntary act, operation of law or otherwise without the specific prior written consent of Landlord in each instance provided however Landlord agrees not to unreasonably withhold, delay or deny such consent if: i) such assignment or sublease is in writing and the assignee or sublessee assumes all the obligations of Tenant under this Lease Agreement, ii) the proposed subtenant or assignee has a net worth of at least that of Tenant at the time of such assignment or subletting, iii) the remaining provisions of this Lease Agreement continue to be applicable, and iv) Tenant shall remain liable hereunder. Landlord's consent shall not be required, however, to an assignment of this Lease Agreement or sublease of the Premises to an Affiliate of Tenant or to any entity into or with which Tenant is merged or to the purchaser of all or substantially all the ownership interests or assets of Tenant, provided twenty (20) days prior written notice is provided to Landlord and the survivor or transferee continues to operate the business of Tenant as a going concern and it assumes in writing all obligations of Tenant under this Lease and agrees to attorn to Landlord. For purposes hereof, an "Affiliate" shall mean any party that is related to Tenant as that term is defined by Sec. 267(b) of the Internal Revenue Code of 1986 and/or an entity which controls is controlled by or is under common control with Tenant. Consent by Landlord in one such instance shall not be a waiver of Landlord's rights under this Article as to requiring consent for any subsequent instance. In the event Tenant desires to sublet a part or all of the Premises, or assign this Lease Agreement, Tenant shall give written notice to Landlord at least thirty (30) days prior to the proposed subletting or assignment, which notice shall state the name of the proposed subtenant or assignee, the terms of any sublease or assignment documents and copies of financial reports or other

relevant financial information of the proposed tenant or assignee. If Landlord consents to an assignment or sublease, Tenant shall pay to Landlord on a monthly basis at the same time as Minimum Rent and Additional Rent are paid, a "Transfer Premium." "Transfer Premium" shall mean one half (1/2) of all rent, additional rent or other consideration payable by such assignee or sublessee in excess of the Minimum Rent and Additional Rent payable by Tenant under this Lease Agreement on a per rentable square foot basis even if less than all of the Premises is sublet. Tenant shall pay such Transfer Premium to Landlord within ten (10) days of receipt of such Transfer Premium from the assignee or sublessee. In any event no subletting or assignment shall release Tenant of its obligation to pay the rent and to perform all other obligations to be performed by Tenant hereunder for the Term of this Lease Agreement. The acceptance of rent by Landlord from any other person shall not be deemed to be a waiver by Landlord of any provision hereof. At Landlord's option, Landlord may terminate the Lease Agreement (but only with respect to the square footage proposed to be assigned or sublet) in lieu of giving its consent to any proposed assignment of this Lease Agreement or subletting of the Premises (which termination may be contingent upon the execution of a new lease with the proposed assignee or subtenant).

B. Landlord's right to assign this Lease Agreement is and shall remain unqualified upon any sale or transfer of the Building and providing the purchaser succeeds to the interests of Landlord under this Lease Agreement, Landlord shall thereupon be entirely freed of all obligations of the Landlord hereunder and shall not be subject to any liability resulting from any act or omission or event occurring after such conveyance.

ARTICLE 16 – LOSS BY CASUALTY

If the Building is damaged or destroyed by fire or other casualty, the Landlord shall have the right to terminate this Lease Agreement, provided it gives written notice thereof to the Tenant within ninety (90) days after such damage or destruction. If a portion of the Premises is damaged by fire or other casualty and Landlord does not elect to terminate this Lease Agreement, the Landlord shall at its expense restore the Premises to as near the condition which existed immediately prior to such damage or destruction, as reasonably possible, and the rentals shall abate during such period of time as the Premises are untenable in the proportion that the untenable portion of the Premises bears to the entire Premises.

ARTICLE 17 – WAIVER OF SUBROGATION

Landlord and Tenant hereby release the other from any and all liability or responsibility to the other or anyone claiming through or under them by way of subrogation or otherwise for any loss or damage to property caused by fire or any of the extended coverage or supplementary contract casualties, even if such fire or other casualty shall have been caused by the fault or negligence of the other party or anyone for whom such party may be responsible, provided however that this release shall be applicable and in force and effect only with respect to loss or damage occurring during such times as the releasing party's policies shall contain a clause or endorsement to the effect that any such release would not adversely affect or impair said policies or prejudice the right of the releasing party to recover thereunder. Landlord and Tenant agree that they will request their insurance carriers to include in their policies such a clause or endorsement. If extra cost shall be charged therefore, each party shall advise the other of the amount of the extra cost, and the other party, at its election, may pay the same but shall not be obligated to do so.

ARTICLE 18 – EMINENT DOMAIN

If the entire Building is taken by eminent domain, this Lease Agreement shall automatically terminate as of the date of taking. If a portion of the Building is taken by eminent domain, the Landlord shall have the right to terminate this Lease Agreement, provided it gives written notice thereof to the Tenant within ninety (90) days after the date of taking. If a portion of the Premises is taken by eminent domain and this Lease Agreement is not terminated by Landlord, the Landlord shall at its expense restore the Premises to as near the condition which existed immediately prior to the date of taking as reasonably possible, and the rentals shall abate during such period of time as the Premises are untenable in the proportion that the untenable portion of the Premises bears to the entire Premises. All damages awarded for such taking under the power of eminent domain shall belong to and be the sole property of Landlord, irrespective of the basis upon which they are awarded; provided, however, that nothing contained herein shall prevent Tenant from making a separate claim to the condemning authority for its moving expenses and trade fixtures. For purposes of this Article, a taking by eminent domain shall include Landlord's giving of a deed under threat of condemnation.

ARTICLE 19 – SURRENDER

On the last day of the Term of this Lease Agreement or on the sooner termination thereof in accordance with the terms hereof, Tenant shall peacefully surrender the Premises in good condition and repair consistent with Tenant's duty to make repairs as provided in ARTICLE 9 hereof. On or before said last day, Tenant shall at its expense remove all of its equipment from the Premises, repairing any damage caused thereby, and any property not removed shall be deemed abandoned. All alterations, additions and fixtures other than Tenant's trade fixtures, which have been made or installed by either Landlord or Tenant upon the Premises shall remain as Landlord's property and shall be surrendered with the Premises as a part thereof or shall be removed by Tenant, at the option of Landlord, in which event Tenant shall at its expense repair any damage caused thereby. It is specifically agreed that any and all telephonic, coaxial, ethernet, or other computer wordprocessing, facsimile or electronic wiring installed by Tenant within the Premises (hereafter "Wiring") shall be removed at Tenant's cost at the expiration of the Term, unless Landlord has specifically requested in writing that said Wiring shall remain, whereupon said Wiring shall be surrendered with the Premises as Landlord's property. If the Premises are not surrendered at the end of the Term or the sooner termination thereof, Tenant shall indemnify Landlord against loss or liability resulting from delay by Tenant in so surrendering the Premises, including, without limitation, claims made by any succeeding tenant founded on such delay. Tenant shall promptly surrender all keys for the Premises to Landlord at the place then fixed for payment of rental and shall inform Landlord of combinations on any locks and safes on the Premises.

ARTICLE 20 – NON-PAYMENT OF RENT DEFAULTS

If any one or more of the following occurs: (1) a rent payment or any other payment due from Tenant to Landlord shall be and remain unpaid in whole or in part for more than ten (10) days after same is due and payable; (2) Tenant shall violate or default on any of the other covenants, agreements, stipulations or conditions herein, or in any parking agreement(s) or other agreements between Landlord and Tenant relating to the Premises, and such violation or default shall continue for a period of ten (10) days after written notice from Landlord of such violation or default; (3) if Tenant shall commence or have commenced against Tenant proceedings under a bankruptcy, receivership, insolvency or similar type of action; or (4) if Tenant shall vacate any substantial portion of the Premises for a period of more than 15 days, then it shall be optional for Landlord, without further notice or demand, to cure such default or to declare this Lease Agreement forfeited and the said Term ended, or to terminate only Tenant's right to possession of the Premises, and to re-enter the Premises, with or without process of law, using such force as may be necessary to remove all persons or chattels therefrom, and Landlord shall not be liable for damages by reason of such re-entry or forfeiture, but notwithstanding re-entry by Landlord or termination only of Tenant's right to possession of the Premises, the liability of Tenant for the rent and all other sums provided herein shall not be relinquished or extinguished for the balance of the Term of this Lease Agreement, and Landlord shall be entitled to periodically sue Tenant for all sums due under this Lease Agreement or which become due prior to judgment, but such suit shall not bar subsequent suits for any further sums coming due thereafter. Tenant shall be responsible for, in addition to the rentals and other sums agreed to be paid hereunder, the cost of any necessary maintenance, repair, restoration, reletting (including related cost of removal or modification of tenant improvements) or cure as well as reasonable attorney's fees incurred or awarded in any suit or action instituted by Landlord to enforce the provisions of this Lease Agreement, regain possession of the Premises, or the collection of the rentals due Landlord hereunder. Tenant shall also be liable to Landlord for the payment of a late charge in the amount of 10% of the rental installment or other sum due Landlord hereunder if said payment has not been received within ten (10) days from the date said payment becomes due and payable or cleared by Landlord's bank within three (3) business days after deposit. Tenant agrees to pay interest at the highest permissible rate of interest allowed under the usury statutes of the State of Minnesota, or in case no such maximum rate of interest is provided, at the rate of 12% per annum on all rentals and other sums due Landlord hereunder not paid within ten (10) days from the date same become due and payable. Each right or remedy of Landlord provided for in this Lease Agreement shall be cumulative and shall be in addition to every other right or remedy provided for in this Lease Agreement now or hereafter existing at law or in equity or by statute or otherwise.

ARTICLE 21 – LANDLORD'S DEFAULT

Landlord shall not be deemed to be in default under this Lease Agreement until Tenant has given Landlord written notice specifying the nature of the default and Landlord does not cure such default within thirty (30) days after receipt of such notice or within such reasonable time thereafter as may be necessary to cure such default where such default is of such a character as to reasonably require more than thirty (30) days to cure.

ARTICLE 22 – HOLDING OVER

Tenant will, at the expiration of this Lease Agreement, whether by lapse of time or termination, give up immediate possession to Landlord. If Tenant fails to give up possession, the Landlord may, at its option, serve written notice upon Tenant that such holdover constitutes any one of (i) renewal of this Lease Agreement for one year and from year to year thereafter, or (ii) creation of a month-to-month tenancy, or (iii) creation of a tenancy at sufferance. If Landlord does not give said notice, Tenant's holdover shall create a tenancy at sufferance. In any such event, the tenancy shall be upon the terms and conditions of this Lease Agreement, except that the Minimum Rental shall be 150% of the Minimum Rental Tenant was obligated to pay Landlord under this Lease Agreement immediately prior to termination (in the case of tenancy at sufferance, such Minimum Rental shall be prorated on the basis of a 365 day year for each day Tenant remains in possession), excepting further that in the case of a tenancy at sufferance, no notices shall be required prior to commencement of any legal action to gain repossession of the Premises. In the case of a tenancy at sufferance, Tenant shall also pay to Landlord all damages sustained by Landlord resulting from retention of possession by Tenant. The provisions of this paragraph shall not constitute a waiver by Landlord of any right of re-entry as otherwise available to Landlord, nor shall receipt of any rent or any other act in apparent affirmation of the tenancy operate as a waiver of the right to terminate this Lease Agreement for a breach by Tenant hereof.

ARTICLE 23 – SUBORDINATION

Tenant agrees that this Lease Agreement shall be subordinate to any mortgage(s) that may now or hereafter be placed upon the Building or any part thereof, and to any and all advances to be made thereunder and to the interest thereon and all renewals, replacements, and extensions thereof, provided the mortgagee named in such mortgage(s) shall agree to recognize this Lease Agreement or Tenant in the event of foreclosure, provided the Tenant is not in default. In confirmation of such subordination, Tenant shall promptly execute and deliver any instrument, in recordable form as required by Landlord's mortgagee. In the event of any mortgagee electing to have the Lease Agreement a prior encumbrance to its mortgage, then and in such event upon such mortgagee notifying Tenant to that effect, this Lease Agreement shall be deemed prior in encumbrance to the said mortgage, whether this Lease Agreement is dated prior to or subsequent to the date of said mortgage. Landlord shall use its good faith efforts to obtain a non-disturbance agreement in favor of Tenant, from any currently existing mortgage holders.

ARTICLE 24 – INDEMNITY, INSURANCE AND SECURITY

A. Tenant will keep in force at its own expense for so long as this Lease Agreement remains in effect public liability insurance with respect to the Premises in which Landlord shall be named as an additional insured, in companies and in form acceptable to Landlord with a minimum combined limit of liability of Two Million Dollars (\$2,000,000.00). This limit shall apply per location. Said insurance shall provide for contractual bodily injury and property damage liability coverage. Tenant shall further provide for business interruption insurance to cover a period of not less than six (6) months. Tenant will further deposit with Landlord the policy or policies of such insurance or certificates thereof or other acceptable evidence that such insurance is in effect, which evidence shall provide that Landlord shall be notified in writing thirty (30) days prior to cancellation, material change or failure to renew the insurance. Tenant further covenants and agrees to indemnify and hold Landlord and Landlord's manager of the Building harmless for any claim, loss or damage, including reasonable attorney's fees, suffered by Landlord, Landlord's manager or Landlord's other tenants caused by: (i) any act or omission by Tenant, Tenant's employees or anyone claiming through or by Tenant in, at, or around the Premises or the Building; (ii) the conduct or management of any work or thing whatsoever done by Tenant in or about the Premises; or (iii) Tenant's failure to comply with any and all governmental laws, rules, ordinances or regulations applicable to the use of the Premises and its occupancy, unless such claim, loss or damage was caused by the negligence or willful misconduct of Landlord, its employees, agents or managers. If Tenant shall not comply with its covenants made in this ARTICLE 24, Landlord may, at its option, cause insurance as aforesaid to be issued and in such event Tenant agrees to pay the premium for such insurance promptly upon Landlord's demand.

B. Tenant shall be responsible for the security and safeguarding of the Premises and all property kept, stored or maintained in the Premises. Landlord will make available to Tenant, at Tenant's request, the plans and specifications for construction of the Building and the Premises. Tenant represents that it is satisfied that the construction of the Building and the Premises, including the floors, walls, windows, doors and means of access thereto, are suitable for the particular needs of Tenant's business. Tenant further represents that it is satisfied with the security of said Building and Premises for the protection of any property which may be owned, held, stored or otherwise caused or permitted by Tenant to be present upon the Premises. The placement and sufficiency of all safes, vaults, cash or security drawers, cabinets or the like placed upon the Premises by Tenant shall be at the sole responsibility and risk of Tenant. Tenant shall maintain in force throughout the Term insurance upon all contents of the Premises, including that owned by others and Tenant's equipment and any alterations, additions, fixtures, or improvements in the Premises acknowledged by Landlord to be the Tenant's.

C. Landlord shall carry and cause to be in full force and effect a fire and extended coverage insurance policy on the Building, but not contents owned, leased or otherwise in possession of Tenant. The cost of such insurance shall be an Operating Expense.

ARTICLE 25 – NOTICES

All notices from Tenant to Landlord required or permitted by any provisions of this Lease Agreement shall be directed to Landlord, postage prepaid, certified or registered mail, at the address provided for Landlord in the preamble to this Lease Agreement or at such other address as Tenant shall be advised to use by Landlord. All notices from Landlord to Tenant required or permitted by any provision of this Lease Agreement shall be directed to Tenant, postage prepaid, certified or registered mail, at the Premises and at the address, if any, set forth following the signature lines of this Lease Agreement. Landlord and Tenant shall each have the right at any time and from time to time to designate one (1) additional party to whom copies of any notice shall be sent.

ARTICLE 26 – APPLICABLE LAW

This Lease Agreement shall be construed under the laws of the State of Minnesota.

ARTICLE 27 – MECHANICS' LIEN

In the event any mechanic's lien shall at any time be filed against the Premises or any part of the Building by reason of work, labor, services or materials performed or furnished to Tenant or to anyone holding the Premises through or under Tenant, Tenant shall forthwith cause the same to be discharged of record. If Tenant shall fail to cause such lien forthwith to be discharged within forty-five (45) days after being notified of the filing thereof, then in addition to any other right or remedy of Landlord, Landlord may, but shall not be obligated to, discharge the same by paying the amount claimed to be due, or by bonding, and the amount so paid by Landlord and all costs and expenses, including reasonable attorney's fees incurred by Landlord in procuring the discharge of such lien, shall be due and payable in full by Tenant to Landlord on demand.

ARTICLE 28 – SECURITY INTEREST INTENTIONALLY OMITTED

ARTICLE 29 – BROKERAGE

Each of the parties represents and warrants that there are no claims for brokerage commissions or finder's fees in connection with this Lease Agreement, and agrees to indemnify the other against, and hold it harmless from all liabilities arising from any such claim, including without limitation the cost of attorney's fees in connection therewith. Landlord agrees to pay a commission to CB Richard Ellis, acting on behalf of Tenant (Tenant's Agent) pursuant to the terms of a separate agreement with Tenant's Agent, in two (2) equal installments payable with the first installment to be paid upon execution of this Lease Agreement by Landlord and Tenant and the second upon Tenant's taking possession and the commencement of the Term provided that in the event Tenant terminates this Lease Agreement or it is otherwise canceled prior to the commencement of the third (3rd) month of the Term then such commission shall not become due and any payments previously made shall be returned to Landlord.

ARTICLE 30 – SUBSTITUTION

INTENTIONALLY DELETED

ARTICLE 31 – ESTOPPEL CERTIFICATES

Each party hereto agrees that at any time and from time to time during the Term of this Lease Agreement (but not more often than twice in each calendar year) within ten (10) business days after request by the other party hereto it will execute, acknowledge and deliver to such other party or to any prospective purchaser, assignee or mortgagee designated by such other party an estoppel certificate in a form acceptable to Landlord. Tenant agrees to provide Landlord (but not more often than twice in any calendar year) within ten (10) business days of request, the then most current financial statements of Tenant and any guarantors of this Lease Agreement, which shall be certified by Tenant, and if available shall be audited and certified by a certified public accountant. Landlord shall keep such financial statements confidential except Landlord shall in confidence be entitled to disclose such financial statements to existing or prospective mortgagees or purchasers of the Building.

ARTICLE 32 – GENERAL

This Lease Agreement does not create the relationship of principal and agent or of partnership or of joint venture or of any association between Landlord and Tenant, the sole relationship between Landlord and Tenant being that of landlord and tenant. No waiver of any default of Tenant hereunder shall be implied from any omission by Landlord to take any action on account of such default if such default persists or is repeated, and no express waiver shall affect any default other than the default specified in the express waiver and that only for the time and to the extent therein stated. The covenants of Tenant to pay the Minimum Rental and the Additional Rental are each independent of any other covenant, condition or provision contained in this Lease Agreement. The marginal or topical headings of the several Articles, paragraphs and clauses are for convenience only and do not define, limit or construe the contents of such Articles, paragraphs or clauses. All preliminary negotiations are merged into and incorporated in this Lease Agreement. This Lease Agreement can only be modified or amended by an agreement in writing signed by the parties hereto. All provisions hereof shall be binding upon the heirs, successors and assigns of each party hereto. If any term or provision of this Lease Agreement shall to any extent be held invalid or unenforceable, the remainder shall not be affected thereby and each other term and provision of this Lease Agreement shall be valid and be enforced to the fullest extent permitted by law. If Tenant is a corporation, each individual executing this Lease Agreement on behalf of said corporation represents and warrants that he is duly authorized to execute and deliver this Lease Agreement on behalf of said corporation in accordance with a duly adopted resolution of the Board of Directors of said corporation or in accordance with the Bylaws of said corporation and that this Lease Agreement is binding upon said corporation in accordance with its terms. No receipt or acceptance by Landlord from Tenant of less than the monthly rent herein stipulated shall be deemed to be other than a partial payment on account for any due and unpaid stipulated rent; no endorsement or statement of any check or any letter or other writing accompanying any check or payment of rent to Landlord shall be deemed an accord and satisfaction and Landlord may accept and negotiate such check or payment without prejudice to Landlord's rights to (i) recover the remaining balance of such unpaid rent or (ii) pursue any other remedy provided in this Lease Agreement. Neither party shall record this Lease Agreement or any memorandum thereof and any such recordation shall be a breach of this Lease Agreement void and without effect. Time is of the essence with respect to the due performance of the terms, covenants and conditions herein contained. Submission of this instrument for examination does not constitute a reservation of or option for the Premises and this Lease Agreement shall become effective only upon execution and delivery thereof by Landlord and Tenant.

ARTICLE 33 – EXCULPATION

Tenant agrees to look solely to Landlord's interest in the Building for the recovery of any judgment from Landlord, it being agreed that Landlord and Landlord's partners, whether general or limited (if Landlord is a partnership) or its directors, governors, officers, managers, members or shareholders (if Landlord is a limited liability company or corporation) shall never be personally liable for any such judgment.

ARTICLE 34 SECURITY DEPOSIT/LETTER OF CREDIT

A. On the date of execution of this Lease Agreement by Tenant, Tenant at its sole cost and expense shall deliver to Landlord, from a financial institution acceptable to Landlord, an irrevocable unconditional standby letter of credit in the amount of \$22,570.00 in substantially the form as set forth in Exhibit D attached hereto and incorporated herein by reference, with any revisions thereof to be approved, in advance, by Landlord (such letter of credit, together with any other renewal or replacement letters of credit delivered or to be delivered by Tenant hereunder shall be referred to herein collectively as the "Letter of Credit"). The Letter of Credit shall be maintained until the expiration of the Term of the Lease Agreement. Tenant may periodically renew the Letter of Credit to assure that it is maintained throughout the entirety of said period; provided, any such periodic Letter of Credit must be extended, renewed and/or replaced with a new Letter of Credit at least thirty (30) days prior to the maturity date of the preceding periodic Letter of Credit. So long as Tenant is not in default under the terms of the Lease Agreement (and no conditions exist which, but for the passage of time or the giving of notice, would constitute a default) then Tenant shall be entitled to a full release of the Letter of Credit and Landlord shall return the Letter of Credit to Tenant at the expiration of this Lease Agreement.

B. Notwithstanding any provision to the contrary contained within the Lease Agreement, upon the occurrence of an uncured default by Tenant in the payment of rent (whether denominated Minimum, Fixed, Percentage, Additional or otherwise) or of any other uncured default by Tenant pursuant to the terms of this Lease Agreement, Landlord may, upon five (5) business days prior written notice to Tenant, draw upon the Letter of Credit. Thereafter, Landlord shall hold the entire proceeds of said Letter of Credit, the same as if such amount were a security deposit. Such security deposit shall serve as security for full payment by Tenant of Tenant's obligations arising under the Lease Agreement. If Tenant shall thereafter default in the payment of rent (whether denominated Minimum, Fixed, Percentage, Additional or otherwise) or any other monetary obligation of Tenant under this Lease Agreement is not cured after notice, if any, as provided in this Lease Agreement, Landlord may apply all or a part of the security deposit to the payment of the amount of such monetary default. In such event, Tenant shall within five (5) business days following receipt of written demand from Landlord deposit with Landlord the amount so applied to replenish said security deposit. Notwithstanding any provision contained hereto to the contrary, in the event Tenant does not extend, renew and/or replace a maturing periodic Letter of Credit with a substitute Letter of Credit at least thirty (30) days prior to the stated expiration date of said Letter of Credit, then Landlord may upon five (5) days prior written notice to Tenant, and provided Tenant does not provide such a substitute Letter of Credit within said five (5) business day period, draw upon the entire amount of said Letter of Credit and such proceeds of such Letter of Credit shall then be deemed a security deposit and treated as set forth herein. No draw by Landlord under the Letter of Credit or the use of the proceeds thereof shall be deemed a waiver of any default by Tenant under any provisions of the Lease Agreement. Tenant shall not be entitled to interest on any security deposit.

ARTICLE 35 RIGHT OF FIRST NEGOTIATION

INTENTIONALLY DELETED

ARTICLE 36 – ANTENNAE LICENSE

The installation, placement, location and maintenance of cabling and conduit from the Premises to Tenant's telecommunication antennae and related equipment on the roof of the Building shall be governed by a separate license agreement in the form of Exhibit C attached hereto and incorporated herein by reference. Tenant agrees that at no time during the Term shall it use, license or otherwise agree to utilize any space upon the Building or land upon which it is located for antennae space, except pursuant to Exhibit C and in no event shall it use, license, utilize or rent space from or to other tenants or licensees of the Building.

ARTICLE 37 MONUMENT SIGNAGE LICENSE

Tenant shall have the limited right ("Signage License") to place its company name on the Building's current monument sign located at the parking lot entrance to the Building ("Monument") subject to, limited by and conditioned upon the following:

- A The installation of Tenant's signage shall be performed by a professional signage contractor approved by Landlord, but at Tenant's sole cost and expense.
- B The style, size and location upon the Monument of Tenant's signage shall be approved in advance by Landlord.
- C Obtaining any necessary municipal approvals and any fees in connection with placing Tenant's signage on said Monument shall be the responsibility of Tenant.
- D The Signage License may be revoked and terminated by Landlord upon thirty (30) days prior written notice after the occurrence of any of the following events:
 - (a) Landlord hereafter enters into a new lease agreement or amends, modifies or expands a lease of a then existing tenant of the Building in which such tenant occupies or will occupy space within the Building which is larger (in square feet) than the Tenant's then Premises,
 - (b) Landlord, due to a default by Tenant, has terminated Tenant's right to possession of the Premises and/or this Lease,
 - (c) the term of this Signage License (which shall be deemed to run through the Term of the Lease, as the same may be renewed) shall have expired.
- E In the event Tenant's Signage License shall terminate, expire or be revoked pursuant to paragraph D above or otherwise, Tenant shall cause its signage to be removed from the Monument utilizing a professional signage contractor approved by Landlord, but at Tenant's sole cost and expense. This obligation shall survive the expiration, cancellation or termination of the Lease.
- F Tenant's Signage License shall in no event be allowed to interfere with the signage rights on the Monument of the tenants currently listed on said Monument, nor with Monument signage rights of any other current tenant of the Building.

ARTICLE 38 ADA COMPLIANCE

A After commencement of the Term and notwithstanding anything else contained in this Lease Agreement to the contrary, the Landlord agrees, solely for the benefit of Tenant, and not for the benefit of any third parties, that Landlord shall be responsible for compliance with the provisions of Title III of the Americans with Disabilities Act of 1990 ("ADA") determined at any time during the Term by an appropriate governmental authority to be required in order to bring the common areas of the Building (specifically excluding the Premises, but including parking areas, sidewalks and walkways) into compliance with the ADA, provided that such compliance is not required by reason of any act or omission of Tenant. Landlord further agrees that it shall be responsible for compliance with ADA in connection with any Tenant Improvements constructed solely by Landlord, provided that if Landlord believes Plans for said Tenant Improvements need to be revised to so comply with the ADA, it shall raise the same with Tenant and the Plans shall be revised to conform with the accessibility guidelines of the ADA.

B Tenant shall be responsible for compliance with all requirements of the ADA applicable to the Premises except for such conditions which are Landlord's responsibilities as set forth in the previous paragraph. Nothing contained in the foregoing shall relieve Tenant from requirements of having to obtain Landlord's approval to the Plans of any Tenant Improvements to be constructed within the Premises. In the event that Tenant's status is or shall become in the future that of a public accommodation pursuant to and as defined by the ADA, then the responsibility and costs of any compliance with the ADA due to said status or change of status shall be borne solely by Tenant.

C Landlord and Tenant each hereby agree to indemnify and hold the other harmless from and against any and all claims, damages, costs and liabilities arising out of the failure of the other to comply with their respective responsibilities set forth in the previous two paragraphs. The indemnification obligations of each of Landlord and Tenant to the other shall survive the expiration or earlier termination of the Lease Agreement or any renewal or extension thereof. The indemnification of this paragraph are for the sole benefit of Landlord and Tenant, their successors and assigns and not for the benefit of any third parties.

D Notwithstanding anything else contained in this Lease Agreement to the contrary, Landlord reserves the right upon notice to Tenant to enter the Premises for ADA compliance should Tenant fail to comply with its obligations as set forth above. The allocation of the responsibility for ADA compliance between Landlord and Tenant and the obligations of Landlord and Tenant established by such allocations shall supersede any other provisions of the Lease Agreement that may contradict or otherwise differ from the requirements of this Article.

ARTICLE 39 PARKING

At no charge to Tenant during the Term of this Lease and any extensions thereof, Landlord hereby grants to Tenant the nonexclusive right to utilize the surface parking lot of the Building on a first-come, first-served basis for the parking of the motor vehicles of Tenant's employees, invitees, customers and guests. The parking for the Building shall not be less than a ratio of 5 spaces for every 1000 rentable square feet of Building Area.

IN WITNESS WHEREOF, this I Agreement has been duly executed by the parties to as of the day and year indicated above

TENANT
INTERMEDIA COMMUNICATIONS INC

By [Signature]

Its VP

By _____

Its _____

Date 3/9/00

Address for Notices, if other than the Premises

#415235v6 LBG 03/02/2000

LANDLORD
MENDOTA OFFICE HOLDINGS LLC

By [Signature]

Its VP

By [Signature]

Its VP

Date 3/16/00

Exhibit A-1
Premises

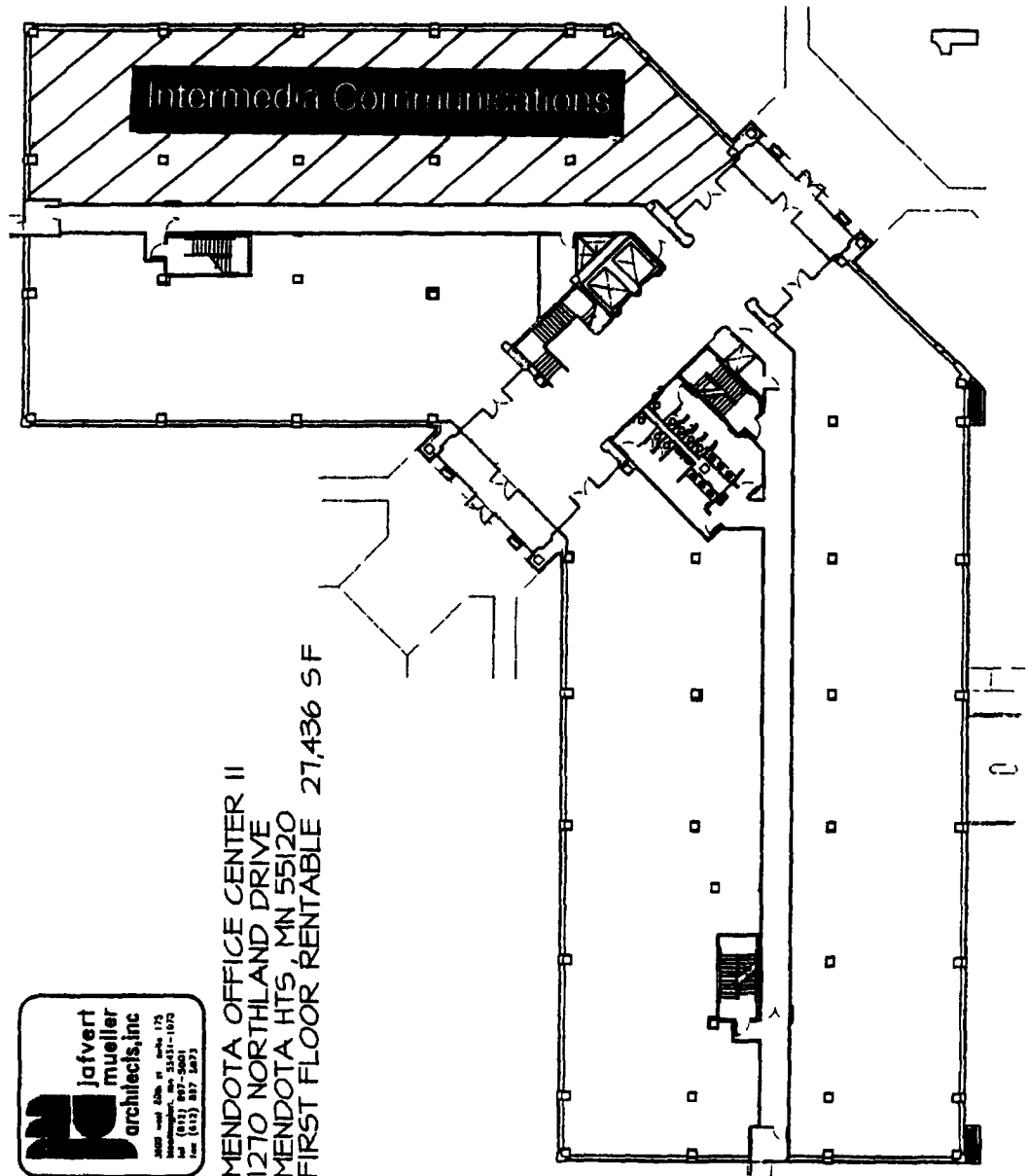
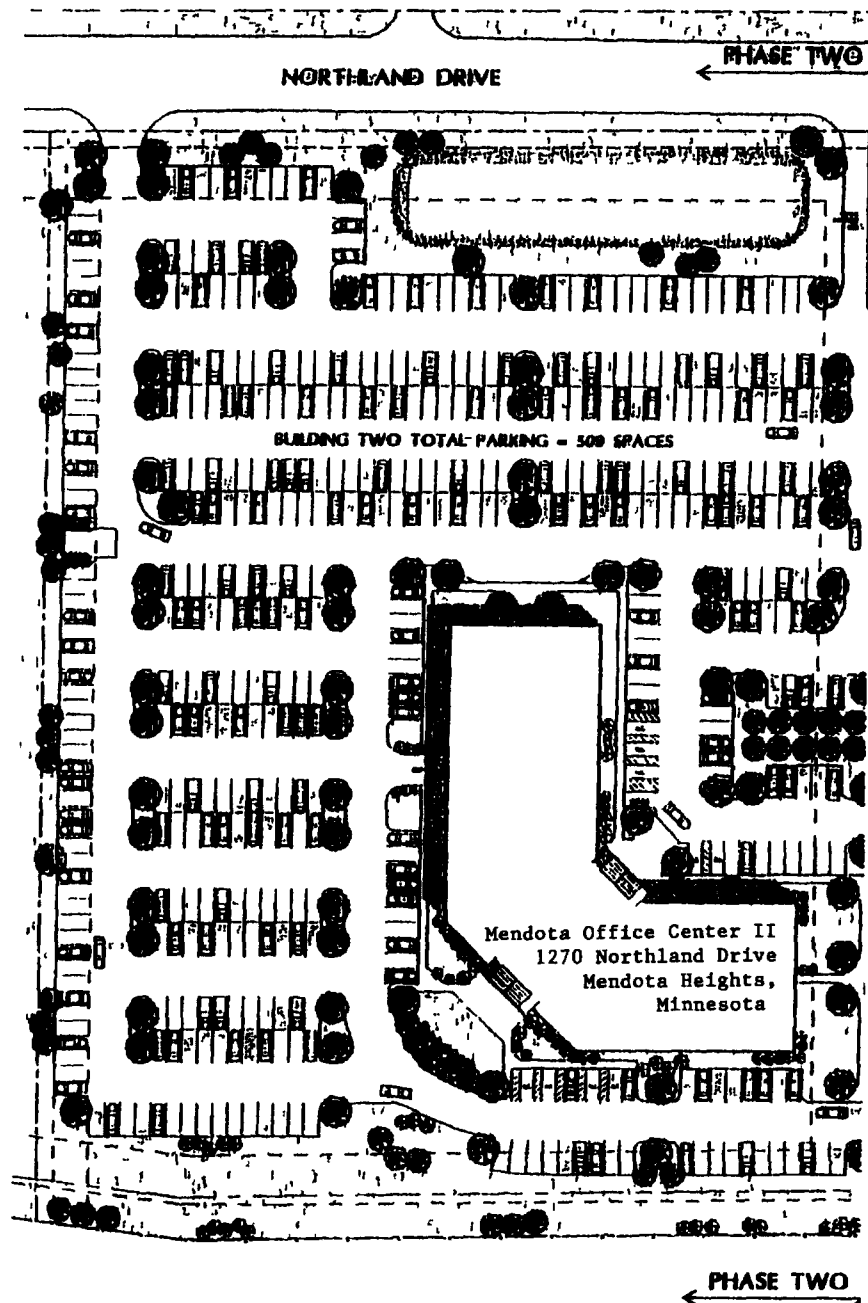


Exhibit A-2
Building



**EXHIBIT A-3
CONSTRUCTION WORK LETTER**

Plans and/or a description for improvements to the Premises are to be prepared as follows: Tenant will prepare a floor lay out plan and specifications for such of the Tenant Improvements which deviate from Building "standards" and provide the same prior to March 17, 2000 ("Tenant Plan Delivery Date") to Landlord's architect, Jafvert Mueller Architects, Inc. ("Landlord's Architect"), which architect Tenant hereby approves. Landlord's Architect shall utilize said lay out and specifications to prepare construction drawings, which shall meet with Landlord's and Tenant's approval which approval shall not be unreasonably withheld, delayed or denied and shall be given by April 3, 2000 provided the Tenant Plan Delivery Date had been complied with and provided said drawings are delivered to Landlord and Tenant by March 29, 2000 ("Landlord's Architect Plan Delivery Date"). When so approved the plans shall be initialed by each party and the same shall be deemed final subject only to value engineering (Plans) and change orders approved by each of the parties. Landlord's and Tenant's approval of the Plans shall not be deemed a certification, warranty or representation that the plans are in compliance with governmental requirements. Landlord shall utilize the Plans to obtain bids to construct the improvements pursuant to the Plans ("Tenant Improvements") and in accordance with applicable governmental laws, ordinances and regulations. "Tenant Improvements" shall be deemed to include, Tenant's architectural fees, Landlord's project management fees and cabling costs. Landlord and Tenant have agreed that the costs of such Tenant Improvements shall be paid by Tenant, although Landlord shall provide Tenant an allowance of up to \$18.00 per rentable square foot contained within the Premises, to be utilized toward the cost of the Tenant Improvements (hereafter called the "T I Allowance"). If the construction bids are such that the T I Allowance will be exceeded, Landlord shall have the right to have the Letter of Credit (as defined in Article 34) increased in the amount such T I Allowance shall be exceeded, until such time as Tenant pays to Landlord the costs in excess of the T I Allowance (at which time the Letter of Credit can again be reduced to the amount as set forth in Article 34). Failure of Tenant to increase the Letter of Credit (or pay such increase in cash), within ten (10) business days of Landlord's demand shall be deemed a default and shall excuse Landlord from constructing the Tenant Improvements. Tenant shall have the right to "value engineer" the Plans as set forth in Paragraph 4B of the Lease. The T I Allowance shall be used only for the payment of costs relating to the construction of the Tenant Improvements, which shall specifically include the cost of preparing the Plans, for construction management (which shall not exceed 10% of the actual construction cost, excluding architectural fees), installation of additional non-Building standard improvements as set forth on the Plans, and construction materials and installation thereof within the Premises, which costs Landlord shall pay directly out of the T I Allowance for the credit of Tenant, and in no event shall any part of the T I Allowance be paid to or payable to Tenant. Any costs of the Tenant Improvements which exceed the T I Allowance shall be paid by Tenant to Landlord within fifteen (15) days of the day of submission by Landlord to Tenant of a statement of said costs. Any improvements to the Premises, other than as shown on the Plans, and the furnishing of the Premises, shall be made by Tenant at the sole cost and expense of Tenant, subject to all other provisions of this Lease Agreement, including compliance with all applicable governmental laws, ordinances and regulations. If the Tenant Improvements cannot be substantially completed prior to the commencement of the Term, then the provisions of Article 5 shall apply. Landlord shall indemnify and hold Tenant harmless from all mechanic's liens and associated costs, liabilities, damages, expenses, including attorney fees with respect to Landlord's construction of the Tenant Improvements.

EXHIBIT B

MENDOTA HEIGHTS OFFICE CENTER

BUILDING RULES AND REGULATIONS

- 1 The sidewalks, entries, passages, courtyard, corridors, stairways, and elevators shall not be obstructed by any of the tenants, their employees or agents, or used by them for purposes other than ingress and egress to and from their respective premises. Boxes, cartons, or any other debris, which is to be thrown away by the cleaning crew, shall not be left in the corridors.
- 2 All heavy equipment shall be transported into the premises only at such times and in such manner as shall be prescribed by the Landlord, and the Landlord shall in all cases have the right to specify the proper weight and position of any such heavy article. Tenant shall pay for any damage done to the Building by taking in or removing any such equipment or from overloading any floor in any way. Defacing or injuring in any way any part of the Building by the Tenant, his agents or employees shall be paid for by the Tenant.
- 3 Tenant will refer all contractors, contractor's representatives and installation technicians rendering any services on or to the Premises for Tenant to Landlord for Landlord's approval and supervision before performance of any contractual service as provided in your lease. This provision shall apply to all work performed in the Building, including but not limited to the installation of telephone and computer equipment, electrical devices and attachments and installations of any nature affecting floors, walls, woodwork, trim, windows, ceilings, HVAC systems, life safety systems, or any other physical portion of the Building. Such approval, if given, shall in no way make the Landlord a party to any contract between Tenant and any such contractor, and Landlord and Owner shall have no liability therefore.
- 4 No sign, advertisement or notice shall be inscribed, painted or affixed on any part of the inside or outside of said Building. The original suite entry sign will be supplied by Landlord for Tenant, at Landlord's cost. Any additions, deletions or changes to the suite entry signage after the original signage is installed shall be at Tenant's cost. A directory in a conspicuous location, with the names of the tenants, will be provided by Landlord; any revisions to this will be made by Landlord within a reasonable time after notice from the Tenant of an error or change making the revisions necessary. No furniture shall be placed in front of the Building or in any lobby or corridor without written consent of Landlord. Landlord shall have the right to remove all other signs and furniture without notice to Tenant, at the expense of Tenant.
- 5 Tenant shall have the non-exclusive use in common with the Landlord, other tenants, their guests and invitees of the automobile parking areas, driveways and footways, subject to such additional reasonable rules and regulations for the use thereof as prescribed from time to time by Landlord. Landlord shall have the right to designate parking areas for the use of the Building. The tenants and their employees shall not park in the parking areas so designated, specifically including driveways, fire lanes, loading/unloading areas, walkways and building entrances. Landlord shall not be liable for any vehicle of the Tenant or its employees that the Landlord shall have towed from the Premises when illegally parked. Landlord will not be liable for damage to vehicles parked in the parking area or for theft of vehicles, personal property or equipment from vehicles.
- 6 No tenant shall do or permit anything to be done in its premises or bring or keep anything therein which will in any way increase the rate of insurance on said Building, or on property kept therein, or obstruct or interfere with the rights of other tenants, or in any way injure or annoy them, or violate any applicable law or fire regulation, or any insurance policy upon said Building or any part thereof, or violate with any rules and ordinances of the local Board of Health.
- 7 Employees of the Landlord will at all times keep a pass key, and agents of the Landlord shall at all times be allowed admittance to the Premises.
- 8 No additional locks shall be placed upon any doors without the prior written consent of the Landlord. All keys to the Premises shall be furnished by Landlord in a reasonable number commensurate with the square footage leased. Additional keys shall be furnished at Tenant's cost. Upon termination of the Lease, all keys shall be surrendered, and the Tenant shall then give the Landlord or its agents the combination of all locks upon any doors or vaults.
- 9 No windows or other openings that reflect or admit light into the corridors or passageways, or to any other place in said Building, shall be covered or obstructed by any tenants.
- 10 No person shall disturb the other occupants of the Building by the use of any musical instruments or the making of unseemly noises. No animals or pets of any kind shall be allowed in the Building, except animal aids to persons with disabilities.
- 11 The water closets and other water fixtures shall not be used for any purpose other than those for which they were constructed, and any damage resulting to them from misuse, or the defacing or injury of any part of the Building, shall be borne by the person or tenant which caused such damage.
- 12 No bicycles or similar vehicles will be allowed in the Building. Exterior parking for such vehicles will be provided at discretion of Landlord.
- 13 Nothing shall be thrown out the windows of the Building or down the stairways, roof, or other passages.
- 14 Tenant shall not be permitted to use or keep in the Building any kerosene, camphene, burning fluid or other illuminating materials, such as candles/incense.
- 15 If Tenant desires, at its/his/her cost, communications, data or electrical wiring, Landlord or its agent will direct the installation of the same as to where and how the wires may be introduced, and without such direction, no boring or cutting for wires is permitted. All communication wiring will be removed at Tenant's cost upon expiration of the Lease.
- 16 Landlord will furnish Building standard Venetian blinds on all exterior windows in the Premises which Tenant occupies, at Landlord's cost. If Tenant desires to install draperies, at Tenant's cost, they must be of such shape, color and material as shall be prescribed by Landlord. Landlord or its agent shall have the right to enter the Premises to examine the same or to make such repairs, alterations or additions as the Landlord shall deem necessary for the safety, preservation or improvement of the Building. If Tenant's premises contain glass frontage on the corridor, atrium, or other public area, then Landlord will supply Building standard blinds for that glass. Tenant will not raise the blinds on the glass area (the blinds should always be down) however they may be open at any angle or closed.
- 17 Prior to the expiration of the Lease, Landlord or its agents may show the Premises and may place on the window or doors thereof, or upon the bulletin board, a notice "For Rent".
- 18 No portion of the Building shall be used for the purpose of lodging rooms or for any immoral or unlawful purposes.

- 19 Tenant shall not install or authorize the installation of any vending machines or food preparation devices without Landlord's prior written approval. Landlord shall have the right to rescind this approval if given without liability to Tenant for reimbursement of any Tenant costs or expense incurred with respect to any initial installation.
- 20 The Landlord reserves the right at any time to take one elevator out of service to tenants, for exclusive use by the Building management in servicing the Building.
- 21 No electric heaters or electric fans are allowed on the Premises without the prior written consent of Landlord.
- 22 Landlord will not allow any hooks to be installed on any doors within the Building without the prior written approval of the Landlord.
- 23 Under the terms and conditions of the Minnesota Clean Air Act, Mendota Office Building is a smoke-free building; no smoking is permitted in the Premises or at the exterior entrances to the Building.
- 24 In the event that Tenant wishes at any time to utilize the services of a telephone or telecommunications provider, no such provider shall be permitted to install its lines or other equipment within the Building without first securing the prior written approval of the Landlord. Landlord's approval shall not be deemed any kind of warranty or representation as to the suitability, competence or financial strength of the provider. Without limitation of the foregoing standard, unless all of the following conditions are satisfied to Landlord's satisfaction, it shall be reasonable for Landlord to refuse to give its approval: (i) Landlord shall incur no expense whatsoever with respect to any aspects of the provider's provision of its services, including without limitation, the costs of installation, materials and services; (ii) prior to commencement of any work in or about the Building by the provider, the provider shall supply Landlord with such written indemnities, insurance, financial statements and such other items as Landlord reasonably determines to be necessary to protect its financial interests and the interests of the Building relating to the proposed activities of the provider; (iii) the provider agrees to sign an equipment placement agreement, abide by building and other codes, job site rules and other such requirements as are reasonably determined by Landlord to be necessary to protect the interests of the Building, the tenants in the Building and Landlord in the same or similar manner as Landlord has the right to protect itself and the Building with respect to proposed alterations as described in Tenant's Lease; (iv) Landlord reasonably determines that there is sufficient space in the Building for the placement of all of the provider's equipment and materials; (v) the provider agrees to abide by Landlord requirements if any that provider use existing Building conduits and pipes or use Building contractors (or other contractors approved by Landlord); (vi) Landlord receives from the provider such compensation as is reasonably determined by Landlord to compensate it for space used in the Building for the storage and maintenance of the provider's equipment, for the fair market value of a provider's access to the Building and the costs which may reasonably be expected to be incurred by Landlord; (vii) the provider agrees to deliver to Landlord detailed as-built plans immediately after the installation of the provider's equipment is complete; and (viii) all of the foregoing matters are documented in a written license agreement between Landlord and the provider, the form and content of which is reasonably satisfactory to Landlord.

EXHIBIT C
ANTENNAE LICENSE AGREEMENT

This License Agreement (the "Agreement"), dated as of this _____ day of _____, 2000 is between MENDOTA OFFICE HOLDINGS LLC (the "Licensor") and INTERMEDIA COMMUNICATIONS INC (the "Licensee") having an address at Suite 125 1270 Northland Drive Mendota Heights, MN (the "Premises")

A Licensor agrees to permit Licensee to utilize for purposes provided herein, the roof space (the exact location to be determined by Licensor with the reasonable consent of Licensee but in no event shall such space exceed 100 contiguous square feet) on the building ("Building ") in which the Premises are located (the "Roof Space"). Upon termination of Licensee's lease for the Premises for any reason (including the failure to renew the Term), this License Agreement and the license created hereby shall automatically expire with said termination. The termination, cancellation or expiration of this License Agreement or the license created hereunder shall not be cause or grounds for the cancellation or termination of Licensee's lease for the Premises.

B Licensee may install, use and maintain on such Roof Space equipment ("Equipment") as described in Exhibit X attached hereto. Equipment must be clearly marked with name and phone number of service representative and Licensee.

C Licensor agrees that Licensee may run cables (the "Cables") from the Roof Space to the Licensee's Premises. Licensee may not breach the roof membrane but must follow a route designated or otherwise approved by Licensor to Licensee's Premises. Any damages to the Building or fixtures or equipment located upon or within the Building resulting therefrom shall be promptly repaired by Licensee.

D The Equipment shall remain the property of the Licensee or its contractor. Licensee shall at its cost remove such Equipment and Cables at the expiration or sooner termination of the license granted hereunder or this License Agreement, and restore the Roof Space and Building to the condition they were in prior to Licensee's installation of the Equipment and Cables. The obligations to remove the Equipment and Cables and to restore and repair the Roof Space and Building shall survive the expiration or sooner termination of the license and this License Agreement.

E Licensee and/or its contractor shall bear all expenses in connection with the installation, use and maintenance of such Equipment and Cables and removal of the same. Licensee shall indemnify and hold Licensor harmless from and against liability, damages, costs and expenses, including reasonable attorneys' fees incurred by Licensor arising out of Licensee's installation, use, maintenance and removal of the Equipment and Cables. This obligation shall survive the expiration, cancellation or termination of this License Agreement and the license created hereunder.

F Licensee and/or its contractor shall maintain in force during the term of this License Agreement comprehensive liability insurance in amounts and in such form as reasonably satisfactory to Licensor protecting Licensor against any liability, damages, cost or expenses, in connection with the installation, use, maintenance and removal of the Equipment and Cables and shall supply the appropriate certificates of such insurance upon request.

G Licensee and its contractors shall comply with all applicable federal, state and local laws, regulations, and building codes in connection with the installation, use, maintenance and removal of the Equipment and Cables. In the event any such laws, regulations, or codes require physical improvements be made to the Building or other expenditures by or on behalf of the Building and/or its owner, the costs of the same shall be borne by Licensee. Notwithstanding the foregoing, any physical improvements, whether required by law, regulation, code or otherwise, shall be subject to Licensor's approval, which approval may be given or denied in Licensor's sole discretion. If any law, regulation or code prohibits or disallows the Equipment and/or Cables or the effective use of the license granted hereby, whether now or in the future, Licensor shall be entitled to terminate the license granted hereby without penalty and Licensee shall take such action so as to allow the Building to again be in compliance with such law, regulation or code, including, if necessary, the removal of the Equipment and/or Cables.

H Licensor agrees to permit Licensee reasonable access to the Roof Space and other areas so as to facilitate the installation, use, maintenance and removal of the Equipment and Cables. Licensee shall have access to the Roof Space during normal business hours in order to facilitate maintenance and repairs. For making repairs at times other than normal business hours, Tenant shall leave a message by calling (612) 831 1001 or shall notify Landlord by such other reasonable means as Landlord shall inform Tenant in writing.

I Notwithstanding anything else contained herein to the contrary, the license granted herein is subject to the non interference of Licensee's Equipment with the normal operation, functioning and use of any other equipment (whether owned by Licensor or by other licensees and/or tenants of Licensor) currently existing upon the roof of the Building. In the event of any such interference, Licensor may terminate the License granted hereunder if such interference is not corrected within three (3) days notice from Licensor to Licensee. Notwithstanding anything else contained herein to the contrary, Licensor does not warrant the reception, noninterference or effective use of Licensee's antenna, or Equipment, either at initial installation nor thereafter.

J Licensee shall be required to get prior approval from Licensor pertaining to the Antenna size, color, location on roof, method of mounting and the location of all Cables. In no instance shall this installation breach or penetrate the roof membrane.

K Any notice required or desired under this License Agreement shall be deemed sufficiently given if given in compliance with the Licensee's lease agreement for the Premises.

L Licensee shall pay to Licensor, without set-off, or demand the sum of \$0.00 for the first Antenna and \$750.00 per month for each additional Antennae (as listed on Exhibit X, or otherwise located on the Building pursuant to this License Agreement or the license created hereunder) for use of the roof space ("License Fee") during the Term of this License Agreement. Failure by Licensee to pay said License Fee shall entitle Licensor upon 10 days written notice to Licensee, to terminate this License Agreement and the license created hereunder and to such other relief as may be allowed by law or equity. No other Equipment or antennae shall be permitted by this license, without Licensor's prior written consent, which consent shall not be unreasonably withheld for a reasonable increase in equipment, provided the License Fee shall be increased to Licensor's then rate for each additional antennae.

M In the event of default by Licensee of any of the terms and conditions set forth in this License Agreement, whether suit be commenced or not, Licensee agrees to pay the attorneys' fees, costs and expenses of Licensor incurred in enforcing or attempting to enforce this License Agreement.

N Licensee shall operate the Licensee facilities in a manner that will not cause interference to Licensor and other Licensees of the Property provided that their installations predate that of the Licensee's facilities. All operations by Licensee shall be in compliance with all Federal Communications Commission ("FCC") requirements.

O Licensor waives any lien rights it may have concerning the Equipment which are deemed Licensee's personal property and not fixtures, and Licensee has the right to remove the same at any time without Licensor's consent.

P This Agreement may be terminated without further liability on thirty (30) days prior written notice as follows: (i) by either party upon a default of any covenant or term hereof by the other party, which default if not cured within sixty (60) days of receipt of written notice of default provided that the grace period for any monetary default is ten (10) days from receipt of notice, or (ii) by Licensee for any reason or for no reason, provided Licensee delivers written notice of early termination to Licensor with a thirty (30) day notice provision prior to termination; or (iii) by Licensee if it does not obtain or maintain any license, permit or other approval necessary for the construction and operation of the Equipment; or (iv) by Licensee if Licensee is unable to occupy and utilize the Premises under Licensee's lease due to an action of the FCC, including without limitation, a take back of channels or change in

frequencies or (v) by Licensee if Licensee determines that the Premises are not appropriate for its operation for technological reasons, including, without limitation, signal interference

Q If the Premises or Equipment are damaged, destroyed, condemned or transferred in lieu of condemnation, Licensee may elect to terminate this Agreement as of the date of the damage, destruction, condemnation or transfer in lieu of condemnation by giving notice to Licensors no more than forty-five (45) days following the date of such damage, destruction, condemnation or transfer in lieu of condemnation.

R Licensee may not assign, or otherwise transfer all or any part of its interest in this Agreement without the prior written consent of Licensors provided, however that Licensee may assign its interest to any party to which it is assigning its interest in the Premises under its lease

S Licensors shall be responsible for compliance with all marking and lighting requirements of the Federal Aviation Administration (FAA) and the FCC. Should Licensee be cited because the Property is not in compliance and, should Licensors fail to cure the conditions of noncompliance, Licensee may either terminate this Agreement or proceed to cure the conditions of noncompliance at Licensors expense, which accounts may be deducted from the rent under Licensees lease

T In no event shall Licensee be entitled to erect any mono pole or any other tower-type structure.

U In the event the Equipment and/or Cables should interfere with any roof maintenance repair and/or replacement which Licensors deems necessary to perform, Licensors shall first notify Licensee and then Licensee shall cooperate with Licensors and its contractors to remove such interference including if necessary, the relocation and/or temporary relocation of the Equipment and/or Cables. Such cooperation including such relocations and/or temporary relocations shall be at the cost and expense of Licensee

LICENSOR
MENDOTA OFFICE HOLDINGS LLC

By _____
Its _____

LICENSEE
INTERMEDIA COMMUNICATIONS INC

By _____
Its _____

EXHIBIT X TO ANTENNAE LICENSE AGREEMENT

Equipment

Up to one (1) antenna as well as related base site cabinets and any other appropriate ancillary equipment so long as it is contained within 100 square feet of roof space and does not exceed 4 feet in height. No additional antennae may be installed without Landlord's written consent.

EXHIBIT D

FINANCIAL INSTITUTION'S LETTERHEAD

_____, 2000

TO _____

RE Our Unconditional Irrevocable Standby Letter of Credit No _____

_____, Bank (Bank), hereby establishes this as our unconditional irrevocable Letter of Credit in favor of Mendota Office Holdings LLC and/or assigns ("Beneficiary"), for the account of Intermedia Communications Inc Suite 125 1270 Northland Drive, Mendota Heights Minnesota (Account Party") in the amount of Twenty Two Thousand Five Hundred Seventy and no/100ths (\$22,570 00) U S dollars, available to Beneficiary at any time after the date hereof by your draft or drafts at sight, or upon presentation at Bank's address at _____, Minnesota 55 _____

This letter will expire on _____ 20____, or sooner if Beneficiary so agrees in writing

This Letter of Credit shall be transferable to an assignee of Beneficiary. In the event of such an assignment, Bank shall issue a new Letter of Credit to such assignee upon presentation of an assignment from Beneficiary to said assignee and the original of this Letter of Credit, which (except for the Beneficiary) shall be in the same form as the Letter of Credit being surrendered.

Each request for a draw shall be accompanied by this Letter of Credit and a statement or a certificate signed by a person purporting to be an authorized agent of Beneficiary (including any purported authorized agent of United Properties LLC on behalf of Beneficiary) or an assignee of Beneficiary and stating as follows:

The undersigned is entitled to make a draw hereunder in the amount of the Letter of Credit as a result of the undersigned's declaring a default occurring under and in accordance with the Lease Agreement dated March 3 2000 between Beneficiary as Lessor and Account Party as Tenant, concerning the leasing of space in the building located at Suite 125 1270 Northland Drive, Mendota Heights, Minnesota.

This Letter of Credit sets forth in full the terms of our undertaking, and such undertaking shall not in any way be modified, amended, amplified, or limited by any document, instrument, or agreement referred to herein, or in which this Letter of Credit relates and no such reference shall be deemed to incorporate herein by reference any such document, instrument, or agreement.

We engage with you that drafts drawn under and in compliance with the terms of this Letter of Credit shall meet with due honor upon presentation and delivery of a draft as specified above in the outstanding amount of this Letter of Credit as of the day of presentation on or prior to the expiration date.

This Letter of Credit is subject to and shall be governed by the laws of the State of Minnesota. [This Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits (1993 Revision) International Chamber of Commerce Publication No. 500.]

_____ BANK

By _____
Its _____
An Authorized Signatory

**ADDENDUM TO THAT CERTAIN LEASE AGREEMENT
DATED MARCH 3, 2000
BY AND BETWEEN
MENDOTA OFFICE HOLDINGS LLC (HEREIN "LANDLORD")
AND
INTERMEDIA COMMUNICATIONS, INC (HEREIN "TENANT")**

Addendum

The following Articles shall correspond and supplement the form Lease Agreement to which this Addendum is attached. Unless stated to the contrary below, language appearing below under a given Article shall be deemed added to the end of the corresponding numbered Article in the form Lease Agreement. To the extent the terms of this Addendum conflict or are inconsistent with the provisions of the form Lease Agreement, this Addendum shall control. In all other respects this Addendum shall supplement and be construed in accordance with the Lease Agreement. No inference or presumption of inconsistency shall be deemed from the mere fact that this Addendum deals with an item or subject matter also dealt with in the form Lease Agreement.

ARTICLE 34 – SECURITY DEPOSIT/LETTER OF CREDIT

Article 34 of the Lease Agreement is hereby deemed deleted, with the following Article 34 to be utilized *in lieu* thereof:

“ARTICLE 34 – SECURITY DEPOSIT

Upon the execution hereof, Tenant agrees to pay Landlord an amount equal to \$22,570.00 which shall be a Security Deposit to guarantee the payment of rent and the performance by Tenant of all of the terms of this Lease Agreement. All such amounts held as a Security Deposit shall bear no interest. Upon the occurrence of any default hereunder by Tenant, Landlord may use said Security Deposit to the extent necessary to cure such default, whether rent or otherwise. At the expiration of the Term, any remaining balance of said Security Deposit shall be returned to Tenant upon compliance of the terms hereof and acceptance of the vacated Premises by Landlord. Tenant understands that its potential liability under this Lease Agreement is not limited to the amount of the Security Deposit. Use of said Security Deposit by Landlord shall not constitute a waiver, but is in addition to other remedies to Landlord under this Lease Agreement and under law. Upon the use of all or any part of the Security Deposit to cure any default of Tenant, Tenant shall forthwith deposit with Landlord the amount of Security Deposit so used, and failure to do so shall be deemed a default hereunder. Landlord agrees to re-review Tenant's financial statements after the first two (2) years of the Term and if Landlord is satisfied, in its sole discretion, that the financial condition of Tenant as reflected by said financial statements would warrant the leasing of the Premises under the terms of this lease without any security deposit, and provided Tenant is not then in default under this Lease Agreement, said Security Deposit shall be returned to Tenant.

TENANT

INTERMEDIA COMMUNICATIONS INC

By 

Its VP

By _____

Its _____

Date 3/9/00

LANDLORD

MENDOTA OFFICE HOLDINGS LLC

By 

Its EMP

By 

Its VP

Date 3/16/00



allegiance telecom, inc

9201 North Central Expressway
Dallas, Texas 75231
469/259-2304 Direct Voice
469/461 6110 Direct Fax

DT July 23, 2002

FR Annabelle Jo Frycka

RE Allegiance Telecom, Inc
1270 Northland Drive, Suite 125, Mendota Heights, Minnesota 55120

Enclosed is the August 2002 monthly lease payment for the above captioned property

Pursuant to an Asset Purchase Agreement dated June 17, 2002 by and among Intermedia Communications, Inc, Shared Technologies Fairchild, Inc, Shared Technologies Fairchild Telecom, Inc, MCI WorldCom Communications, Inc, WorldCom, Inc, Allegiance CPE, Inc and Shared Technologies Allegiance, Inc, Allegiance Telecom acquired certain leases, one of which is the above location.

Effective immediately, all invoices, statements and other correspondence related to this location should be sent to the following

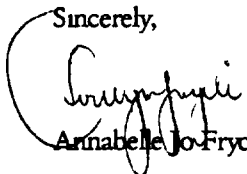
Annabelle Jo Frycka
Manager, Lease Administration
Allegiance Telecom, Inc
9201 North Central Expressway
Dallas, Texas 75231

(469) 259-2304 - Direct Voice
(469) 461-6110 - Direct Fax

Information regarding assignment, assumption and/or request for consent will be forthcoming

Thank you for your attention and cooperation. Should you have any questions or need additional information, please feel free to contact me directly at (469) 259-2304

Sincerely,


Annabelle Jo Frycka

9600101801

ASSIGNMENT AND ASSUMPTION OF LEASE

THIS ASSIGNMENT AND ASSUMPTION OF LEASE (this 'Assignment') is made as of the 14th day of July 2002, by and among **INTERMEDIA COMMUNICATIONS INC.** a Delaware corporation ('Assignor'), and **SHARED TECHNOLOGIES ALLEGIANCE, INC** a Delaware corporation ("Assignee")

W I T N E S S E T H

A Mendota Office Holdings LLC ("**Landlord**"), and Assignor entered into that certain Standard Office Lease Agreement (Net) dated March 3, 2000 (the "**Lease**"), pertaining to the lease of certain premises containing approximately 6 704 rentable square feet (the '**Premises**') in Suite 125 of that certain building (the "**Building**") commonly known as 1270 Northland Drive, Mendota Heights, Minnesota

B Assignor as Seller, and Assignee, as Purchaser, entered into that certain Asset Purchase Agreement (the "**Agreement**") dated as of June 17, 2002

C Pursuant to the terms of the Agreement Assignor is required to execute an assignment and assumption agreement assigning Assignor's right, title and interest in the Lease to Assignee

D Assignor desires to assign all of its right, title and interest in and to the Lease to Assignee, and Assignee desires to accept such assignment and assume the obligations of Assignor under the Lease

NOW, THEREFORE, it is hereby agreed as follows

1 Assignment Assignor hereby transfers, assigns and sets over to Assignee all of the right, title and interest of Assignor in, to and under the Lease and agrees to pay all rent and other charges accruing under the Lease prior to the Effective Date and agrees to observe and perform all of the other covenants, agreements and obligations to be observed or performed by the tenant under the Lease prior to the Effective Date Except as expressly set forth herein, the assignment herein made shall be effective as of June 18, 2002 (the "**Effective Date**")

2 Acceptance and Assumption Assignee accepts the assignment made in Paragraph 1 above, assumes the Lease, agrees to pay all rent and other charges accruing under the Lease from and after the Effective Date and agrees to observe and perform all of the other covenants agreements and obligations to be observed or performed by the tenant under the Lease from and after the Effective Date

3 Security Deposit Assignor has delivered to Landlord a security deposit in the amount of \$22 570 00 Without limiting the generality of the effect of Paragraph 1 above,

effective as of the Effective Date, Assignor assigns to Assignee all right title and interest in and to such security deposit. Upon request of Assignee, Assignor will execute such documentation as may be required by Landlord to evidence such transfer of the security deposit.

4 Reconciliation of Additional Rent Without limiting the generality of the effect of Paragraph 1 above, Assignor shall be obligated to make all payments of Real Estate Taxes and Operating Expenses through the Effective Date. Assignor assigns to Assignee all of its right title and interest in such Real Estate Tax and Operating Expense payments and acknowledges and agrees that if pursuant to Article 6 of the Lease, it is determined that there has been an excess payment of Real Estate Taxes or Operating Expenses, such excess shall be payable to and remain the property of Assignee. Provided Assignor has paid its Real Estate Taxes and Operating Expenses and Taxes through the Effective Date, Assignee shall be responsible for any underpayment of Real Estate Taxes and Operating Expenses arising under the Lease thereafter.

5 Indemnity Assignor hereby agrees to indemnify, defend, protect and hold harmless Assignee in connection with the tenant obligations under the Lease arising prior to the Effective Date. Assignee hereby agrees to indemnify, defend, protect and hold harmless Assignor in connection with the tenant obligations under the Lease arising from and after the Effective Date.

6 Assurances Assignor represents and warrants to Assignee that (a) attached hereto as Exhibit A is a full and complete copy of the Lease and all other amendments, modifications, security agreements, subleases, assignments and all other agreements between Assignor and Landlord relating to the leasing, use, and occupancy of the Premises, (b) the Lease is in full force and effect, (c) Assignor has not received or given any notice of default under the Lease which is extant (i.e. same was not cured during the applicable grace period) and to the knowledge of Assignor no event has occurred which, with the giving of notice or the passage of time or both, would constitute a material default under the Lease, (d) to the best of Assignor's knowledge, all construction and improvements required of Landlord under the Lease have been fully completed, and (e) Assignor has not mortgaged, collaterally assigned, pledged, hypothecated or otherwise granted a security interest in Assignor's interest in the Lease. If any of the foregoing representations and warranties are materially false as of the Effective Date, Assignee may terminate this Assignment by written notice to Assignor.

7 Binding Effect This Assignment shall be binding upon and inure to the benefit of Assignor and Assignee and their respective heirs, legal representatives and permitted successors and permitted assigns.

8 Notices Any notices referenced in this Assignment shall be sent to the addresses for notice set forth in the Agreement.

9 Counterparts This Assignment may be executed in two or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more such counterparts have been signed by each of the parties and delivered to the other parties.

10 Authorization Each of Assignor and Assignee, respectively, represent and warrant that (i) the individual signing this Assignment on behalf of each party is the duly elected and presently serving officer of such party as indicated opposite his or her name below, and (ii) the execution and delivery of this Assignment has been duly authorized by all appropriate corporate action, to the extent required by the organizational documentation and laws governing each party

11 Rent Allocation Notwithstanding anything herein to the contrary, the rent and additional rent obligations and liability of each party hereto, as between Assignor and Assignee shall be subject to the express allocation of such obligations and liability set forth in the Agreement including Exhibit 2 02(a)(i) of the Agreement


12 Landlord Consent Assignor and Assignee hereby acknowledge and agree that this Assignment is expressly conditioned upon the delivery of a written consent duly executed and delivered by Landlord (the “**Consent**”) which does not modify this Assignment (other than in a ministerial manner) pursuant to which Landlord shall consent to this Assignment. Assignor and Assignee shall use good faith efforts to obtain such Consent and in such regard shall cooperate in good faith with each other in the procurement of the Consent. If the Consent is not obtained by September 13, 2002, either party hereto may terminate this Assignment by written notice to the other delivered within five (5) business days after September 13, 2002, provided, however, that a party which does not use good faith efforts to obtain such Consent shall not have the right to terminate this Assignment

[signatures on the following page]

IN WITNESS WHEREOF, this instrument is executed as of the day and year aforesaid

ASSIGNOR

INTERMEDIA COMMUNICATIONS INC a
Delaware corporation

By 
Name Dave Ohler
Its Director, Corporate
Real Estate

ASSIGNEE

SHARED TECHNOLOGIES ALLEGIANCE,
INC a Delaware corporation

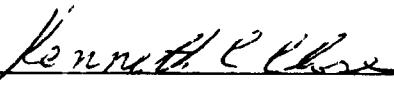
By 
Name Kenneth C. Close
Its Vice President
Real Estate & Facilities

EXHIBIT A

The Lease

(see attached)

CONSENT TO ASSIGNMENT OF LEASE

The undersigned as Landlord under that certain standard office lease agreement (net) dated March 3, 2000 (the "Lease") hereby consents to the attached Assignment and Assumption of Lease made and entered into on July 16, 2002 (the 'Assignment and Assumption Agreement'), assigning the Tenant's interest under the Lease by Intermedia Communications Inc a Delaware corporation ("Assignor") to Shared Technologies Allegiance, Inc a Delaware corporation ('Assignee ') subject, however, and conditioned on the following

- (i) Notwithstanding anything in the Assignment and Assumption Agreement to the contrary Assignor shall not be released of its obligation to pay the rent and to perform all other obligations to be performed by the Tenant for the full term of the Lease,
- (ii) in no event shall the terms, covenants or conditions of the Lease be in any manner whatsoever amended or otherwise changed, and
- (iii) in no event shall Landlord be deemed to have consented to any further assignment of the Lease or to a subletting of the premises under the Lease

Dated this 16th day of October, 2002

MENDOTA OFFICE HOLDINGS LLC

By

Its

By

Its

05/23/2003	0696	George H Singer	0 33	75 90	Conference with M Hall regarding Allegiance	453402 0006	2614224
10/17/2003		Invoice=268076	0 33	75 90	Telecom and bankruptcy issues		
05/28/2003	0696	George H Singer	0 25	57 50	Conference with M Hall regarding bankruptcy	453402 0006	2622600
10/17/2003		Invoice=268076	0 25	57 50	and lease issues		
06/23/2003	0696	George H Singer	0 25	57 50	Conference with client regarding lease issues	453402 0006	2633320
08/18/2003		Invoice=263728	0 25	57 50	conference with tenant regarding lease and contract issues		
06/25/2003	0696	George H Singer	0 25	57 50	Analyze legal issues regarding lease rejection	453402 0006	2634144
08/18/2003		Invoice=263728	0 25	57 50	and bankruptcy matters		
07/01/2003	0696	George H Singer	0 25	57 50	Conference with Maureen Hall	453402 0006	2643316
08/18/2003		Invoice=263728	0 25	57 50			
07/10/2003	0696	George H Singer	0 25	57 50	Analyze legal issues relating to bankruptcy	453402 0006	2643605
08/18/2003		Invoice=263728	0 25	57 50	filing review file		
07/18/2003	0696	George H Singer	0 58	133 40	Perform work in connection with bankruptcy	453402 0006	2649430
08/18/2003		Invoice=263728	0 58	133 40	conference with debtor's counsel		
07/23/2003	0696	George H Singer	0 25	57 50	Perform work in connection with bankruptcy	453402 0006	2651792
08/18/2003		Invoice=263728	0 25	57 50	issues		
07/24/2003	0696	George H Singer	0 58	133 40	Perform work in connection with claim issues	453402 0006	2651817
08/18/2003		Invoice=263728	0 58	133 40	conference with Kelly Oertli review pleadings		
07/25/2003	0696	George H Singer	0 25	57 50	Perform work in connection with bankruptcy	453402 0006	2651881
08/18/2003		Invoice=263728	0 25	57 50	issues		
07/28/2003	0696	George H Singer	0 33	75 90	Conference with representative of debtor	453402 0006	2652280
08/18/2003		Invoice=263728	0 33	75 90	regarding lease obligations conference with Maureen Hall		
08/08/2003	0696	George H Singer	0 25	57 50	Analyze legal issues relating to debtor's	453402 0006	2667100
09/11/2003		Invoice=265427	0 25	57 50	bankruptcy filing		
08/20/2003	0696	George H Singer	0 25	57 50	Conference with M Hall regarding bankruptcy	453402 0006	2667333
09/11/2003		Invoice=265427	0 25	57 50	and lease issues		
09/18/2003	0696	George H Singer	0 25	57 50	Conference with A Hall regarding lease	453402 0006	2691232
10/17/2003		Invoice=268076	0 25	57 50	rejection and landlord tenant issues		
11/10/2003	0696	George H Singer	0 33	75 90	Review paperwork in connection with proof of	453402 0006	2725207
12/10/2003		Invoice=271717	0 33	75 90	claim issues analyze legal issues review file		
01/15/2004	0696	George H Singer	1 75	455 00	Review bankruptcy court pleadings and related	453402 0006	2771768
02/16/2004		Invoice=275818	1 75	455 00	legal issues draft correspondence to client analyze legal issues		
01/23/2004	0696	George H Singer	1 58	410 80	Review pleadings analyze legal issues perform	453402 0006	2775914
02/16/2004		Invoice=275818	1 58	410 80	work in connection with lease issues review proposed acquisition documents motion and file		
01/23/2004	3154	Michael P Warren	0 33	33 00	Corresponded with opposing counsel regarding	453402 0006	2776944
02/16/2004		Invoice=275818	0 33	33 00	result of Motion to Extend putting us on notice as all other activity with regards to the lease also determined the projected date for confirmation of the Chapter 11 Plan		
01/26/2004	0696	George H Singer	0 25	65 00	Review lease and related issues draft	453402 0006	2775946
02/16/2004		Invoice=275818	0 25	65 00	correspondence to M Hall		
02/11/2004	0696	George H Singer	0 25	65 00	Review bankruptcy court pleadings regarding	453402 0006	2791332
03/11/2004		Invoice=277437	0 25	65 00	Allegiance Telecom		
02/16/2004	0696	George H Singer	0 25	65 00	Review court order regarding least rejection	453402 0006	2791745
03/11/2004		Invoice=277437	0 25	65 00			
03/09/2004	0696	George H Singer	0 25	65 00	Review bankruptcy court pleadings	453402 0006	2808441
04/09/2004		Invoice=279132	0 25	65 00			

03/15/2004	0696	George H Singer	0 25	65 00	Review pleadings in connection with lease	453402 0006	2812267
04/09/2004		Invoice=279132	0 25	65 00	rejection issue		
04/09/2004	0696	George H Singer	0 25	65 00	Review pleadings in connection with bankruptcy	453402 0006	2829502
05/18/2004		Invoice=281754	0 25	65 00	case analyze legal issues		
04/28/2004	0696	George H Singer	0 33	85 80	Conference with M Hall regarding lease and	453402 0006	2839675
05/18/2004		Invoice=281754	0 33	85 80	bankruptcy issues analyze legal issues in		
					connection with bankruptcy case		
04/30/2004	0696	George H Singer	0 58	150 80	Review Plan of Reorganization and Disclosure	453402 0006	2843250
05/18/2004		Invoice=281754	0 58	150 80	Statement		
05/03/2004	0696	George H Singer	0 33	85 80	Conference with M Hall regarding bankruptcy	453402 0006	2850062
					issues draft correspondence to M Hall		
					regarding claim and related issues		
05/07/2004	0696	George H Singer	0 33	85 80	Review bankruptcy court pleadings in connection	453402 0006	2851996
					with Allegiance Telecom matters analyze		
					related legal issues		
05/10/2004	0696	George H Singer	0 25	65 00	Review client communication regarding	453402 0006	2852011
					Allegiance bankruptcy proceeding draft		
					correspondence		
05/11/2004	0696	George H Singer	0 33	85 80	Review lease and client documents draft	453402 0006	2852025
					correspondence		
		UNBILLED TOTALS WORK	1 24	322 40	4 records		
		UNBILLED TOTALS BILL	1 24	322 40			
		BILLED TOTALS WORK	10 72	2 594 90	26 records		
		BILLED TOTALS BILL	10 72	2 594 90			
		GRAND TOTALS WORK	11 96	2 917 30	30 records		
		GRAND TOTALS BILL	11 96	2 917 30			

01/23/2004	0997	Larry B Guthrie	1060	1 00	26 20	26 20	Long Distance
02/16/2004		Invoice=275818		1 00	26 20	26 20	
		BILLED TOTALS	WORK			26 20	1 records
		BILLED TOTALS	BILL			26 20	
		GRAND TOTAL	WORK			26 20	1 records
		GRAND TOTAL	BILL			26 20	

Intermedia Communications	6/1/00-6/30/05	61 months
	term	

Lease Commissions paid

	10,056 00		
	10,056 00		
	<u>10,056 00</u>		
Total	30,168 00	494 56	Monthly Amortization
		<u>48</u>	months thru 5/31/04
		23,738 75	amortization as of 5/31/04

Tenant Improvements paid

	47,654 00		
	32,346 00		
	<u>3,838 74</u>		
Total	83,838 74	1 374 41	Monthly Depreciation
		<u>48</u>	months thru 5/31/04
		65,971 47	depreciation as of 5/31/04

Lease Commissions	30,168 00	
Less amortization	(23,738 75)	
unamortized balance		<u><u>6,429 25</u></u>

Tenant Improvements	83,838 74	
Less depreciation	(65,971 47)	
undepreciated balance		<u><u>17,867 27</u></u>

Vicki Schwieters

From Maureen Hall
Sent Wednesday, May 19, 2004 1 07 PM
To Susan Stebbins
Cc 'Vicki Schwieters'
Subject Shared Allegiance
Importance High

Hi,

I need to know what, if any TI's and commissions were paid for suite 125, Shared Allegiance - it might be listed under the master lease of Intermedia Communications. I need to know the unamortized costs left, if any. I need this by the beginning of next week. Thanks

M

5/20/2004

Property 96001 -- Mendota Office II
Primary Unit: 1270125
Primary Tenant: 96001018 Shared Technologies Allegiance
Legal Name - Shared Technologies Allegiance

Address Mendota Office Center II
1270 Northland Dr, Suite 125
Mendota Heights MN 55120

<u>Dates</u>	<u>Original/Intended</u>	<u>Actual</u>
Lease Start	06-01-2000	06-01-2000
Lease End	06-30-2005	
Move-In	06-01-2000	06-01-2000
Move-Out		

Status	Current	Lease Type: Net	Guarantor
--------	---------	-----------------	-----------

Billing Address	Allegiance Telecom Inc -- Annabelle Jo Fryckl Mgr LA 3480 Buskirk Avenue #301 Pleasant Hill	Move-Out
Notice Address	Allegiance Telecom Inc -- Annabelle Jo Fryckl Mgr LA 3480 Buskirk Avenue #301 Pleasant Hill	

Concessions	Relocation Allowance	00	Lease Commissions Paid	00
	Lease Buyout Allowance	00	Cash Allowance	00
	Space Planning Allowance	00		
	Tenant Improvement Allowance	120,672 00		

Lease History/Notes	NOTES
	Per Article 5 the Lease requires that a ratification agreement to be executed upon immediate occupancy of premises to set forth final commencement and termination dates acknowledge minimum rental square footage and delivery of premises in condition required by TT Not in file Effective 6/18/02, the Lease has been assigned and assumed from Intermedia Communications to Shared Technologies Allegiance Inc Per Letter dated 10/25/02 on 7/16/02 Cypress Communications purchased substantially all of the assets of WorldCom s shared tenant services business which include Shared Technologies Per a letter dated May 15 2003 the notice address was changed

Late Charges ARTICLE 20 TT shall pay a late charge equal to 10% of the amount due if payment has not been received within 10 days after due or cleared by the LL s bank within 3 days after deposit In addition TT shall pay the highest permissible interest rate allowed under the usury statutes but in no case to exceed 12% if rent is not paid within 10 days after due

Recurring Charges

OE Stop **No** OE Cap **No**

BASE	Unit 1270125	Effect Date 06-01-2000	Status Historical	Frequency Monthly	Amount 7,542 00	\$/Sq Ft 13 50
		06-01-2003	Current	Monthly	7 821 33	14 00

CAM	Unit	Effect Date	Status	Frequency	Amount	/Sq Ft
	1270125	06-01-2000	Historical	Monthly	3 190 00	5 71
		01-01-2001	Historical	Monthly	4 386 00	7 85
		01-01-2002	Historical	Monthly	4 525 00	8 10
		05-01-2002	Historical	Monthly	4 877 00	8 73
		05-01-2003	Historical	Monthly	4 844 00	8 67
		05-01-2004	Current	Monthly	3 011 00	5 39

RETAX	Unit 1270125	Effect Date 05-01-2004	Status Current	Frequency Monthly	Amount 1 726 00	\$/Sq Ft 3 09
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STOR	Unit 1270125	Effect Date 05-01-1999	Status Historical	Frequency Monthly	Amount 195 75	\$/Sq Ft 00
		03-01-2003	Current	Monthly	00	00

<u>Deposit Type</u>	<u>Refundabl</u>	<u>Secrty</u>	Unit 1270125	Refund X	Bal 22 570 00
			Letter of Credit	Amount	00

9600101801(0)

Property 96001 -- Mendota Office II
 Primary Unit: 1270125
 Primary Tenant 96001018 Shared Technologies Allegiance
 Legal Name - Shared Technologies Allegiance

Options

Downsize	Notice Date Not mentioned	Effective Date	Property	Unit
Expansion	Notice Date Not mentioned	Effective Date	Property	Unit
Extensions/Renewals	Notice Date 06-30-04 Effective Date 07-01-2005 Ext/Ren Period Expire Date 06-30-10 ARTICLE 1 TT has one 5-year option at fair market rate with between 12 and 9 months written notice			Property 96001 Unit 1270125
Purchase Option	Notice Date Not mentioned	Effective Date	Property	Unit
Right of First Offer	Notice Date Not mentioned	Effective Date	Property	Unit
Right of First Refus	Notice Date Not mentioned	Effective Date	Property	Unit
Termination	Notice Date Not mentioned	Effective Date	Property	Unit

Lease Documents

Standard Office Lease Agreement (Net)	Reference Date 3-03-2000	Execution Date 3-03-2000
Assignment and Assumption of Lease	Reference Date 7-16-2002	Execution Date 7-16-2002
Consent to Assignment of Lease	Reference Date 10-16-2002	Execution Date 10-16-2002
Letter - Assignment of Lease	Reference Date 10-25-2002	Execution Date 10-25-2002
Letter - Notice & Billing Address Change	Reference Date 5-15-2003	Execution Date 5-15-2003

Clauses**CAM/Operating Expenses**

ARTICLE 6 TT shall pay to LL a pro rata share of the real estate and operating expenses Cleaning management and energy expenses are computed on the basis of the cost per rsf of the building area actually occupied Occupancy-related expenses may be grossed up

9600101801(0)

Property 96001 -- Mendota Office II
Primary Unit 1270125
Primary Tenant: 96001018 Shared Technologies Allegiance
Legal Name - Shared Technologies Allegiance

Default ARTICLE 20 TT shall be in default as follows (1) if payment is not received within 10 days after due (2) if TT violated the agreement(s) and such violation continues 10 days after written notice from LL (3) in the case of TT bankruptcy or (4) if TT vacates any substantial portion of the premises for a period of more than 15 days

Free Rent Not mentioned

Future Landlord Liabilities Not mentioned

Parking ARTICLE 14 TT has non-exclusive use of all unrestricted parking areas However, Timberline reflects \$100 per month (plus \$6 50 taxes) collected for parking
ARTICLE 39 Parking ratio shall be 5/1000

Relocation ARTICLE 30 Intentionally deleted

Security Deposit/Letter of Credit ARTICLE 28 Intentionally deleted ARTICLE 34 Letter of credit equal to \$22 750
ADDENDUM Article in Lease deleted \$22 750 became a security deposit

Storage Not mentioned

Use Not mentioned

Insurance

Public Liability	Value	2,000 000 00
Business Interrupt	Value	
Contents	Value	

Sq Ft Unit	127012	Rentable	6 704	Usable	Leased
		Totals	6 704*		

May 20 2004
10 54 AM

Page 3

Mendota Properties LLC DEPRECIATION SUMMARY REPORT

SYS No	Ext Co	Asset No	Sec 168(k) Sec 179	Dep Meth	Est Life	Acquired Value	Curr Thru	Prior Accum Depreciation	Depreciation This Run	Current Year to Date	Current Accum Depreciation	Key
000041	000		0 00	SLMM	04 09	85267 11	05/31/04	22438 71	1495 91	1495 91	23934 62	
		Fidelity National										
000045	000		0 00	SLMM	50 02	3823 00	05/31/04	127 01	6 35	6 35	133 36	
		Yaggy Colby commission Adjustment										
000048	000		0 00	SLMM	05 00	1566 00	05/31/04	261 00	26 10	26 10	287 10	
		Online Freight										
000049	000		0 00	SLMM	05 00	3132 00	05/31/04	522 00	52 20	52 20	574 20	
		Online Freight										
000052	000		0 00	SLMM	05 00	3132 00	05/31/04	522 00	52 20	52 20	574 20	
		Online Freight Services										
000056	000		0 00	SLMM	05 00	1566 00	05/31/04	261 00	26 10	26 10	287 10	
		Online Freight										
000125	000		0 00	SLMM	07 00	18526 50	05/31/04	12792 10	5293 28	220 55	13012 65	
		Shadow Broadcasting										
000126	000		0 00	SLMM	05 00	24885 00	05/31/04	24470 25	9539 25	0 00	24470 25	
		Everen Securities										
000127	000		0 00	SLMM	06 00	41547 00	05/31/04	30006 17	13849 00	577 04	30583 21	
		Plainwell										
000128	000		0 00	SLMM	05 00	7443 00	05/31/04	6946 80	2977 20	124 05	7070 85	
		C Peterson										
000129	000		0 00	SLMM	05 00	10188 75	05/31/04	9509 49	4075 50	169 81	9679 30	
		Coresource										
000130	000		0 00	SLMM	04 00	12627 00	05/31/04	12363 93	3945 94	0 00	12363 93	
		Crawford										
000131	000		0 00	SLMM	05 00	46640 00	05/31/04	40421 33	18656 00	777 33	41198 66	
		Pagenet										
000132	000		0 00	SLMM	05 00	7047 00	05/31/04	5989 95	2818 80	117 45	6107 40	
		New Century										
000133	000		0 00	SLMM	05 00	10056 00	05/31/04	7709 60	4022 40	167 60	7877 20	
		Intermedia Communications										
000134	000		0 00	SLMM	05 00	10056 00	05/31/04	7709 60	4022 40	167 60	7877 20	
		Intermedia Communications										
000135	000		0 00	SLMM	05 00	3384 00	05/31/04	2650 80	1353 60	56 40	2707 20	
		Edward Jones										
000136	000		0 00	SLMM	05 00	1692 00	05/31/04	1325 40	676 80	28 20	1353 60	
		Edward Jones										
000137	000		0 00	SLMM	05 03	79182 00	05/31/04	57815 45	30164 58	1256 85	59072 30	
		Fidelity National										
000138	000		0 00	SLMM	05 00	10056 00	05/31/04	7709 60	4022 40	167 60	7877 20	
		Intermedia Communications										
000139	000		0 00	SLMM	05 00	5012 00	05/31/04	3759 00	2004 80	83 53	3842 53	

Mendota Properties LLC DEPRECIATION SUMMARY REPORT

SYS No	Ext Co	Asset No	Sec 168(k) Sec 179	Dep Meth	Est Life	Acquired Value	Curr Thru	Prior Accum Depreciation	Depreciation This Run	Current Year to Date	Current Accum Depreciation	Key
United Government												
000140	000		0 00	SLMM	05 03	17596 00	05/31/04	12847 87	6703 24	279 30	13127 17	
Fidelity National												
000141	000		0 00	SLMM	05 00	3759 00	05/31/04	2819 25	1503 60	62 65	2881 90	
United Government												
000142	000		0 00	SLMM	05 00	5012 00	05/31/04	3759 00	2004 80	83 53	3842 53	
United Government												
000143	000		0 00	SLMM	06 00	26820 00	05/31/04	16017 50	8940 00	372 50	16390 00	
Orion Capital												
000144	000		0 00	SLMM	05 00	32310 00	05/31/04	23155 50	12924 00	538 50	23694 00	
Fidelity Nat'l Title Insurance												
000145	000		0 00	SLMM	04 06	14898 00	05/31/04	6897 23	6621 34	275 88	7173 11	
New England Financial												
000146	000		0 00	SLMM	04 06	29796 00	05/31/04	13794 44	13242 66	551 77	14346 21	
New England Financial												
000147	000		0 00	SLMM	05 07	14898 00	05/31/04	5558 96	5336 60	222 35	5781 31	
New England Financial												
000148	000		0 00	SLMM	05 07	14898 00	05/31/04	5558 96	5336 60	222 35	5781 31	
New England Financial												
000149	000		0 00	SLMM	04 06	-29796 00	05/31/04	-13794 44	-13242 66	-551 77	-14346 21	
New England Financial												
000271	000		0 00	SLMM	05 00	11060 00	05/31/04	0 00	184 33	184 33	184 33	
Marketplace Home Mortgage												
000272	000		0 00	SLMM	05 00	22120 00	05/31/04	0 00	368 66	368 66	368 66	
Marketplace Home Mortgage												
Count= 45						-----		-----	-----	-----	-----	
Class LC						608658 64		350772 79	160012 85	9191 79	359964 58	
Less disposals and transfers						0 00		0 00			0 00	
						-----		-----	-----	-----	-----	
Net						608658 64		350772 79	160012 85	9191 79	359964 58	
						-----		-----	-----	-----	-----	
000003	000		0 00	NoDep	00 00	0 00	05/31/04	0 00	0 00	0 00	0 00	
MOC II acquisition value												
000124	000		0 00	NoDep	00 00	1281000 00	05/31/04	0 00	0 00	0 00	0 00	
Land - Beginning Value												
Count= 2						-----		-----	-----	-----	-----	
Class LD						1281000 00		0 00	0 00	0 00	0 00	
Less disposals and transfers						0 00		0 00			0 00	
						-----		-----	-----	-----	-----	
Net						1281000 00		0 00	0 00	0 00	0 00	

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Mendota Properties LLC DEPRECIATION SUMMARY REPORT

SYS No	Ext Co	Asset No	Sec 168(k) Sec 179	Dep Meth	Est Life	Acquired Value	Curr Thru	Prior Accum Depreciation	Depreciation This Run	Current Year to Date	Current Accum Depreciation	Key
000017	000		0 00	MF100	39 00	20223 00	05/31/04	885 84	43 21	43 21	929 05	
		Aegis Mortgage										
000018	000		0 00	MF100	39 00	28165 00	05/31/04	1233 72	60 18	60 18	1293 90	
		Yaggy & Colby										
000025	000		0 00	MF100	39 00	17310 61	05/31/04	758 26	36 98	36 98	795 24	
		Aegis Mortgage										
000028	000		0 00	MF100	39 00	28397 49	05/31/04	1061 88	60 67	60 67	1122 55	
		Yaggy Colby										
000029	000		0 00	MF100	39 00	9366 50	05/31/04	350 25	20 01	20 01	370 26	
		Gleason Dale										
000030	000		0 00	MF100	39 00	50440 50	05/31/04	1886 14	107 77	107 77	1993 91	
		Crawford										
000031	000		0 00	MF100	39 00	40352 40	05/31/04	1508 91	86 22	86 22	1595 13	
		Crawford										
000032	000		0 00	MF100	39 00	7493 20	05/31/04	280 20	16 01	16 01	296 21	
		Gleason Dale										
000033	000		0 00	MF100	39 00	2605 40	05/31/04	97 43	5 56	5 56	102 99	
		Crawford PLLC										
000034	000		0 00	MF100	39 00	15000 00	05/31/04	464 75	32 05	32 05	496 80	
		New Century Mortgage										
000040	000		0 00	MF100	39 00	18045 30	05/31/04	559 10	38 55	38 55	597 65	
		New Century Mortgage										
000042	000		0 00	MF100	39 00	844 00	05/31/04	36 97	1 80	1 80	38 77	
		Aegis Mortgage										
000043	000		0 00	MF100	39 00	1872 91	05/31/04	70 03	4 00	4 00	74 03	
		Gleason Dale										
000044	000		0 00	MF100	39 00	50000 00	05/31/04	1549 15	106 83	106 83	1655 98	
		Fidelity National										
000050	000		0 00	MF100	39 00	45330 00	05/31/04	1404 46	96 85	96 85	1501 31	
		Fidelity National										
000057	000		0 00	MF100	39 00	8466 91	05/31/04	153 79	18 09	18 09	171 88	
		Online Freight										
000058	000		0 00	MF100	39 00	4859 12	05/31/04	88 25	10 38	10 38	98 63	
		Crawford										
000166	000		0 00	MF100	39 00	2516 80	05/31/04	322 66	129 06	5 37	328 03	
		Shadow										
000167	000		0 00	MF100	39 00	1035 00	05/31/04	132 71	53 08	2 21	134 92	
		Everen										
000168	000		0 00	MF100	39 00	4205 46	05/31/04	530 16	215 66	8 98	539 14	

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[illegible]

Mendota Properties LLC DEPRECIATION SUMMARY REPORT

SYS No	Ext Co	Asset No	Sec 168(k) Sec 179	Dep Meth	Est Life	Acquired Value	Curr Thru	Prior Accum Depreciation	Depreciation This Run	Current Year to Date	Current Accum Depreciation	Key
000189	000		0 00	MF100	39 00	8691 25	05/31/04	742 84	445 70	18 57	761 41	
		United Govt Svcs										
000190	000		0 00	MF100	39 00	174503 00	05/31/04	14914 81	8948 88	372 87	15287 68	
		Royal & Sun Alliance										
000191	000		0 00	MF100	39 00	70868 00	05/31/04	6057 10	3634 26	151 42	6208 52	
		Fidelity National										
000192	000		0 00	MF100	39 00	5763 67	05/31/04	480 32	295 58	12 31	492 63	
		Fidelity National										
000193	000		0 00	MF100	39 00	900 00	05/31/04	75 01	46 16	1 92	76 93	
		United Govt Serv										
000194	000		0 00	MF100	39 00	37538 00	05/31/04	3128 18	1925 02	80 20	3208 38	
		Orion Capital										
000195	000		0 00	MF100	39 00	3000 00	05/31/04	250 00	153 84	6 41	256 41	
		Fidelity National										
000196	000		0 00	MF100	39 00	106769 00	05/31/04	5475 35	5475 34	228 13	5703 48	
		New England Financial										
000197	000		0 00	MF100	39 00	106769 00	05/31/04	5475 35	5475 34	228 13	5703 48	
		New England Financial										
Count= 49						-----						
Class TI						2072424 63		183765 49	89137 66	4428 02	188193 51	
Less disposals and transfers						0 00		0 00			0 00	

Net						2072424 63		183765 49	89137 66	4428 02	188193 51	

Count= 114						-----						
Grand Total						11135058 51		1783181 61	704513 61	32294 88	1815476 49	
Less disposals and transfers						0 00		0 00			0 00	

Net						11135058 51		1783181 61	704513 61	32294 88	1815476 49	
						=====						

----- Calculation Assumptions -----

Book	Short Years	Midquarter Convention	Adjustment Convention	Include Sec 168(k) Allow & Sec 179
----	-----	-----	-----	-----
Tax	[N]	[N]	None	[N]

----- Asset Grouping/Sorting -----

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Mendota Properties LLC DEPRECIATION SUMMARY REPORT

Group MOC II

Include Assets that meet the following conditions

Location is MOC II

Sort Assets by

Class in ascending order and report subtotals

----- Key -----

- m Asset's depreciation has been calculated using the midquarter convention
- s Asset has switched from declining-balance to straight-line

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Mendota Properties LLC DEPRECIATION SUMMARY REPORT

SYS No	Ext Co	Asset No	Sec 168 (k) Sec 179	Dep Meth	Est Life	Acquired Value	Curr Thru	Prior Accum Depreciation	Depreciation This Run	Current Year to Date	Current Accum Depreciation	Key
Book Tax FY April												
000004	000		0 00	MF100	39 00	0 00	05/31/04	0 00	0 00	0 00	0 00	
MOC II acquisition value												
000013	000		0 00	MF100	39 00	6612 81	05/31/04	346 20	14 13	14 13	360 33	
MOC II												
000150	000		0 00	MF100	39 00	6326943 14	05/31/04	784108 34	324458 62	13519 10	797627 44	
Building Investment - Beginning Value												
000151	000		0 00	MF100	39 00	896 00	05/31/04	97 67	45 96	1 91	99 58	
Building Investment - 2nd Flr meeting room												
000152	000		0 00	MF100	39 00	-450 95	05/31/04	-49 13	-23 12	-0 96	-50 09	
Building Investment - 1st Corridor												
000153	000		0 00	MF100	39 00	187 47	05/31/04	20 44	9 62	0 40	20 84	
Buyilding Investment - Vending												
000154	000		0 00	MF100	39 00	2265 31	05/31/04	246 88	116 18	4 84	251 72	
Building Investment - 3rd floor corridor												
000155	000		0 00	MF100	39 00	-237 21	05/31/04	-25 84	-12 16	-0 50	-26 34	
Building Investment - Eng Office												
000156	000		0 00	MF100	39 00	227 00	05/31/04	23 28	11 64	0 48	23 76	
Engineers Office and Storage												
000157	000		0 00	MF100	39 00	4684 67	05/31/04	470 48	240 24	10 01	480 49	
Building Investment - Conference room												
000158	000		0 00	MF100	39 00	20684 00	05/31/04	1944 67	1060 72	44 19	1988 86	
Building Investment - 2nd Floor Corridor												
000159	000		0 00	MF100	39 00	32503 54	05/31/04	2986 46	1666 86	69 45	3055 91	
Building Investment - Original Dev Costs												
000160	000		0 00	MF100	39 00	-6639 49	05/31/04	-624 22	-340 48	-14 18	-638 40	
Building Investment - 2nd Floor Corridor												
000161	000		0 00	MF100	39 00	13439 00	05/31/04	717 91	689 18	28 71	746 62	
New England Corridor												
000162	000		0 00	MF100	39 00	13439 00	05/31/04	689 19	689 18	28 71	717 90	
3rd Floor Corridor												
Count= 15												
Class BI						6414554 29		790952 33	328626 57	13706 29	804658 62	
Less disposals and transfers						0 00		0 00			0 00	
Net						6414554 29		790952 33	328626 57	13706 29	804658 62	

000163	000		0 00	MF150	15 00	506737 29	05/31/04	203956 97	70116 33	2523 16	206480 13	m
Equipment - Beginning Value												
000164	000		0 00	MF150	15 00	-8723 00	05/31/04	-2931 81	-1341 10	-48 26	-2980 07	m

SYS No	Ext Co	Asset No	Sec 168(k) Sec 179	Dep Meth	Est Life	Acquired Value	Curr Thru	Prior Accum Depreciation	Depreciation This Run	Current Year to Date	Current Accum Depreciation	Key
Equipment - Pond Fountain												
Count= 2						-----		-----	-----	-----	-----	
Class EQ						498014 29		201025 16	68775 23	2474 90	203500 06	
Less disposals and transfers						0 00		0 00			0 00	
Net						498014 29		201025 16	68775 23	2474 90	203500 06	
						-----		-----	-----	-----	-----	
000165	000		0 00	MF200	05 00	260406 66	05/31/04	256665 84	57961 30	2493 88	259159 72	sm
Fixtures - Beginning Value												
Count= 1						-----		-----	-----	-----	-----	
Class FX						260406 66		256665 84	57961 30	2493 88	259159 72	
Less disposals and transfers						0 00		0 00			0 00	
Net						260406 66		256665 84	57961 30	2493 88	259159 72	
						-----		-----	-----	-----	-----	
000019	000		0 00	SLMM	05 02	5734 50	05/31/04	1849 84	92 49	92 49	1942 33	
Yaggy & Colby												
000020	000		0 00	SLMM	05 02	8046 00	05/31/04	2725 26	129 77	129 77	2855 03	
Aegis Mortgage												
000021	000		0 00	SLMM	05 02	5734 50	05/31/04	1849 84	92 49	92 49	1942 33	
Yaggy Colby												
000022	000		0 00	SLMM	05 02	6705 00	05/31/04	2271 05	108 14	108 14	2379 19	
UC Lending												
000023	000		0 00	SLMM	05 02	5734 50	05/31/04	1849 84	92 49	92 49	1942 33	
Yaggy Colby Assoc												
000024	000		0 00	SLMM	03 00	4661 00	05/31/04	2330 50	129 47	129 47	2459 97	
Dale Gleason & Assoc												
000026	000		0 00	SLMM	05 00	5100 25	05/31/04	1530 08	85 00	85 00	1615 08	
Crawford Maunu												
000027	000		0 00	SLMM	05 00	5100 25	05/31/04	1530 08	85 00	85 00	1615 08	
Crawford Maunu												
000036	000		0 00	SLMM	05 00	2167 14	05/31/04	541 79	36 11	36 11	577 90	
New Century Mortgage												
000037	000		0 00	SLMM	05 00	2167 14	05/31/04	541 79	36 11	36 11	577 90	
New Century Mortgage												
000038	000		0 00	SLMM	05 00	3654 50	05/31/04	913 63	60 90	60 90	974 53	
New Century Mortgage												
000039	000		0 00	SLMM	05 00	3654 50	05/31/04	913 63	60 90	60 90	974 53	
New Century Mortgage												

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

	X	
In re	:	
	:	
	:	Chapter 11 Case No.
Allegiance Telecom, Inc., <u>et al.</u> ,	:	03-13057 (RDD)
	:	
Debtors.	:	Jointly Administered
	X	

STIPULATION AND AGREED ORDER RESOLVING CLAIM 2854
MENDOTA PROPERTIES, LLC

This STIPULATION AND AGREED ORDER is by and between the Allegiance Telecom Liquidating Trust (the "ATLT"), as successor to the Debtors (as defined below), and Mendota Properties, LLC ("Claimant"). The parties hereby stipulate and agree as follows:

WHEREAS, on or about March 3, 2000, Debtor Shared Technologies Allegiance, Inc. ("Shared Technologies") entered into a lease (the "Lease") with Claimant for office space at 1270 Northland Drive, Mendota Heights, Minnesota; and

WHEREAS, Shared Technologies paid to Claimant a cash security deposit in the amount of \$22,570.00 (the "Security Deposit"); and

WHEREAS, on May 14, 2003, Allegiance Telecom, Inc. and its direct and indirect subsidiaries (collectively, the "Debtors") commenced voluntary cases (the "Chapter 11 Cases") under Chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") in the Bankruptcy Court for the Southern District of New York, Case No. 03-13057 (RDD) (the "Bankruptcy Court"); and

Docket #1825
eod 10/13/04

claim 2854

WHEREAS, the 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; and

WHEREAS, the Debtors filed their Third Amended Joint Plan of Reorganization dated June 8, 2004 (the "Plan") with the Bankruptcy Court and the Court entered its Findings of Fact, Conclusions of Law, and Order Confirming Debtors' Third Amended Joint Plan of Reorganization on June 10, 2004 (the "Confirmation Order"); and

WHEREAS, in accordance with the terms of the Plan, on the Initial Effective Date, the ATLT was created; and

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

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; and

WHEREAS, the ATLT, as 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; and

WHEREAS, section 6.1(a) of the Plan provides in relevant part that "[p]ursuant to sections 365(a) and 1123(b)(2) of the Bankruptcy Code, and subject to the terms and conditions of the

Purchase Agreement, all executory contracts and unexpired leases between the Debtors and any Person or Entity that are not listed on Schedules 2, 3 and 4 . . . shall be deemed rejected by the Debtors on the Initial Effective Date.”; and

WHEREAS, pursuant to section 6.1(a) of the Plan, the Debtors rejected the Lease on the Initial Effective Date; and

WHEREAS, on or about June 2, 2004, Claimant filed a proof of claim numbered 2854 (the “Proof of Claim”) for an unsecured, non-priority claim against Shared Technologies in the amount of \$167,838.91 and a secured claim against Shared Technologies in the amount of \$22,570 (collectively, the “Rejection Claim”); and

WHEREAS, Claimant has not filed any proofs of claim in the Chapter 11 Cases besides the Proof of Claim; and

WHEREAS, the ATLT disputes the amounts sought by Claimant in the Proof of Claim; and

WHEREAS, on or about September 2, 2004, the ATLT filed its Eleventh Omnibus Objection to Certain Lease Rejection Damages Claims, which included an objection to the Proof of Claim; and

WHEREAS, the ATLT and Claimant have negotiated in good faith at arm’s length and have reached a consensual resolution, as set forth below, with respect to the Proof of Claim to avoid incurring significant additional litigation expenses that would necessarily be incurred in litigating this matter to an uncertain conclusion.

ACCORDINGLY, IT IS HEREBY STIPULATED AND AGREED AS FOLLOWS:

1. Upon the entry of a Final Order (as defined below) approving this Stipulation, the ATLT is hereby authorized and directed to grant Claimant an allowed ATCW Unsecured Claim (as such term is defined in the Plan) of \$142,688.29 (the "Allowed Unsecured Claim") and an allowed Secured Claim (as such term is defined in the Plan) of \$22,570.00 (the "Paid Secured Claim") in full and complete satisfaction of all of Claims (as such term is defined in the Plan) held by Claimant with respect to the Debtors, the Debtors' estates, or the ATLT, including, but not limited to, the Rejection Claim.

2. Claimant hereby stipulates and agrees that the Security Deposit constitutes full and final satisfaction of the Paid Secured Claim and no further amounts are due with respect to the Paid Secured Claim. Claimant shall have a right to apply and/or setoff the Security Deposit toward satisfaction of the Paid Secured Claim.

3. Claimant hereby stipulates and agrees to elect the Cash Recovery (as defined in the Plan) on account of the Allowed Unsecured Claim, regardless of any prior election to the contrary.

4. Upon the entry of a Final Order approving this Stipulation, the ATLT is hereby authorized and directed to expunge all the proofs of claims, other than the Allowed Unsecured Claim, from the ATLT's claims register.

5. Claimant hereby stipulates and agrees that it will not file any proofs of claim or requests for the payment of administrative expenses against the ATLT, the Debtors, or the Debtors' estates, whether in the Chapter 11 Cases or otherwise.

6. Upon entry of a Final Order approving this Stipulation, Claimant hereby irrevocably, unconditionally and without reservation of any kind waives, releases and forever discharges the

ATLT, the Debtors, and the Debtors' estates, and their respective officers, directors, employees, attorneys, professionals, and agents (collectively, the "Estate Parties") from and against any and all past, present and future actions, causes of action, Claims, liabilities, suits, debts, judgments, and damages, of any kind whatsoever, whether matured or unmatured, whether at law or in equity, whether known or unknown, liquidated or unliquidated, foreseen or unforeseen, discoverable or undiscoverable, contingent or non-contingent, which Claimant has, had, or may have in the future against the Estate Parties; provided, however, that Claimant does not waive or release any party's obligations contained in this Stipulation.

7. This Stipulation shall be governed by New York law, excluding its conflicts of laws principles and this Court shall retain jurisdiction to resolve any disputes between the parties arising with respect to this Stipulation.

8. The undersigned on behalf of the ATLT and Claimant each warrants and represents that he or she has been duly authorized and empowered to execute and deliver this Stipulation on behalf of such party.

9. Claimant represents and warrants to the ATLT that, as of the date hereof, it is the sole holder of all of the Proof of Claim against the Debtors, the Debtors' estates, and the ATLT, and that Claimant has not assigned, sold, hypothecated or otherwise transferred any Claims against the Debtors, the Debtors' estates, or the ATLT.

10. This Stipulation is subject to approval by the Court and the entry of a Final Order by the Court approving this Stipulation; provided, however, that the parties shall support such Court approval and comply with this Stipulation pending the 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.

11. Nothing contained in this Stipulation nor any negotiations or proceedings in connection herewith shall constitute or be deemed to be evidence of an admission by any party hereto of any liability or wrongdoing whatsoever, or the truth or untruth, or merit or lack of merit, of any claim or defense of any party. Neither this Stipulation nor any negotiations or proceedings in connection herewith may be used in any proceeding against any party for any purpose whatsoever except with respect to effectuation and enforcement of this Stipulation.

12. This Stipulation contains the entire agreement of the parties with respect to its subject matter and supersedes any prior or contemporaneous oral or written agreements. The parties acknowledge that no promise, inducement, or agreement not stated herein has been made to them in connection with this Stipulation. The parties understand and agree that this Stipulation may not be altered, amended, modified, or otherwise changed in any respect whatsoever except by a writing duly executed by both parties and the Court. 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. Each party hereto agrees that any rule of construction to the effect that ambiguities are to be resolved against the drafting party will not be employed in the interpretation, construction, or enforcement of this Stipulation.

13. This Stipulation may be executed simultaneously or in one or more counterparts, each of which shall be an original, but all of which together shall constitute one and the same instrument. A facsimile copy of a signature page is the equivalent of an original signature page.

14. This Stipulation shall be binding upon the ATLT, as successor to the Debtors, and Claimant, and their predecessors, successors, heirs, subsidiaries, affiliates, assignees, agents, directors, officers, employees, the Plan Administrator, and any trustee appointed under Chapter 7 of the Bankruptcy Code.

Dated: New York, New York
October 12, 2004

ALLEGIANCE TELECOM LIQUIDATING TRUST MENDOTA PROPERTIES, LLC

By: /s/ Mark Stachiw
Mark Stachiw
Allegiance Telecom Liquidating Trust
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Coppell, Texas 75019

By: /s/ Eva B. Steuer
Eva B. Steuer
Vice President
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and

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and

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Counsel to the Allegiance Telecom
Liquidating Trust

SO ORDERED, this 13th day of October 2004

/s/Robert D. Drain
UNITED STATES BANKRUPTCY JUDGE