

SUBLEASE

THIS SUBLEASE (this "Sublease") is made and entered into as of the 27th day of February, 2003, by and between **CTSnet, Inc.**, a Delaware corporation ("Sublandlord"), and **Trion Technologies, Inc.**, a California corporation ("Subtenant").

WITNESSETH:

WHEREAS, Sublandlord is tenant under the "Standard Industrial/Commercial Multi-Tenant Lease – Gross" dated October 4, 1995, as amended by that certain First Amendment to Lease Agreement dated January 10, 1996, that certain Second Amendment to Lease Agreement dated August 1, 1996, that certain Third Amendment to Lease Agreement dated September 18, 1996, that certain Fourth Amendment to Lease Agreement dated April 9, 1998, that certain Fifth Amendment to Lease Agreement dated July 13, 1998, that certain Sixth Amendment to Lease Agreement dated February 9, 1999, that certain Seventh Amendment to Lease Agreement dated May 21, 1999, that certain Eighth Amendment to Lease Agreement dated September 13, 1999, that certain Ninth Amendment to Lease Agreement dated February 10, 2000, that certain Tenth Amendment to Lease Agreement dated May 16, 2000, that certain Eleventh Amendment to Lease Agreement dated October 27, 2000, that certain Twelfth Amendment to Lease Agreement dated November 1, 2000, that certain Thirteenth Amendment to Lease Agreement dated March 1, 2001, and that certain Fourteenth Amendment to Lease Agreement dated July 18, 2002 (collectively, the "**Prime Lease**") entered into by KM Complex, L.P., as successor in interest to RREEF West-V, Inc. ("**Prime Landlord**"), as landlord, and Sublandlord, as tenant. A copy of the Prime Lease is attached hereto as Exhibit A and by this reference made a part of this Sublease;

WHEREAS, the Prime Lease currently covers approximately 28,491 rentable square feet (the "**Prime Lease Premises**") in the building located at 8975 Complex Drive, San Diego, California 92123, (the "**Building**") for a term expiring on October 31, 2005;

WHEREAS, subject to the consent of the Prime Landlord under the Prime Lease, Subtenant desires to sublease from Sublandlord, and Sublandlord desires to sublease to Subtenant, Suite 8971 within the Prime Lease Premises, consisting of approximately 3,589 rentable square feet (the "**Premises**") on the terms and conditions set forth in this Sublease.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and promises contained herein, and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, Sublandlord and Subtenant hereby agree as follows:

1. **Demise; Use.** Sublandlord hereby leases to Subtenant and Subtenant hereby leases from Sublandlord the Premises for the Term (as hereinafter defined) and on the other terms and conditions set forth in this Sublease. The Premises shall be used and occupied by Subtenant solely for general office purposes associated with the Subtenant's business of being an

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internet service provider, Camera Solution Provider and Security Surveillance Solution Providers including office and administrative purposes and lawful activities incidental thereto, and for no other use or purpose. No photographic solutions shall be stored, placed and/or used on the Premises.

2. **Term.** The term of this Sublease (the "**Term**") shall commence on February 1, 2003 (the "**Commencement Date**" for purposes of this Sublease) and, unless sooner terminated pursuant to the provisions of this Sublease, shall terminate on the earlier of October 31, 2005 or the prior termination of the Prime Lease.

3. **Monthly Rent.**

(a) Subtenant shall pay to Sublandlord a monthly base rent ("**Monthly Rent**") for the Premises in the amount of \$3,580 per month, plus all common area maintenance charges ("**CAM**") attributable to the Premises, currently \$859.44 per month. Subtenant's liability for Monthly Rent shall commence on the Commencement Date. The first Monthly rent payment shall be due and payable on April, 15, 2003 with all remaining Monthly Rent payments shall be due and payable in advance on the fifth day prior to the first day of each calendar month of the Term, beginning with the Commencement Date. If the Term begins or ends on a day other than the last day of a month, Monthly Rent for such month shall be prorated.

(b) All Monthly Rent and additional rent (which are together sometimes referred to herein as "**Rent**") shall be paid without deduction or offset to Sublandlord at its office at 9201 North Central Expressway, Dallas, Texas 75321, Attn: Manager, Lease Administration, or to such other person or at such other place as Sublandlord may designate from time to time by notice to Subtenant.

4. **Additional Rent; Payments; Interest.**

(a) Subtenant shall be liable for and shall timely pay for all utilities consumed in the Premises directly to the utility provider providing such service (except for water usage, the cost of which is incorporated within Additional Rental payable by Sublandlord). Subtenant shall be liable for and shall timely pay to Sublandlord all increased taxes by reason of property installed or brought into the Premises by or for the benefit of Subtenant, increased insurance premiums due as a result of Subtenant's use of the Premises, amounts expended or incurred by the Prime Landlord on account of any default by Subtenant which gives rise to a default under the Prime Lease, interest or late charges incurred by Sublandlord on any amount which Subtenant does not pay when due hereunder, and any holdover rent payable on account of a retention of possession of the Premises by Subtenant. Subtenant's obligations under this Section 4(b) shall survive the expiration or earlier termination of this Sublease.

(b) Each amount due from Subtenant to Sublandlord pursuant to Section 4(b) above (other than utility charges, which shall be paid by Subtenant prior to the delinquency date indicated on the applicable utility invoice), and each other amount payable by Subtenant

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hereunder unless a date for payment of such amount is provided for elsewhere in this Sublease, shall be due and payable on the tenth day following the date on which Sublandlord has given notice to Subtenant of the amount thereof.

(c) All amounts other than Monthly Rent which are payable to Sublandlord under this Sublease shall be deemed to be additional rent due under this Sublease. All past due amounts of Monthly Rent and additional rent shall bear interest from the date due until paid at the rate per annum equal to the greater of (i) 2% over the Prime Rate (as hereinafter defined) in effect from time to time, which rate shall change from time to time as of the effective date of each change in the Prime Rate; and (ii) 12%, but not more than the maximum lawful rate. To the extent permitted by law, such interest shall be in addition to and not in lieu of any interest or late charges payable by Subtenant as contemplated by Section 4(b) above. For purposes of this Sublease, the term "Prime Rate" means the rate of interest announced from time to time by Bank One, N.A. or its successor as its prime or corporate base rate.

(d) If any tax is payable on account of this Sublease or rentals paid or payable hereunder (regardless of whether the Prime Landlord, Sublandlord or Subtenant is solely or primarily liable pursuant to law or ordinance for payment of the same), including taxes to the Master Landlord as may be set forth in the Prime Lease, Subtenant shall pay each amount payable on account thereof to the Prime Landlord, Sublandlord, or directly to the appropriate governmental authority when due, as Sublandlord may direct.

5. **Condition of Premises.** Subtenant is leasing the Premises in their "as is" condition. No promise to alter, remodel or improve the Premises and no representations respecting the condition of the Premises or any portion of the Building have been made by Sublandlord to Subtenant. Subtenant's taking possession of the Premises shall be conclusive evidence as against Subtenant that the Premises were in good order and satisfactory condition when Subtenant took possession. Upon the expiration of the Term, or upon any earlier termination of the Term or of Subtenant's right to possession, Subtenant shall surrender the Premises in at least as good condition as at the date of this Sublease, ordinary wear and tear excepted, removing alterations, additions or improvements made by Subtenant and any personal property and fixtures owned by Subtenant, which the Prime Landlord is entitled to and does require Sublandlord to remove (if any).

6. **The Prime Lease.**

(a) This Sublease and all rights of Subtenant hereunder and with respect to the Premises are subject and subordinate to the terms, conditions and provisions of the Prime Lease. Subtenant hereby assumes and agrees to perform and be bound by all of Sublandlord's obligations, covenants, agreements and liabilities under the Prime Lease and all terms, conditions, provisions and restrictions contained in the Prime Lease. Without limitation of any other provision of this Sublease, all waivers made by Sublandlord in the Prime Lease are hereby adopted and re-made by Subtenant with respect to this Sublease, and shall apply to Subtenant and this Sublease in the same manner in which they would apply to Sublandlord and the Prime Lease, respectively.

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(b) Without limitation of the foregoing:

(i) if Subtenant desires to take any action and the Prime Lease would require that Sublandlord obtain the consent of the Prime Landlord before undertaking any action of the same kind, Subtenant shall not undertake the same without the prior written consent of Sublandlord. Sublandlord may condition its consent on the consent of the Prime Landlord being obtained;

(ii) all rights given to the Prime Landlord and its agents and representatives by the Prime Lease to enter the premises covered by the Prime Lease shall inure to the benefit of Sublandlord and its agents and representatives, excluding any of Sublandlord's telecommunication rights under the Lease;

(iii) Solely with respect to the relationship between Sublandlord and Subtenant, Sublandlord shall also have all other rights, and all privileges, options, reservations and remedies, granted or allowed to, or held by, the Prime Landlord under the Prime Lease;

(iv) Subtenant shall maintain insurance of the kinds and amounts required to be maintained by Sublandlord under the Prime Lease and conforming to the other requirements of the Prime Lease. In addition, all policies of liability insurance shall include as additional insureds Sublandlord and Prime Landlord and their respective officers, directors, agents and employees. Subtenant shall, prior to the commencement of the Term and prior to the expiration of any policy, furnish Prime Landlord and Sublandlord certificates evidencing that all required insurance is in force and providing that such insurance may not be cancelled or changed without at least 30 days' prior written notice to Prime Landlord, Sublandlord and Subtenant; and

(v) Subtenant shall not do anything or suffer or permit anything to be done which could result in a default under the Prime Lease or permit the Prime Lease to be cancelled or terminated.

(c) In addition:

(i) rent under this Sublease shall abate by reason of unavailability of services or damage to or destruction of all or any portion of the Premises or the Building only if and to the extent that rent actually abates under the Prime Lease on account of such event;

(ii) Subtenant shall not have any right to any portion of the proceeds of any award for a condemnation or other taking, or a conveyance in lieu thereof, of all or any portion of the Premises or the Building save and except for any separate award that is made to the Subtenant for its relocation costs;

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(iii) Sublandlord has no option to extend the term of the Prime Lease and Subtenant shall not have any right to exercise or require Sublandlord to exercise any option under the Prime Lease including, without limitation, any option to extend the term of the Prime Lease; and

(iv) in the event of any conflict between Sublandlord and Subtenant, but not the Prime Landlord, between the terms, conditions and provisions of the Prime Lease and of this Sublease, the terms, conditions and provisions of this Sublease shall govern and control.

(d) Sublandlord does not assume and shall not have any of the obligations or liabilities of the Prime Landlord under the Prime Lease and is not making the representations or warranties, if any, made by the Prime Landlord in the Prime Lease. With respect to work, services, repairs and restoration or the performance of any other obligations required of the Prime Landlord under the Prime Lease, Sublandlord's sole obligation with respect thereto shall be to request the same, upon written request from Subtenant, from the Prime Landlord, and use reasonable efforts to obtain the same from the Prime Landlord. Sublandlord shall not be liable in damages, nor shall rent abate hereunder or be subject to deduction or offset, for or on account of any failure by the Prime Landlord to perform any obligations and duties imposed on it under the Prime Lease.

(e) Nothing contained in this Sublease shall be construed to create privity of estate or contract between Subtenant and the Prime Landlord except the agreements of Subtenant in Sections 9 and 10 of this Sublease in favor of the Prime Landlord as third-party beneficiary, Subtenant's obligations to make payments to, and/or indemnify, the Prime Landlord pursuant to the terms and conditions of the Prime Lease, and then only to the extent of the same.

7. **Assignment and Subletting.**

(a) Without limitation of any other provision of this Sublease, Sublandlord's consent to any assignment or other transfer of this Sublease may be conditioned, among other things, on the assignee expressly assuming all of the obligations of Subtenant hereunder in a written instrument satisfactory to Sublandlord, and Sublandlord's consent to any sublease, if granted, may be conditioned, among other things, on the subtenant agreeing by written instrument satisfactory to Sublandlord that such subtenant will attorn to Sublandlord, at Sublandlord's option and written request, in the event this Sublease terminates before the expiration of such sublease. Subtenant shall pay all costs, charges and expenses, including attorneys' fees, incurred by Prime Landlord and Sublandlord in connection with any assignment or subletting made or requested by Subtenant.

(b) Subtenant shall pay to Sublandlord, immediately upon receipt thereof, all compensation received by Subtenant for any assignment or other transfer of this Sublease or any sublease of all or any portion of the Premises that exceeds the Monthly Rent allocable to the

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portion of the Premises covered thereby, unless such payments are to be paid to Prime Landlord pursuant to the terms and conditions of the Prime Lease.

8. **Default by Subtenant.** (a) The occurrence of any one or more of the following events shall constitute a default and breach of this Sublease by Subtenant ("Event of Default"):

(i) Subtenant fails to pay any Monthly Rent within five days after the date it is due;

(ii) Subtenant fails to pay any other amount due from Subtenant hereunder and such failure continues for five days after notice thereof from Sublandlord to Subtenant;

(iii) Subtenant fails to perform or observe any other covenant or agreement of this Sublease and such failure continues for ten days after notice thereof from Sublandlord to Subtenant; or

(iv) any event occurs which constitutes a default under the Prime Lease which event relates to certain actions or failure to act by Subtenant or its employees, agents, invitees or contractors, whether or not such event might also be a default under any of clauses (i), (ii) or (iii) above after (if applicable) the giving of notice or the passage of time.

Upon the occurrence of any Event of Default, Sublandlord or Prime Landlord may exercise, without limitation of any other rights and remedies available to it hereunder or at law or in equity, all rights and remedies of the Prime Landlord set forth in the Prime Lease in the event of a default by Sublandlord thereunder. For such purpose, the provisions of Section 13 of the Prime Lease shall apply to Sublandlord and Subtenant in the same manner as to the Prime Landlord and Sublandlord, respectively.

(b) If Subtenant fails or refuses to make any payment or perform any covenant or agreement to be performed hereunder by Subtenant, Sublandlord may make such payment or undertake to perform such covenant or agreement (but shall not have any obligation to Subtenant to do so). In such event, amounts so paid and amounts expended in undertaking such performance, together with all costs, expenses and attorneys' fees incurred by Sublandlord in connection therewith, shall be additional rent hereunder and due and payable on demand.

(c) Failure of Sublandlord to declare any default or delay in taking any action in connection therewith shall not waive such default. No receipt of moneys by Sublandlord from Subtenant after the termination in any way of the Term or of Subtenant's right of possession hereunder or after the giving of any notice shall reinstate, continue or extend the Term or affect any notice given to Subtenant or any suit commenced or judgment entered prior to receipt of such moneys.

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(d) All rights and remedies of Sublandlord under this Sublease shall be cumulative and none shall exclude any other rights or remedies allowed by law.

9. **Waivers of Claims.** To the extent permitted by law, Subtenant hereby releases and waives all claims against the Prime Landlord, Sublandlord, and the respective officers, directors, agents and employees of each of them for injury or damage to property or business sustained in or about the Building or the Premises by Subtenant, save and except only to the extent that (i) Prime Landlord, Sublandlord, or their respective officers, directors, agents and employees are not the sole direct and proximate cause of such loss and (ii) such loss is not subject to the waiver of subrogation rights set forth in Section 8.6 of the Prime Lease. Subtenant hereby waives any and all claims against the Prime Landlord that have been waived by Sublandlord pursuant to the terms and conditions of the Prime Lease.

10. **Indemnity.** Subtenant agrees to indemnify and hold harmless the Prime Landlord, Sublandlord, and their respective officers, directors, agents and employees from and against any and all claims, demands, costs and expenses of every kind and nature, including attorneys' fees, arising from Subtenant's occupancy of the Premises or from any breach or default on the part of Subtenant in the performance of any agreement of Subtenant to be performed pursuant to the terms of this Sublease, or from any act or neglect of Subtenant or its agents, officers, employees, guests, servants, contractors, invitees or customers in or about the Premises or the Building. In case any such proceeding is brought against any of said persons, Subtenant covenants, if requested by Sublandlord, to defend such proceeding at its sole cost and expense by legal counsel reasonably satisfactory to Sublandlord. Subtenant further agrees to protect, defend, indemnify and hold Prime Landlord harmless for the breach of any or all of the obligations of Sublandlord under the terms and conditions of the Prime Lease.

11. **Brokerage Commissions.** Each party hereby represents and warrants to the other that it has had no dealings with any real estate broker or agent in connection with this Sublease, and that it knows of no real estate broker or agent who is or might be entitled to a commission in connection with this Sublease. Each party agrees to protect, defend, indemnify and hold the other harmless from and against any and all claims, including reasonable attorneys' fees, inconsistent with the foregoing representations and warranties for any brokerage, finder's or similar fee or commission in connection with this Sublease if such claims are based on or relate to any act of the indemnifying party which is contrary to the foregoing representations and warranties.

12. **Security Deposit.** Upon execution of this Sublease, Subtenant shall deposit \$7,160.00 (the "Security Deposit") with Sublandlord as security for the performance of Subtenant's obligations under this Sublease. Upon the occurrence of an Event of Default, Sublandlord may use all or any part of the Security Deposit for the payment of any Rent or for the payment of any amount which Sublandlord may pay or become obligated to pay by reason of such Event of Default, or to compensate Sublandlord for any loss or damage which Sublandlord may suffer by reason of such Event of Default. If any portion of the Security Deposit is used, Subtenant shall within five days after written demand therefor deposit cash with Sublandlord in

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an amount sufficient to restore the Security Deposit to its original amount. Sublandlord shall not be required to keep the Security Deposit separate from its general funds, and Subtenant shall not be entitled to interest on the Security Deposit, except as may be required by law. In no event shall the Security Deposit be considered an advance payment of Rent, and in no event shall Subtenant be entitled to use the Security Deposit for the payment of Rent. If no default by Subtenant exists hereunder, the Security Deposit or any balance thereof shall be returned to Subtenant within 45 days after the expiration of the Term and vacation of the Premises by Subtenant. Prime Landlord shall not have any obligation and/or have any liability for the return of the Subtenant's security deposit to the Subtenant in the event Prime Landlord takes over the Sublease.

13. **Quiet Enjoyment.** Subtenant shall and may peaceably have, hold, use and enjoy the Premises subject to the other terms hereof, without any interference from Sublandlord or parties claiming through Sublandlord. Except for the obligations to be performed by Subtenant under this Sublease and obligations requiring possession of the Premises, Sublandlord shall perform all of its obligations as the tenant under the Prime Lease. Subtenant indicates that the quiet enjoyment is also subject to the terms and conditions of the Prime Lease.

14. **Parking.** Subtenant shall be entitled to its prorata share of the parking spaces granted to Sublandlord under the Prime Lease, which share shall be based upon the ratio of the usable square feet in the Premises to the usable square feet in the Prime Lease Premises. Any charges for Subtenant's parking shall be paid by Subtenant.

15. **Successors and Assigns.** This Sublease shall be binding upon and inure to the benefit of the successors and assigns of Sublandlord and Subtenant. The provisions of this Sublease shall inure to the benefit of the successors and assigns of the Prime Landlord.

16. **Entire Agreement.** This Sublease contains all the terms, covenants, conditions and agreements between Sublandlord and Subtenant relating in any manner to the rental, use and occupancy of the Premises. No prior agreement or understanding pertaining to the same shall be valid or of any force or effect. The terms, covenants and conditions of this Sublease cannot be altered, changed, modified or added to except by a written instrument signed by Sublandlord and Subtenant.

17. **Notices.**

(a) If any notice from the Prime Landlord or otherwise relating to the Prime Lease is delivered to the Premises or is otherwise received by Subtenant, Subtenant shall, as soon thereafter as possible but in any event within two business days, deliver a copy of such notice to Sublandlord.

(b) Notices and demands required or permitted to be given pursuant to the Prime Lease shall comply with the notice provisions of the Prime Lease. Notices and demands required or permitted to be given by either party to the other with respect hereto or the Premises shall be

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in writing and shall be sent or delivered personally, by United States certified or registered mail, return receipt requested, postage prepaid, or by nationally recognized overnight courier service, addressed as follows:

If to Sublandlord or Guarantor:

c/o Allegiance Telecom, Inc.
700 E. Butterfield Road
Suite #400
Lombard, IL 60148
Attention: Kenneth Close

with a copy to:

c/o Allegiance Telecom, Inc.
9201 North Central Expressway
Dallas, Texas 75231
Attn: Manager, Lease Administration

If to Subtenant:

Trion Technologies, Inc.
8971 Complex Drive
San Diego, CA 92123
Attn: George L. Georges
Attn: Ammar Sawaf

Notices and demands shall be deemed to have been given when mailed, or, if sent by overnight courier, one business day after deposit with the overnight courier, or, if delivered personally, upon such delivery. Either party may change its address for receipt of notices by giving notice to the other party.

18. **Consent of the Prime Landlord.** This Sublease is conditioned and contingent upon the Prime Landlord consenting to this Sublease. Subtenant shall not take possession of the Premises before the Prime Landlord's consent is obtained. If the Prime Landlord's consent is not obtained within 45 days after the date of this Sublease, either Sublandlord or Subtenant may terminate this Sublease by giving notice to the other prior to such consent being obtained, whereupon this Sublease shall terminate and become null and void, and neither Sublandlord nor Subtenant shall have any further obligations or liability hereunder or to each other with respect to the Premises, except for such provisions of this Sublease which expressly or by reasonable implication survive termination.

19. **NOTICE OF INDEMNIFICATION AND OTHER MATTERS.** THIS SUBLEASE CONTAINS VARIOUS INDEMNIFICATION PROVISIONS, WAIVERS AND RELEASES.

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20. **Personal Property.** Concurrently with the execution of this Sublease, Sublandlord shall deliver to Subtenant a bill of sale (in the form attached hereto as Exhibit B) transferring ownership of the following property to Subtenant: all fixtures and personal property that is located in or on the Premises, including without limitation, the personal property described on Exhibit C hereto (collectively, the "**Personal Property**"). Subtenant shall be obligated to remove the Personal Property owned by Subtenant from the Premises at the end of the Term.

IN WITNESS WHEREOF, Sublandlord and Subtenant have executed this Sublease as of the date first written above.

CTSnet, INC., a Delaware corporation

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

Trion Technologies, Inc., a California corporation

By: George L. Georges
Name: George L. Georges
Title: President

By: Ammar Sawaf
Name: Ammar Sawaf
Title: CEO

ACKNOWLEDGEMENT AND CONSENT

Allegiance Telecom, Inc., a Delaware corporation and Guarantor of the Prime Lease, acknowledges and consents to the terms and conditions of the foregoing Sublease dated February 27th, 2003, and agrees that Guarantor's obligations pursuant to that certain Guaranty of Lease dated November 1, 2000 by Allegiance Telecom, Inc. shall include Sublandlord's obligations under the Sublease.

ALLEGIANCE TELECOM, INC., a Delaware corporation

By: Kenneth C. Close
Name: Kenneth C. Close
Title: Vice President
Date: Real Estate & Facilities