

**Lease**  
**Basic Terms**

Date: March 31, 2005

Landlord: SPI IH II, L.P., a California limited partnership

Landlord's Address: c/o SPI Holdings, LLC, 650 California Street, Suite 1288, San Francisco, California, with a copy to SPI Holdings, LLC, 4229 Cochran Chapel Road, Dallas, Texas 75290, Attention: Richard Squires

Tenant: VarTec Telecom, Inc., a Texas corporation

Tenant's Address: 2440 Marsh Lane, Carrollton, Texas 75006, Attention: Bill Russell, Vice President of Corporate Services

**Premises**

Approximate rentable square feet: 47,230 on the first floor of the Building as depicted in Exhibit A attached hereto

Name of Building: Addison II, located on the Land

Land: Lot 1, Block A of EXCEL-PHASE 2, an Addition to the Town of Addison, Dallas County, Texas according to the plat thereof recorded in Volume 96064, Page 4820, Map Records, Dallas County, Texas

Property Land and Building

Street address: 4550 Excel Parkway, Addison, Texas 75001

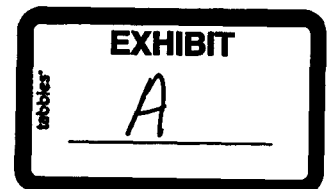
Term (months): 36, unless sooner canceled in accordance with the provisions hereof.

Commencement Date: April 1, 2005

Termination Date: March 31, 2008

Base Rent (monthly): \$17,711.25

Tenant's Pro Rata Share: With respect to Fixed Operating Expenses, the percentage obtained by dividing (a) the number of rentable square feet in the Premises as stated above by (b) the rentable square feet in the Building (i.e., 26.24%). With respect to Variable Operating Expenses, the



percentage obtained by dividing (a) the number of rentable square feet in the Premises as stated above by (b) the rentable square feet in the Building occupied by Tenant and any other person or entity.

Permitted Use: General office and warehouse

Tenant's Insurance: As required by Insurance Addendum

Landlord's Insurance: As required by Insurance Addendum

Tenant's Rebuilding Obligations: None

### **Definitions**

“Common Areas” means all facilities and areas of the Property that are intended and designated by Landlord from time to time for the common, general, and nonexclusive use of all tenants of the Building, including parking lots. Other than during the Single Tenant Period, Landlord has the exclusive control over and right to manage the Common Areas.

“Essential Services” means utility connections reasonably necessary for occupancy of the Premises for the Permitted Use.

“Fixed Operating Expenses” means all ad valorem taxes and all insurance costs incurred by Landlord with respect to the Property.

“Injury” means (a) harm to or impairment or loss of property or its use, (b) harm to or death of a person, or (c) “personal and advertising injury” as defined in the form of liability insurance Tenant is required to maintain.

“Landlord” means Landlord and its agents, employees, invitees, licensees, or visitors.

“Lienholder” means the holder of a deed of trust covering the Premises.

“Rent” means Base Rent plus any other amounts of money payable by Tenant to Landlord.

“Single Tenant Period” means the period during the Term that the Tenant is the sole occupant of the Building.

“Tenant” means Tenant but, for purposes of rights of access and use of the Premises and Common Areas, shall include Tenant's agents, contractors, employees, invitees, licensees, or visitors.

“Variable Operating Expenses” means all expenses of operating, managing, and maintaining the Property, including any utilities provided by Landlord, but excluding Fixed Operating Expenses,

principal and interest on any debt incurred by Landlord, and expenses classified as capital expenses for federal income tax purposes.

### **Clauses and Covenants**

#### **A. Tenant agrees to—**

1. Lease the Premises for the entire Term beginning on the Commencement Date and ending on the Termination Date, subject, however, to Tenant's right to reject this lease set forth in Section 21 below.
2. Accept the Premises in their present condition "AS IS," the Premises being currently suitable for the Permitted Use.
3. Obey (a) all applicable laws relating to the use, condition, and occupancy of the Premises and Building; (b) any requirements imposed by utility companies serving or insurance companies covering the Premises or Building; and (c) any rules and regulations for the Building and Common Areas adopted by Landlord.
4. Pay monthly, in advance, on the first day of the month, the Base Rent to Landlord at Landlord's Address.
5. Pay a late charge of 5 percent of any Rent not received by Landlord by the tenth day after it is due.
6. Obtain and pay for all utility services used by Tenant and not provided by Landlord.
7. Pay Tenant's Pro Rata Share of Fixed Operating Expenses and Variable Operating Expenses.
8. Allow Landlord to enter the Premises to perform Landlord's obligations, inspect the Premises, and show the Premises to prospective purchasers or tenants.
9. Repair, replace, and maintain any part of the Premises that Landlord is not obligated to repair, replace, or maintain, reasonable wear excepted.
10. Keep the sidewalks, service ways, and loading areas adjacent to the Premises clean and unobstructed.
11. Submit in writing to Landlord any request for repairs, replacement, and maintenance that are the obligations of Landlord.

12. Vacate the Premises and return all keys to the Premises on the last day of the Term.

13. On request, execute an estoppel certificate that states the Commencement Date and Termination Date, identifies any amendments to the lease, describes any rights to extend the Term or purchase rights, lists defaults by Landlord, and provides any other information reasonably requested.

14. INDEMNIFY, DEFEND, AND HOLD LANDLORD HARMLESS FROM ANY INJURY (AND ANY RESULTING OR RELATED CLAIM, ACTION, LOSS, LIABILITY, OR REASONABLE EXPENSE, INCLUDING ATTORNEY'S FEES AND OTHER FEES AND COURT AND OTHER COSTS) OCCURRING IN ANY PORTION OF THE PREMISES AND/OR ARISING FROM TENANT'S USE OR OCCUPANCY OF THE PREMISES OR, TO THE EXTENT ARISING FROM THE NEGLIGENCE OR WILLFUL MISCONDUCT OF TENANT, ANY INJURY OCCURRING IN ANY PORTION OF THE COMMON AREAS DURING THE SINGLE TENANT PERIOD AND/OR ARISING FROM TENANT'S USE OF THE COMMON AREAS DURING THE SINGLE TENANT PERIOD. **THE INDEMNITY CONTAINED IN THIS PARAGRAPH (a) IS INDEPENDENT OF TENANT'S INSURANCE, (b) WILL NOT BE LIMITED BY COMPARATIVE NEGLIGENCE STATUTES OR DAMAGES PAID UNDER THE WORKERS' COMPENSATION ACT OR SIMILAR EMPLOYEE BENEFIT ACTS, (c) WILL SURVIVE THE END OF THE TERM, AND (d) WILL APPLY EVEN IF AN INJURY IS CAUSED IN WHOLE OR IN PART BY THE ORDINARY NEGLIGENCE OR STRICT LIABILITY OF LANDLORD BUT WILL NOT APPLY TO THE EXTENT AN INJURY IS CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF LANDLORD.**

15. During the Single Tenant Period only, manage the Property to the same standards of management and maintenance as Tenant performed when it owned the Property, provided, however, that Tenant will have no responsibility during the Single Tenant Period to make or pay for any capital repairs or replacements.

**B. Tenant agrees not to—**

1. Use the Premises for any purpose other than the Permitted Use.
2. Create a nuisance.
3. Interfere with any other tenant's normal business operations or Landlord's management of the Premises.
4. Permit any waste.
5. Use the Premises in any way that would increase insurance premiums or void insurance on the Premises.
6. Change Landlord's lock system.

7. Alter the Premises.
8. Allow a lien to be placed on the Premises.
9. Use the roof on the Premises.
10. Place any new signs on the Premises without Landlord's written consent.

**C. Landlord agrees to—**

1. Lease to Tenant the Premises for the entire Term, subject, however, to Landlord's right to cancel set forth in Section 22 below.
2. Obey all applicable laws with respect to Landlord's operation of the Property.
3. Repair, replace, and maintain the (a) roof, (b) foundation, (c) Common Areas, and (d) structural soundness of the exterior walls, excluding windows, window glass, plate glass, and doors.
4. TO THE EXTENT ARISING FROM THE NEGLIGENCE OR WILLFUL MISCONDUCT OF LANDLORD, INDEMNIFY, DEFEND, AND HOLD TENANT HARMLESS FROM ANY INJURY AND ANY RESULTING OR RELATED CLAIM, ACTION, LOSS, LIABILITY, OR REASONABLE EXPENSE, INCLUDING ATTORNEY'S FEES AND OTHER FEES AND COURT AND OTHER COSTS, OCCURRING IN ANY PORTION OF THE COMMON AREAS. **THE INDEMNITY CONTAINED IN THIS PARAGRAPH (a) IS INDEPENDENT OF LANDLORD'S INSURANCE, (b) WILL NOT BE LIMITED BY COMPARATIVE NEGLIGENCE STATUTES OR DAMAGES PAID UNDER THE WORKERS' COMPENSATION ACT OR SIMILAR EMPLOYEE BENEFIT ACTS, (c) WILL SURVIVE THE END OF THE TERM, AND (d) WILL APPLY EVEN IF AN INJURY IS CAUSED IN WHOLE OR IN PART BY THE ORDINARY NEGLIGENCE OR STRICT LIABILITY OF TENANT BUT WILL NOT APPLY TO THE EXTENT AN INJURY IS CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF TENANT.**
5. Manage the Property following the Single Tenant Period.

**D. Landlord agrees not to—**

1. Interfere with Tenant's possession of the Premises as long as Tenant is not in default.
2. Unreasonably withhold consent to a proposed assignment or sublease.

**E. Landlord and Tenant agree to the following:**

1. *Alterations.* Any physical additions or improvements to the Premises made by Tenant will become the property of Landlord. Landlord may require that Tenant, at the end of the

Term and at Tenant's expense, remove any physical additions and improvements, repair any alterations, and restore the Premises to the condition existing at the Commencement Date, normal wear excepted.

2. *Abatement.* Tenant's covenant to pay Rent and Landlord's covenants are independent. Except as otherwise provided, Tenant will not be entitled to abate Rent for any reason.

3. *Insurance.* Tenant and Landlord will maintain the respective insurance coverages described in the attached Insurance Addendum.

4. *Release of Claims/Subrogation.* LANDLORD AND TENANT RELEASE EACH OTHER AND LIENHOLDER FROM ALL CLAIMS OR LIABILITIES FOR DAMAGE TO THE PREMISES OR BUILDING, DAMAGE TO OR LOSS OF PERSONAL PROPERTY WITHIN THE BUILDING, AND LOSS OF BUSINESS OR REVENUES THAT ARE COVERED BY THE RELEASING PARTY'S PROPERTY INSURANCE OR THAT WOULD HAVE BEEN COVERED BY THE REQUIRED INSURANCE IF THE PARTY FAILS TO MAINTAIN THE PROPERTY COVERAGES REQUIRED BY THIS LEASE. THE PARTY INCURRING THE DAMAGE OR LOSS WILL BE RESPONSIBLE FOR ANY DEDUCTIBLE OR SELF-INSURED RETENTION UNDER ITS PROPERTY INSURANCE. LANDLORD AND TENANT WILL NOTIFY THE ISSUING PROPERTY INSURANCE COMPANIES OF THE RELEASE SET FORTH IN THIS PARAGRAPH AND WILL HAVE THE PROPERTY INSURANCE POLICIES ENDORSED, IF NECESSARY, TO PREVENT INVALIDATION OF COVERAGE. THIS RELEASE WILL NOT APPLY IF IT INVALIDATES THE PROPERTY INSURANCE COVERAGE OF THE RELEASING PARTY. **THE RELEASE IN THIS PARAGRAPH WILL APPLY EVEN IF THE DAMAGE OR LOSS IS CAUSED IN WHOLE OR IN PART BY THE ORDINARY NEGLIGENCE OR STRICT LIABILITY OF THE RELEASED PARTY BUT WILL NOT APPLY TO THE EXTENT THE DAMAGE OR LOSS IS CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE RELEASED PARTY.**

5. *Casualty/Total or Partial Destruction*

- a. If the Premises are damaged by casualty and can be restored within ninety days, Landlord will, at its expense, restore the roof, foundation, Common Areas, and structural soundness of the exterior walls of the Premises and any leasehold improvements within the Premises that are not within Tenant's Rebuilding Obligations to substantially the same condition that existed before the casualty and Tenant will, at its expense, replace any of its damaged furniture, fixtures, and personal property and restore any leasehold improvements that are within Tenant's Rebuilding Obligations. If Landlord fails to complete the portion of the restoration for which Landlord is responsible within ninety days from the date of written notification by Tenant to Landlord of the casualty, Tenant may terminate this lease by written notice delivered to Landlord before Landlord completes Landlord's restoration obligations.

- b. If Landlord cannot complete the portion of the restoration for which Landlord is responsible within ninety days, Landlord has an option to restore the Premises. If Landlord chooses not to restore, this lease will terminate. If Landlord chooses to restore, Landlord will notify Tenant in writing of the estimated time to restore and give Tenant an option to terminate this lease by notifying Landlord in writing within ten days from receipt of Landlord's estimate. If Tenant does not notify Landlord timely of Tenant's election to terminate this lease, the lease will continue and Landlord will restore the Premises as provided in a. above.
- c. To the extent the Premises are untenable after the casualty, the Rent will be adjusted as may be fair and reasonable.

6. *Condemnation/Substantial or Partial Taking*

- a. If the Premises cannot be used for the purposes contemplated by this lease because of condemnation or purchase in lieu of condemnation, this lease will terminate.
- b. If there is a condemnation or purchase in lieu of condemnation and this lease is not terminated, Landlord will, at Landlord's expense, restore the Premises, and the Rent payable during the unexpired portion of the Term will be adjusted as may be fair and reasonable.
- c. Tenant will have no claim to the condemnation award or proceeds in lieu of condemnation.

7. *Default by Landlord/Events.* Defaults by Landlord are failing to comply with any provision of this lease within thirty days after written notice and failing to provide Essential Services to Tenant within ten days after written notice if such failure to provide Essential Services arises from the negligence or willful misconduct of Landlord.

8. *Default by Landlord/Tenant's Remedies.* Tenant's remedies for Landlord's default are to sue for damages and, if Essential Services are not provided for fifteen days due to Landlord's negligence or willful misconduct, terminate this lease.

9. *Default by Tenant/Events.* Defaults by Tenant are (a) failing to pay timely Rent, (b) abandoning or vacating a substantial portion of the Premises, and (c) failing to comply within ten days after written notice with any provision of this lease other than the defaults set forth in (a) and (b) above.

10. *Default by Tenant/Landlord's Remedies.* Subject to the provisions of Section 21 below, Landlord's remedies for Tenant's default are to (a) enter and take possession of the Premises, after which Landlord may relet the Premises on behalf of Tenant and receive the Rent

directly by reason of the reletting, and Tenant agrees to reimburse Landlord for any expenditures made in order to relet; (b) enter the Premises and perform Tenant's obligations; and (c) terminate this lease by written notice and sue for damages. Landlord may enter and take possession of the Premises by self-help, by picking or changing locks if necessary, and may lock out Tenant or any other person who may be occupying the Premises, until the default is cured, without being liable for damages.

11. *Default/Waiver/Mitigation.* It is not a waiver of default if the nondefaulting party fails to declare immediately a default or delays in taking any action. Pursuit of any remedies set forth in this lease does not preclude pursuit of other remedies in this lease or provided by applicable law. Landlord and Tenant have a duty to mitigate damages.

12. *Holdover.* If Tenant does not vacate the Premises following termination of this lease, Tenant will become a tenant at will and must vacate the Premises on receipt of notice from Landlord. No holding over by Tenant, whether with or without the consent of Landlord, will extend the Term.

13. *Alternative Dispute Resolution.* Landlord and Tenant agree to mediate in good faith before filing a suit for damages.

14. *Attorney's Fees.* If either party retains an attorney to enforce this lease, the party prevailing in litigation is entitled to recover reasonable attorney's fees and other fees and court and other costs.

15. *Venue.* Exclusive venue is in the county in which the Premises are located.

16. *Entire Agreement.* This lease, together with the attached exhibits and riders, is the entire agreement of the parties, and there are no oral representations, warranties, agreements, or promises pertaining to this lease or to any expressly mentioned exhibits and riders not incorporated in writing in this lease.

17. *Amendment of Lease.* This lease may be amended only by an instrument in writing signed by Landlord and Tenant.

18. *Limitation of Warranties.* THERE ARE NO IMPLIED WARRANTIES OF MERCHANTABILITY, OF FITNESS FOR A PARTICULAR PURPOSE, OR OF ANY OTHER KIND ARISING OUT OF THIS LEASE, AND THERE ARE NO WARRANTIES THAT EXTEND BEYOND THOSE EXPRESSLY STATED IN THIS LEASE.

19. *Notices.* Any notice required or permitted under this lease must be in writing. Any notice required by this lease will be deemed to be delivered (whether actually received or not) when deposited with the United States Postal Service, postage prepaid, certified mail, return receipt requested, and addressed to the intended recipient at the address shown in this lease. Notice may also be given by regular mail, personal delivery, courier delivery, facsimile



transmission, or other commercially reasonable means and will be effective when actually received. Any address for notice may be changed by written notice delivered as provided herein.

20. *Use of Common Areas.* Tenant will have the nonexclusive right to use the Common Areas subject to any reasonable rules and regulations that Landlord may prescribe.

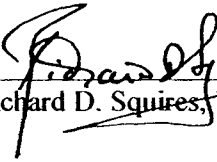
21. *Treatment of Claims in Bankruptcy.* Tenant has filed for bankruptcy under Chapter 11 of the U.S. Bankruptcy Code in the United States Bankruptcy Court for the Northern District of Texas (the "Court"), jointly administered as case no. 04-81694 (the "Case"). Landlord acknowledges and agrees that Tenant, after entering into and taking possession of the Premises, may reject this lease, provided that such rejection occurs prior or pursuant to confirmation of a plan of reorganization or liquidation. No such rejection and/or termination may be made after such confirmation or in a converted Chapter 7 case. In the event of such rejection and/or termination, any claim for damages or otherwise arising therefrom shall constitute an administrative expense claim entitled to priority under Section 507(a)(1) of the Bankruptcy Code only to the extent arising for the period of Tenant's actual occupancy of the Premises, with any other claim for damages or otherwise being treated as a general unsecured claim of Landlord.

22. *Landlord's Right to Cancel.* Notwithstanding anything contained herein to the contrary, Landlord shall have the right to terminate this Lease prior to the Termination Date upon not less than 90 days' notice to Tenant; provided, that, if Landlord gives Tenant less than 180 days' notice of cancellation, Landlord will pay Tenant at the same time as such notice of cancellation (and as a condition to effectiveness of such notice of cancellation) the sum of \$15,000.00.

23. *Tenant's Right to Assign and Sublease.* Tenant shall have the right to assign this lease or to sublease any portion of the Premises, provided that (a) Tenant has obtained Landlord's written consent, which shall not be unreasonably withheld, conditioned or delayed, or (b) Tenant, as a debtor in possession in the Case, obtains authority from the Court to assign this lease or to sublease any portion of the Premises, subject to requirements for cure of all defaults of Tenant and provision of adequate protection to Landlord.

24. *Bankruptcy Court Approval.* Subject to Court approval, Tenant has the full right, power and authority to enter into and perform this lease and the persons executing this lease on behalf of Tenant are duly authorized to execute and deliver this lease. Tenant will seek Court approval of this lease at the hearing on the Motion for Approval of the Sale of Real and Personal Property in Addison, Texas (Addison I and Addison II Properties), Free and Clear of Liens, Interests, Encumbrances, and Taxes, and Waiving the Automatic Stay Imposed Under Federal Rule of Bankruptcy Procedure 6004(g) (the "Motion"), which contemplates this lease in Section 13.4 of the Purchase and Sale Agreement, attached to the Motion.

**SPI III II, L.P.**, a California limited partnership  
By: **SPI-DR, Inc.**, a California corporation, its general partner

By:   
Richard D. Squires, Vice President

**VarTec Telecom, Inc.**, a Texas corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**SPI IH II, L.P.**, a California limited partnership

By: **SPI-DR, Inc.**, a California corporation, its general partner

By: \_\_\_\_\_  
Richard D. Squires, Vice President

**VarTec Telecom, Inc.**, a Texas corporation

By: Michael G. Hoffman  
Name: Michael G. Hoffman  
Title: President

Exhibit A

[See attached.]



**Addison 2 - 1st Floor**

	14,000
	1,300
	14,072
	3,000
<b>Total SF</b>	<b>47,320</b>