Council Meeting of
September 18, 2007

Honorable Mayor and Members
of the City Council
City Hall
Torrance, California

Members of the City Council:

SUBJECT: City Manager– Consent to Sublease JAS Madison I, LLC to Telecom Partners Group Corporation concerning City-owned property located at 3445, 3511 and 3525 Pacific Coast Highway in the City of Torrance for the center known as Madison Park (C-2738).

RECOMMENDATION

The City Manager recommends that City Council consent to a Sublease on City-owned property located at 3445, 3511 and 3525 Pacific Coast Highway to Telecom Partners Group Corp., dba ATS Communications, a California Corporation and a sub-sublease to Royal Street Communications California, LLC, a Delaware Limited Liability company.

Funding

None is required.

BACKGROUND/ANALYSIS

Pursuant to Section 22: ASSIGNMENT AND SUBLETTING of the Master Lease for this property, subtenants who have an aggregate term including options of greater than ten years must receive consent from the City Council to enter into the sublease Agreement. The term of the Sublease Agreement is ten years with five (5) five-year options; therefore the consent of Your Honorable Body is required.

The proposed subtenant will manage the wireless cellular phone subleases for the Master Tenant by securing those subleases. The subleases for these tenants that fall under the umbrella for the proposed sublesee will also require the City Council's consent if their term is over the ten-year period as written in Section 22 of the Master Lease, therefore a request to consent to a sub-sublease with Royal Street Communications California, LLC (Metro PCS), a cell service provider, is also required.

The action being requested tonight is for consent to the proposed sublease and sub-sublease agreements; it does not give tacit approval for any permits required for the installation of the required improvement to operate at this facility.

Respectfully submitted,

LeRoy J. Jackson
City Manager

By _____
Brian K. Sunshine
Assistant to the City Manager

CONCUR:

_____
LeROY J. JACKSON
City Manager

Attachments:
A. Sublease Agreement
B. Sub-sublease Agreement

Attachment A

ATS
Communications

ROOFTOP LEASE AGREEMENT

THIS LEASE (the "Lease"), made this 4th day of June, 2007, by and between JAS Madison I, LLC managed by Optima Asset Management Services ("Landlord"), and Telecom Partners Group Corp., a California corporation, d/b/a ATS Communications ("Tenant").

1. Lease of Premises.
Subject to the terms and conditions of this Lease, Landlord hereby leases to Tenant portions of the building (hereinafter referred to as the "Building"), located at 3445 Pacific Coast Highway, Torrance, CA 90505; Assessor's Parcel Number 7377-006-906 (the "Property") with a legal description of which is shown on Exhibit "A" attached hereto and Tenant's leased area shall be hereinafter referred to as the "Premises". The space on the roof will not exceed two hundred forty (240) square feet with respect to any one particular Permitted Sublease (as hereinafter defined in Exhibit "B"). In addition, such space shall include non-exclusive access to the vertical and horizontal risers and conduits in the Building.

2. Use.
Landlord, for the term set forth herein and subject to the terms and conditions of this Lease, hereby leases the Premises to Tenant for the purposes of subleasing same to a telecommunications service providers ("Permitted Subtenants") for the installation of equipment (per Exhibit "B"), including up to: twelve (12) antennas, five (5) equipment cabinets other miscellaneous hardware, supporting mounts and wiring, as well as any access node or similar equipment providing access to the Building for the provision of alternative services such as local exchange, long distance, fiber-optics, video-conferencing, Internet access, cable television, voice communications or data communications ("Equipment"), all of the foregoing to be used in connection with wireless communications businesses and related activities, provided such activities do not require an expansion of the Premises (collectively a "Permitted Use"). Tenant acknowledges that Landlord shall not incur any cost in the development or on-going operation of Tenant's communication facility.

3. Term
a. The term of this Lease shall commence (the "Commencement Date") on the earlier to occur of (i) twelve (12) months from the date this Agreement is fully executed or (ii) commencement issuance of Tenant's building permit by the local jurisdiction. Unless extended or sooner terminated as herein provided, the term shall continue until, and shall expire upon the date of the tenth (10th) anniversary following the Commencement Date ("Initial Term").
b. Provided that Tenant is not in default hereunder, Tenant is hereby granted the right and option (each a "Renewal Option") to automatically extend the term of this Lease for three (3) successive, additional periods of five (5) years each, each such renewal term (the "Renewal Term") to commence on the date which is one day after the expiration date of the previous term of this Lease (each such date hereinafter a "Renewal Term Commencement Date") and to expire upon the fourth (5th) anniversary the relevant Renewal Term Commencement Date (each such date a "Renewal Term Expiration Date"). Each Renewal Option, when effectively exercised, shall apply to the entire Premises.

4. Rent.

Rent, as adjusted in accordance with the provisions of this paragraph, shall accrue as follows:

a. Tenant shall remit to Landlord, on the fifteenth (15th) day of each month in advance, [redacted] dollars Rent for the preceding calendar month. The Rent shall be increased by [redacted] percent on each anniversary of the Term commencement date each year and during any Renewal Term thereafter, as exercised by Tenant.

b. Tenant shall have the right to add additional equipment to the Building in the event said additional equipment does not interfere with the existing equipment at the Building' and does not exceed the approved equipment area designated by this agreement or by jurisdictional permit.

c. Tenant shall remit all rent payments to Landlord's representative at the following address:

JAS Madison I, LLC
c/o Optima Asset Management Services
6281 Beach Boulevard, Suite 200
Buena Park, CA 90621

5. Installation, Maintenance and Relocation.

a. Prior to the installation of any Equipment and any subsequent material modifications, addition, or alterations, Tenant shall submit detailed engineering plans and specifications of the planned installation ("Tenant's Plans") to Landlord, for Landlord's written approval, which approval shall not be unreasonably withheld, conditioned or delayed. The parties acknowledge that in order to connect the various areas of the Premises which are needed to make the Equipment functional and operational, Tenant shall have the right to install in certain areas of the Building, conduit and sleeving connecting such locations and servicing the Equipment with Landlord's prior written approval which approval shall not be unreasonably withheld, conditioned or delayed.. Tenant's Plans shall accurately and fairly depict where such conduit sleeving and connections will be located. Landlord's approval of any installation is not a representation that such installation of the Equipment is in compliance with all applicable laws, ordinances, rules and regulations or that it will not cause interference with other communications operations on the Building. Tenant shall perform a pre-construction walk with Landlord's representative and will notify Landlord at least two (2) days prior to commencing Tenant's installation. Tenant shall take pictures of areas where work will be performed and provide such pictures to Landlord's representative prior to any work. Within ten (10) days after execution of this Lease, but no later than the Commencement Date and prior to any work performed at the site, Tenant will at its own cost and expense deliver to Landlord the certificates of insurance as required under this Lease confirming that such insurance has been obtained and is in effect.

b. Tenant shall, at Tenant's sole cost and expense install, keep and maintain the Premises in commercially reasonable condition and repair during the term of this Lease. Tenant agrees to maintain the Equipment in proper operating condition and within industry accepted safety standards. All installations and operations in connection with this Lease by Tenant must be in compliance with all federal, state, and local laws, codes and regulations, including but not limited to local zoning requirements, and will adhere to reasonable technical standards developed for the Building by Landlord as amended from time to time. Landlord assumes no responsibility for the licensing, operation and/or maintenance of the Equipment. Tenant shall at all times use its best efforts to obtain and maintain any licenses, permits, and approvals necessary for the installation or operation of the Equipment at its sole cost and expense.

c. Landlord shall be responsible for the structural maintenance and upkeep of the Building and the roof except for the Equipment and the roof penetrations contained within the Premises which is the responsibility of Tenant. All installation and other work to be performed by Tenant hereunder will be done in such a manner so as not to interfere materially with, delay, or impose any additional expense upon Landlord in maintaining the Premises. Tenant shall use the roofing company specified by the Landlord to perform any work affecting the roof, provided the costs charged by such roofer are competitive with charges for similar services within the same geographic region. Tenant shall match as nearly as possible the color of any antennas to the existing facade of the Building. All Equipment screening material will match the color, texture and architectural style of the building's façade and all Equipment, cable runs, conduit and sleeving shall be installed in a good workmanlike manner and attached in accordance with current, state of the art, industry practices and in accordance with all relevant building and zoning codes.
d. If, during the term of this Lease, as same may be extended, Landlord needs to perform maintenance work to Landlord's equipment on the roof of the Building or repair or replace the roof of the Building ("Roof Work"), Tenant agrees to cooperate and work with Landlord to achieve said Roof Work. Landlord agrees to provide at least sixty (60) days notice to Tenant of its intention to perform said work; except in the case of emergency Roof Work in which case Landlord shall give as much notice as possible under the circumstances. Such plan may require the temporary relocation of the Equipment at Landlord's cost and expense or Tenant's installation of temporary equipment including, but not limited to, a cell-site on wheels. Moreover, if a temporary relocation of the Equipment is required to accommodate the Roof Work, the parties shall determine the most technically suitable alternative location which will not impede the Roof Work. Notwithstanding the foregoing, Tenant shall move the Equipment back to its original location after the Roof Work is completed unless the parties agree to utilize the relocated area permanently.

6. Access.
Tenant and its "authorized personnel" shall be entitled to twenty-four (24) hour, seven (7) days per week access to the Premises. All access to the Premises by Tenant shall be subject in each instance to the reasonable security requirements and reasonable rules and regulations from time to time in effect at the Property, of which Landlord shall inform Tenant in writing. In the event Tenant requires access to the Premises outside of Landlord's normal business hours, Tenant will be responsible for any reasonable costs incurred by Landlord in providing such access to the Premises.

7. Interference.
Tenant shall not use the Premises in any way that interferes with the use of the Building by: (i) Landlord, (ii) tenants of Landlord leasing or licensing space in or on the Building primarily for the same or similar use as a majority of the other tenants in the Building and which is consistent with the purpose for which the Building is operated, or (iii) tenants of Landlord who commenced occupancy at the Building on a date which precedes the Commencement Date and who are leasing or licensing space from Landlord and using the Building as a telecommunications transmitting or receiving site ("Existing Tenants"). Tenant shall indemnify Landlord and hold Landlord harmless from all expenses, costs, damages, loss, claims or other expenses and liabilities arising from any such interference, except that Tenant shall not be required to indemnify Landlord with respect to any consequential damages or claims for lost profits. Tenant agrees to cease all operations (except for testing as approved by Landlord) until the interference has been corrected to the reasonable satisfaction of the

Landlord and any existing Tenants. Tenant shall be responsible for all costs associated with any tests deemed necessary to resolve any and all interference as set forth in this Lease. If such interference has not been corrected within thirty (30) days, Landlord may require Tenant to remove the specific items of the Equipment causing such interference. All operations by Tenant shall be lawful and in compliance with all applicable laws, rules and regulations. Tenant shall not allow any excessive or objectionable levels of noise to be generated by the Equipment during normal operations.

8. Assignment.

a. Upon notice to Landlord, *and subject to the provision of Section 22 of the Master Lease between the Landlord and the City of Torrance,* Tenant may freely assign this Lease and its other rights hereunder (including, without limitation its right to renew) to any person or business entity at any time without the prior consent of Landlord which shall not be unreasonably withheld, conditioned or delayed. Tenant may perform an assignment of its rights, duties and obligations, in whole or in part, under this Agreement to any lender or provider of financing to Tenant without the prior written consent of Landlord.

b. Landlord acknowledges that Tenant, is in the business of subleasing all or portions of the Premises to Permitted Subtenants pursuant to a separately negotiated subleases entered into between Tenant and a the Permitted Subtenant. Tenant may enter into any Permitted Sublease without the consent of Landlord provided that, notwithstanding the terms of such Permitted Sublease, Tenant shall remain liable for all of the terms and conditions of this Lease and Tenant shall fulfill each covenant contained herein and shall protect and defend Landlord from and against all costs, damages, or liability (including reasonable attorney fees) resulting from all acts or omissions of such Permitted Subtenant to the extent such act or omission is permitted by such Permitted Sublease and such permission is contrary to or inconsistent with the terms of this Lease.

c. In the event this Lease is terminated prior to the termination of a Permitted Sublease, such Permitted Subtenant shall agree to attorn to Landlord and to recognize Landlord as such Permitted Subtenant's landlord under the Permitted Sublease, upon the terms and conditions and at the rental rate specified in the Permitted Sublease, and for the then remaining term of the Permitted Sublease, except that Landlord shall not be bound by any provision of the Permitted Sublease which in any way increases Landlord's duties, obligations or liabilities to such Permitted Subtenant beyond those owed to Tenant under this Lease. Such Permitted Subtenant shall agree to execute and deliver at any time and from time to time, upon request of Landlord, any instruments, which may be necessary or appropriate to evidence such attornment. Landlord shall not (i) be liable to a Permitted Subtenant for any act, omission or breach of the Permitted Sublease by Tenant, (ii) be subject to any offsets or defenses which such Permitted Subtenant might have against Tenant, or (iii) be bound by any rent or additional rent which such Permitted Subtenant might have paid in advance to Tenant.. Tenant hereby agrees that in the event of Lease termination, Tenant shall immediately pay or transfer to Landlord any rent or other sums then held by Tenant.

9. Taxes and Assessments.

Tenant shall pay any taxes, assessments, charges, or fees, directly attributable to its use of the Premises, including any increase in real property taxes chargeable to Landlord resulting from the installation of the Equipment and any use and occupancy taxes chargeable with respect to the Equipment. Notwithstanding the foregoing, Tenant shall have no liability for any excess profit taxes, franchise taxes, gift taxes, capital stock taxes, inheritance and succession taxes, estate taxes, federal and state income taxes, and other taxes to the extent applicable to Landlord's general or net income or chargeable to Landlord as a result of Landlord's business.

10. Insurance, Release and Hold Harmless.

a. Tenant shall, at Tenant's sole cost and expense, procure and continue in force during the term of this Lease, including any Renewal Term: (i) Workers' Compensation Insurance (at statutory limits) and Employer's Liability Insurance with minimum limits of $1,000,000 and (ii) Comprehensive General Liability and Property Damage Insurance (including completed operations and contractual liability) on an occurrence basis in an amount not less than $1,000,000 combined single limit. All policies shall be written by an insurer acceptable to Landlord licensed to do business within the State where the Premises are located and shall provide a thirty (30) day notice of cancellation to Landlord.

b. Tenant shall require that its Permitted Subtenants and contractors (and any subcontractors) produce, prior to commencing any installation, repair, or maintenance work on the Premises, a certificate of original insurance policy evidencing that the following insurance is maintained: (i) Comprehensive General Liability and Property Damage Insurance (including completed operations and contractual liability) on an occurrence basis in an amount not less than $1,000,000 combined single limit; (ii) Commercial Liability Insurance with minimum limits no less than $1,000,000 combined single limit and Builder's Risk Insurance with limit not less than 100% of the estimated value of the improvements being constructed by or on behalf of Tenant; (iii) Workers' Compensation (at statutory limits) and Employer's Liability Insurance with minimum limits of $1,000,000. All policies shall name Landlord as additional insured and all shall contain a thirty (30) day written notice of cancellation to Landlord.

c. Tenant agrees that Landlord and its Building manager representatives, if any, and their respective partners, officers, employees and agents shall not be liable to Tenant, and Tenant hereby releases such parties, for any personal injury or damage to or loss of personal property in the Premises from any cause whatsoever unless such damage, loss or injury is the result of the negligence or willful misconduct of Landlord, its Building manager representatives, or their partners, officers, employees or agents, and Landlord and its Building manager representatives and their partners, officers or employees shall not be liable to Tenant for any such damage or loss whether or not the result of their negligence to the extent Tenant is compensated by Tenant's insurance or would have been compensated under commonly available commercial policies, and Landlord shall in no event be liable to Tenant for any consequential damages.

d. Landlord agrees that Tenant and its respective partners, officers, employees and agents shall not be liable to Landlord, and Landlord hereby releases such parties, for any personal injury or damage to or loss of personal property in any part of the Building other than the Premises from any cause whatsoever unless such damage, loss or injury is the result of the negligence or willful misconduct of Tenant, or its partners, officers, employees or agents, and Tenant and its partners, officers or employees shall not be liable to Landlord for any such damage or loss whether or not the result of their negligence to the extent Landlord is compensated by Landlord's insurance or would have been compensated under commonly available commercial policies, and Tenant shall in no event be liable to Landlord for any consequential damages.

e. Tenant agrees to compensate Landlord for damages and to indemnify and to hold Landlord harmless from all claims (including reasonable attorneys' fees, costs and expenses of defending against such claims) incurred by Landlord and arising from the negligent acts or omissions of Tenant or Tenant's agents, employees, engineers, contractors, subcontractors, or invitees in or about the Building or arising from Tenant's default pursuant to this Agreement. Except as otherwise specifically provided herein to the contrary, it is understood and agreed that all property kept, installed, stored, or maintained in or upon the Premises by Tenant shall

be so installed, kept, stored, or maintained at Tenant's risk. Landlord shall not be responsible for any loss or damage to equipment owned by Tenant which might result from tornadoes, lightning, wind storms, hail, flying debris, or other acts of God which is not caused by the negligent acts or omissions of Landlord; provided, however, Landlord agrees to compensate Tenant for damages and to indemnify and hold Tenant harmless from all claims (including reasonable attorneys' fees, costs and expenses of defending against such claims) incurred by Tenant and arising from the negligent act or omissions of Landlord or Landlord's agents, employees, engineers, contractors, subcontractors or invitees in or about the Site or arising from Landlord's default pursuant to this Agreement. The indemnities described in this Section shall survive termination of this Agreement.

f. Each party hereto hereby waives any and every claim which arises or which may arise in its favor and against the other party hereto during the term of this Lease or any extension or renewal thereof for any and all loss of, or damage to, any of its property located within or upon or constituting a part of the Building, to the extent that such loss or damage is recovered under an insurance policy or policies. Each party shall have their respective insurance company issue any such insurance policy with a provision waiving such insurance company's right of subrogation.

11. Removal of the Equipment upon Termination or Expiration of the Lease.

Following any termination or expiration of this Lease, provided the applicable sublease has terminated, Tenant shall cause the removal of all Equipment placed within Tenant's Leased Premises and any equipment, cables and wires connected thereto. In performing such removal, Tenant shall restore the Building and any personal property and fixtures thereon to as good a condition as they were prior to the installation or placement of the Equipment, reasonable wear and tear and damage by the elements excepted. If Tenant fails to remove such Equipment within thirty (30) days after expiration or earlier termination of this Lease, Landlord may remove and store such Equipment and Tenant shall reimburse Landlord for the costs of such removal of the Premises and restoration of the Building, including any storage costs incurred by Landlord. Landlord may not sell or dispose of Tenants Equipment until six (6) months after the expiration or sooner termination of this Lease.

12. Event of Default.

It shall be an Event of Default if any one or more of the following events shall occur:

a. Tenant shall default in the payment, when due, of any Rent or other sum of money specified hereunder to be paid by Tenant, and Tenant does not remedy such default within ten (10) days after written notice thereof from Landlord; or

b. Tenant shall default in the performance of any other of the terms, conditions or covenants contained in this Lease to be performed or observed by Tenant other than that specified in (a) above and the interference provision herein and Tenant does not remedy such default within thirty (30) days after written notice thereof is given to Tenant or, if such default cannot be remedied in such period, Tenant does not, within thirty (30) days after such notice from Landlord, commence such efforts or acts as shall be necessary to remedy the default and continue to prosecute such efforts and/or acts to completion with reasonable diligence.

c. Upon the occurrence of an Event of Default, Landlord shall have and may pursue all rights and remedies permitted by applicable law, including but not limited to terminating this Lease on at least thirty (30) days' notice to Tenant and, on the date specified in such notice, this Lease and the term hereby demised and all rights of Tenant hereunder shall expire and terminate and Tenant shall thereupon quit and surrender possession of the Premises to

Landlord in the condition elsewhere herein required in which event Tenant shall remain liable to Landlord as herein provided.
d. In the event Landlord shall fail to keep or perform any of the terms, conditions or covenants contained in this Lease to be performed or observed by Landlord, and Landlord does not remedy such failure within thirty (30) days after written notice thereof is given to Landlord, Tenant shall have and shall be entitled to exercise any and all rights and remedies permitted by applicable law.

13. Termination by Tenant.
Except as otherwise provided herein, Tenant may terminate this Lease in the following circumstances:
a. upon thirty (30) days prior written notice and without penalty or further liability, if the Permitted Subtenant(s) at the Building are unable to obtain, maintain or reinstate within thirty (30) days the necessary permit(s) or governmental approval(s) needed for the construction or operation of the Equipment in accordance with Tenant's Permitted Use (Tenant shall at all times cause such Permitted Subtenant(s) to use diligent efforts in good faith to obtain and maintain any government approvals if Tenant desires to terminate pursuant to this section);
b. upon thirty (30) days prior written notice and without penalty or further liability, if the Permitted Subtenant(s) at the Building are unable to operate the Equipment in accordance with Tenant's Permitted Use on the Premises as a result of material interference (other than on a temporary, non-recurring basis) resulting from the act of any third party (other than an Existing Tenant);
c. upon thirty (30) days prior written notice and without penalty or further liability, if the Permitted Subtenant(s) at the Building determine that, based on (i) technology, or (ii) changes in system design or system usage patterns, the use of the Equipment (as the same may have been modified from time to time) by such Permitted Subtenant(s) is no longer consistent with the optimal operation of such Permitted Subtenant's communications system.
d. in the event Tenant terminates this Agreement after the Commencement Date due to any reason, Tenant shall pay a termination fee equal to six months of the then current monthly rent payment.

Upon Tenant terminating in accordance with this Section, Tenant shall surrender and vacate the Premises and deliver possession thereof to Landlord on or before the termination date in the condition required under this Lease for surrender of the Premises.

14. Utilities
Tenant shall pay for all utilities to operate Equipment. Landlord, at Landlord's option, may either (i) require Tenant to directly contract with the local utility company servicing the Building and have such utility company install, at Tenant's sole cost and expense, separate metering devices to measure Tenant's usage and Tenant shall pay the power utility directly for such usage, or (ii) Landlord may allow Tenant the right to connect to the Building's electrical system and install, at Tenant sole cost and expense, a sub-meter to measure Tenant's usage. In the event Tenant is not billed directly by the local utility company, Tenant shall pay the sum of one hundred Dollars ($100.00) per month, in addition to and payable in the same manner as the Rent payable hereunder, as an estimated utility charge ("Estimated Utility Charge"). Landlord or Manager will bill Tenant for Tenant's power consumption based on the average kilowatt-hour rate paid by the Landlord for electricity at the Building. Upon Landlord's determination of the annual electricity usage by Tenant for the Equipment, based upon the electricity bills received by Landlord during such twelve month period,

Landlord shall compare the Estimated Utility Charges paid by Tenant for such period to the actual electricity charge for such period as reflected on such bills. In the event the Estimated Utility Charge paid by Tenant is less than the amount billed, Tenant shall pay the difference between the Estimated Utility Charge and the amount billed within thirty (30) days of Tenant's receipt of a notice from Landlord setting forth the amount due. To the extent such Estimated Utility Charges paid by Tenant exceed the actual electrical usage, Landlord shall credit Tenant with such excess against the next immediate installments of Rent due under this lease. The monthly Estimated Utility Charge for the next successive twelve (12) month period shall be adjusted to reflect the actual amount due from Tenant for the immediately preceding twelve (12) month period, prorated to reflect monthly usage. Landlord shall not be liable in any respect for damages to either person or property nor shall Tenant be relieved from fulfilling any covenant or Lease hereof as a result of any temporary or permanent interruption of electrical service. Landlord shall use reasonable diligence to restore any interruption in electrical service promptly, but Tenant shall have no claim for damages, consequential or otherwise, on account of any interruption. Tenant acknowledges that Landlord may, as part of its maintenance and repair obligations at the Building, require a temporary interruption of electrical service that may cause a temporary disruption of service to Tenant or the Equipment. Landlord agrees to make a reasonable effort to schedule any such shutdown outside the Building's normal business day. Landlord also agrees to make a reasonable effort to cooperate with Tenant in obtaining temporary alternate power during scheduled maintenance operations, but shall have no obligation hereunder to provide alternate power from emergency power sources. In connection therewith, Landlord agrees to give Tenant reasonable prior notice, except in emergency situations, which notice may be oral. Landlord must approve all utility routes prior to construction. Notwithstanding the foregoing, if electrical service to the Premises is interrupted for twenty-four (24) consecutive hours, then Rent shall abate on a per diem basis from the first day of such interruption through the date on which such electrical service is restored. If such interruption persists for more than thirty (30) consecutive days, Tenant may terminate this Lease.

15. Mechanics Liens.

Tenant shall not suffer or permit any mechanic's, laborer's, or materialman's lien to be filed against the Property, including the Building or any part thereof by reason of work, labor, services, or materials requested and supplies claimed to have been requested by Tenant; and if such lien shall at any time be so filed, Tenant shall cause it to be canceled and discharged of record (by bonding or otherwise), within thirty (30) business days after notice of the filing thereof, and Tenant shall indemnify and hold harmless Landlord from any loss incurred in connection therewith.

16. Casualty and Condemnation.

a. In case of damage to the Building or the Premises or those portions of the Building or the Premises which are essential to the operation of the Equipment, by fire or other casualty, Landlord shall, at its expense, cause the damage to be repaired to a condition as nearly as practicable to that existing prior to the damage, with reasonable speed and diligence, subject to delays which may arise by reason of adjustment of loss under insurance policies, governmental regulations, and for delays beyond the control of Landlord, including a "force majeure". Landlord shall not, however, be obligated to repair, restore, or rebuild any of Tenant's personal property, including but not limited to the Equipment. Landlord shall not be liable for any inconvenience or annoyance to Tenant, or injury to Tenant's business resulting in any way from such damage or the repair thereof except, to the extent and for the time that

the Building or the Premises are thereby rendered unusable for Tenant's intended purpose, the Rent shall proportionately abate. In the event the damage shall involve the Building generally and shall be so extensive that Landlord shall decide, at its sole discretion, not to repair or rebuild the Building, or if the casualty shall not be of a type insured against under standard fire policies with extended type coverage, or if the holder of any mortgage, deed of trust or similar security interest covering the Building shall not permit the application of adequate insurance proceeds for repair or restoration, this Lease shall, at the sole option of Landlord, exercisable by written notice to Tenant given within twenty (20) days after Landlord is notified of or otherwise becomes aware of the occurrence of the casualty, be terminated as of the date of such casualty, and the Rent (taking into account any abatement as aforesaid) shall be adjusted to the termination date and Tenant shall thereupon promptly vacate the Premises. Notwithstanding the foregoing, Tenant shall be permitted to terminate this Lease (i) in the event the Premises have been rendered unusable for Tenant's intended purpose, and (ii) Landlord's estimated period for completion of the repair and restoration of the Building exceeds thirty (30) days.

b. If, at any time during the term of this Lease, all or substantially all of the Premises or the Building and improvements located on the Property shall be taken in the exercise of the power of eminent domain by any governmental or other authority, or by deed in lieu of condemnation, then Tenant may terminate this Lease by providing written notice to Landlord within thirty (30) days of such condemnation or eminent domain action, which termination shall be effective as of the date of the vesting of title in such taking and any prepaid Rent shall be apportioned as of said date and reimbursed to Tenant. Landlord and Tenant shall each be entitled to pursue their own separate awards with respect to such taking. In the event of any taking of less than all or substantially all of the Premises, this Lease shall continue and each of Landlord and Tenant shall be entitled to pursue their own separate awards with respect to such taking.

17. Quiet Enjoyment, Title and Authority.

Landlord covenants and warrants that (i) it has the authority to execute this Lease and has the power to grant the rights hereunder; (ii) it has good, marketable and unencumbered title to the Property free and clear of any liens, mortgages, restrictions or other encumbrances that will interfere with Tenant's Permitted Use of the Premises; (iii) its execution and performance of this Lease will not violate any laws, ordinances, covenants, or the provisions of any mortgage, lease or other agreement binding on Landlord; and (iv) Tenant shall have the quiet enjoyment of the Premises, and Tenant shall not be disturbed as long as Tenant is not in default beyond any applicable grace or cure period.

18. Subordination.

This Lease is and shall be subject and subordinate to all ground or underlying leases of the entire Building and to all mortgages, deeds of trust and similar security documents which may now or hereafter be secured upon the Building, and to all renewals, modifications, consolidations, replacements and extensions thereof. This clause shall be self operative and no further instrument of subordination shall be required by any lessor or mortgagee, but in confirmation of such subordination, Tenant shall execute, within fifteen (15) days after request, any certificate that Landlord may reasonably require acknowledging such subordination. Notwithstanding the foregoing, the party holding the instrument to which this Lease is subordinate shall have the right to recognize and preserve this Lease in the event of any foreclosure sale or possessory action, and in such case, this Lease shall continue in full force and effect Tenant shall attorn to such party and shall execute, acknowledge and deliver

any instrument that has for its purpose and effect the confirmation of such attornment. For the benefit of Tenant, Landlord shall request (but shall have no obligation to obtain) from its current mortgagee Landlord shall reasonably cooperate with Tenant in obtaining from Landlord's current mortgagee a Subordination, Non-Disturbance and Attornment agreement (an "SNDA"), in which Tenant shall join, under which this Lease and the rights of Tenant hereunder shall not be affected or modified by foreclosure or the exercise of any other right or remedy by the mortgagee and under which Tenant shall attorn to and recognize the mortgagee or any purchaser at foreclosure sale or other successor-in-interest to the Landlord as Tenant's landlord hereunder. Tenant further agrees that this Lease shall be subject and subordinate to the lien of any mortgages hereafter placed upon the Building or the Premises, provided that the lender/mortgagee thereunder shall have executed a SNDA with Tenant whereby such lender agrees not to disturb Tenant in its rights, use and possession of the Building and the Premises under this Lease or to terminate this Lease, notwithstanding the foreclosure or the enforcement of the mortgage or termination or other enforcement of an underlying lease or installment purchase agreement, except to the extent permitted by Landlord pursuant to the terms of this Lease. The SNDA shall be in the reasonable form required by the lender and reasonably acceptable to Tenant. Tenant covenants and agrees to execute and deliver to Landlord or to the lender the SNDA within fifteen (15) days after demand.

19. Waiver of Liens.

Landlord hereby waives any and all statutory liens which Landlord may have with respect to any of Tenant's or any Permitted Subtenant's assets (including the Equipment) which have been pledged for or serve as collateral for any of Tenant's (or any Permitted Subtenant's) existing or future loans or lines of credit. Notwithstanding the foregoing, such waiver shall not apply with respect to any future loans or lines of credit, which have been originated after default by Tenant of its obligations herein. Tenant or any Permitted Subtenant may pledge or collaterally assign its ownership rights in the Equipment to any financing source which Tenant or such permitted Subtenant may select. The parties acknowledge that such collateral assignment or pledge shall in no event affect the Building or the land upon which the Building is located and Tenant or such Permitted Subtenant may not create a lien or encumbrance on the real estate to which the Equipment is secured. So long as any lender which has provided financing or funding to Tenant or such Permitted Subtenant has cured any default by Tenant within the time periods set forth in this Lease, Landlord agrees not to evict the Tenant or terminate this Lease with respect to such lender solely as a result of such default.

20. Notices.

All notices, demands, requests and other communications hereunder shall be in writing either personally delivered or mailed, via certified mail, return receipt requested, or sent by overnight courier to the following addresses:

If to Landlord, to:

JAS Madison I, LLC
c/o Optima Asset Management
1600 Dove Street, Suite 480
Newport Beach, CA 92660
Attn: Doug Morehead

And if to Tenant, to:

Telecom Partners Group Corp., d/b/a
ATS Communications
22651 Lambert Street, Suite 101A
Lake Forest, CA 92630
Attn: Tony Ingegneri
(949) 305-7848
(949) 768-6984 (facsimile)

Notices will be deemed to have been given upon either receipt or rejection. Unless or until either of the respective addresses is changed by notice in writing sent to the other party as set forth above, thereafter to the address contained in such notice.

21. Marking and Lighting Requirements.
Landlord shall be responsible for compliance with any marking and lighting as may be required for the Building by the Federal Aviation Administration ("FAA"). Tenant shall pay for, construct, and, install and maintain the Equipment at the Building in compliance with all marking and lighting requirements of the FAA and the FCC. Should Tenant be cited because the Building is not in compliance with such requirements, Tenant may terminate this Lease if Landlord fails to cure the conditions of noncompliance within ninety (90) days from the issuance of the citation.

22. Successors and Assigns.
This Lease shall run with the Building and shall be binding upon and inure to the benefit of the parties, their respective successors, personal representatives and assigns.

23. Miscellaneous.
a. If any term of this Lease is found to be void or invalid, such invalidity shall not affect the remaining terms of this Lease, which shall continue in full force and effect.
b. Either party shall execute a Memorandum or Notice of Lease in standard form to be recorded in the appropriate registry or land records office.
c. Failure of Landlord to insist on strict performance of any of the conditions or provisions of this Lease, or to exercise any of Landlord's rights hereunder, shall not waive such rights.
d. This Lease shall be governed by and construed in accordance with the laws of the state in which the Premises are located.
e. This Lease constitutes the entire Lease and understanding of the parties and supersedes all offers, negotiations and other Leases. There are no representations or understandings of any kind not set forth herein. Any amendment to this Lease must be in writing and executed by both parties.

IN WITNESS WHEREOF, the parties have caused this Lease Agreement to be executed by their duly authorized representatives on the dates set forth below and acknowledge that this Lease Agreement is effective as of the date first above written.

LESSOR:

JAS Madison I, LLC, a California limited liability company, managed by Optima Asset Management Services

By: _____
(Signature)

Print Name: Doug Morehead
Title: Managing Agent
Date: 5/30/07

LESSEE:

Telecom Partners Group Corp., a California corporation, d/b/a ATS Communications

By: _____
(Signature)

Print Name: Anthony Ingegneri
Title: President
Date: 6-4-07

EXHIBIT "A"
LEGAL DESCRIPTION OF PROPERTY

The Property is legally described as follows:

THAT PORTION OF THE FOLLOWING PROPERTY, IN THE CITY OF TORRANCE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, DESCRIBED IN AN INSTRUMENT ENTITLED "MEMORANDUM OF FOURTH AMENDMENT TO LEASE" AS RECORDED OCTOBER 20, 1995, INSTRUMENT NO. 95-1710667, RECORDED OF SAID COUNTY.

PARCEL 1A:

LOT 1 AND A PORTION OF LOT 2, BOTH OF TRACT NO. 46470, IN THE CITY OF TORRANCE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 1174 PAGE 17 AND 18 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, SAID PORTION LYING NORTHWESTERLY OF THE FOLLOWING DESCRIBED LINE;

BEGINNING AT A POINT IN THE NORTHEASTERLY LINE OF PACIFIC COAST HIGHWAY, 100 FEET WIDE AS SHOWN ON SAID MAP, DISTANT SOUTH 45 DEGREES 49'56" EAST 42.50 FEET FROM THE MOST WESTERLY CORNER OF SAID LOT 2; THENCE NORTH 44 DEGREES 10'04" EAST 52.09 FEET; THENCE SOUTH 45 DEGREES 49'56" EAST 22.00 FEET; THENCE NORTH 44 DEGREES 10'04" EAST 94.50 FEET TO A POINT IN THAT NORTHEASTERLY LINE OF SAID LOT 2 WHICH IS DESCRIBED AS NORTH 45 DEGREES 49'56" WEST 157.50 FEET; SAID POINT BEING SOUTHEASTERLY ALONG SAID NORTHEASTERLY LINE 63.00 FEET, MORE OR LESS, FROM THE NORTHWESTERLY TERMINUS OF SAID NORTHEASTERLY LINE.

EXCEPT THEREFROM ALL URANIUM, THORIUM AND ALL OTHER MATERIALS DETERMINED PURSUANT TO SECTION 5(B) (1) OF THE ATOMIC ENERGY ACT OF 1946 (60 STATE. 761) TO BE PECULIARLY ESSENTIAL TO THE PRODUCTION OF FISSIONABLE MATERIAL, CONTAINED, IN WHATEVER CONCENTRATION IN DEPOSITS IN SAID LANDS, TOGETHER WITH THE RIGHT AT ANY TIME TO ENTER UPON SAID LAND AND PROSPECT FOR, IN AND REMOVE THE SAME, AS RESERVED IN THE DEED FROM THE UNITED STATES OF AMERICA, RECORDED MAY 13, 1948, AS INSTRUMENT NO: 2108, BOOK 27145 PAGE 362 OFFICIAL RECORDS.

ALSO EXCEPT THEREFROM ALL MINERALS, OTHER THAN THOSE ABOVE MENTIONED AND ALL PETROLEUM IN SAID LAND, TOGETHER WITH THE EXCLUSIVE RIGHT AT ANY AND ALL TIMES TO ENTER UPON THE LANDS AND PROSPECT FOR, MINE FOR, AND REMOVE SUCH MINERALS OR PETROLEUM, WITH ALL NECESSARY AND CONVENIENT MEANS OF WORKING AND TRANSPORTING MATERIALS AND SUPPLIES, AS RESERVED IN THE ABOVE MENTIONED DEED FROM UNITED STATES OF AMERICA, RECORDED MAY 13, 1948, AS INSTRUMENT NO. 2108 IN BOOK 27145 PAGE 362 OFFICIAL RECORDS.

BY QUITCLAIM DEED DATED MAY 5, 1961 EXECUTED BY THE UNITED STATES OF AMERICA AND RECORDED MAY 31, 1961 AS INSTRUMENT NO. 2843 OFFICIAL RECORDS, ALL RIGHT, TITLE AND INTEREST IN AND TO ALL MINERALS AND PETROLEUM, TO A DEPTH OF 500 FEET WAS SURRENDERED TO THE CITY OF TORRANCE, A MUNICIPAL CORPORATION.

PARCEL 1B:

LOT 2 AND THE NORTHWEST 21.00 FEET, MEASURED PERPENDICUALR TO THE NORTHWESTERLY LINE OF LOT 3 BOTH OF TRACT NO. 46470, IN THE CITY OF TORRANCE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 1174 PAGES 17 AND 18 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM THAT PORTION OF SAID LOT 2 LYING NORTHWESTERLY OF THE FOLLOWING DESCRIBED LINE:

BEGINNING AT A POINT IN THE NORTHEASTERLY LINE OF PACIFIC COAST HIGHWAY, 100 FEET WIDE AS SHOWN ON SAID MAP, DISTANT SOUTH 45 DEGREES 49'56" EAST 42.50 FEET FROM THE MOST WESTERLY CORNER OF SAID LOT 2; THENCE NORTH 44 DEGREES 10'04" EAST 52.09 FEET; THENCE SOUTH 45 DEGREES 49'56" EAST 22.00 FEET; THENCE NORTH 44 DEGREES 10'04" EAST 94.50 FEET TO A POINT IN THAT NORTHEASTERLY LINE OF SAID LOT 2 WHICH IS DESCRIBED AS NORTH 45 DEGREES 49'56" WEST 157.50 FEET, SAID POINT BEING SOUTHEASTERLY ALONG SAID NORTHEASTERLY LINE 63.00 FEET, MORE OR LESS, FROM THE NORTHWESTERLY TERMINUS OF SAID NORTHEASTERLY LINE.

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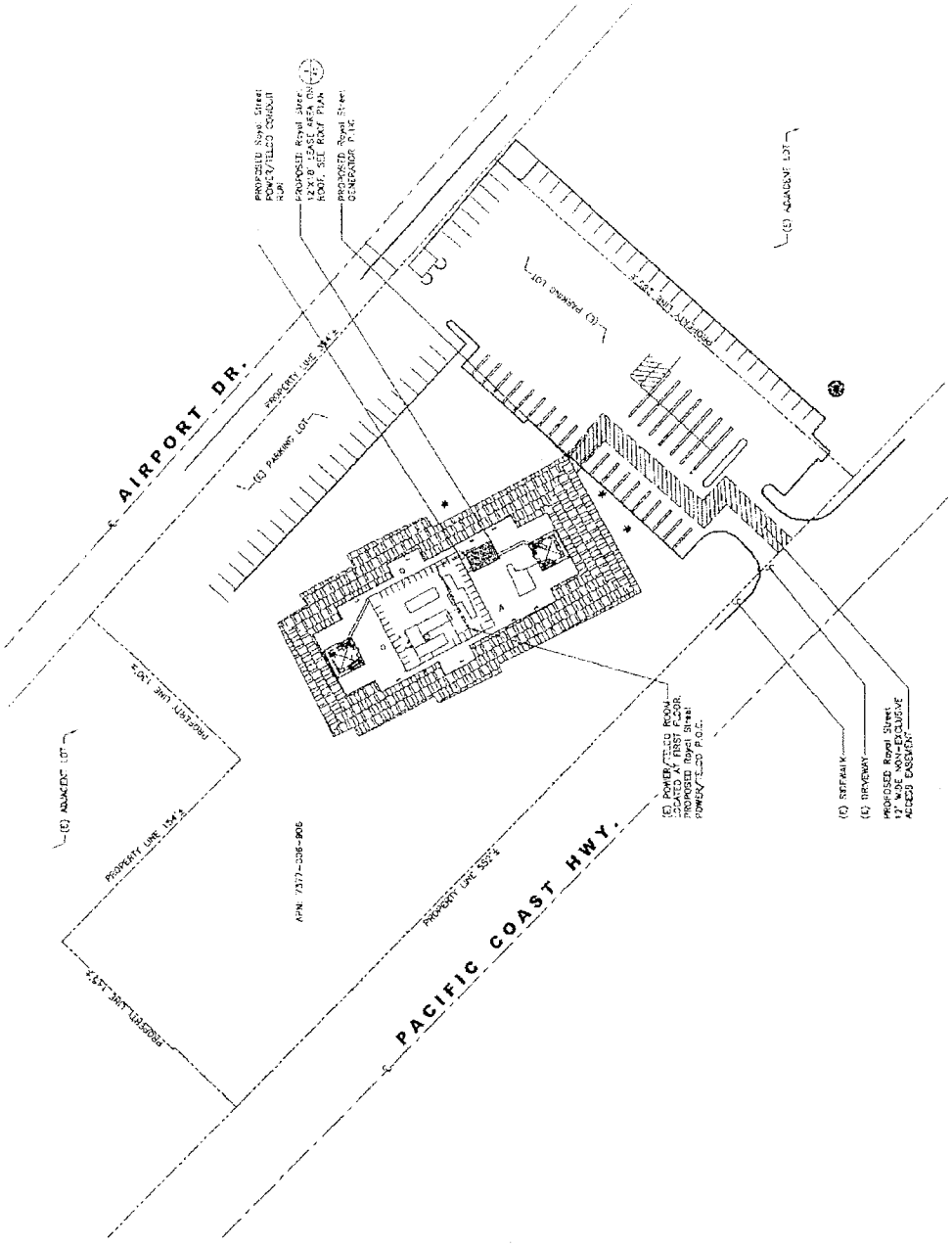
(SAID PROPERTY IS ALSO SHOWN AS PARCELS A AND B IN CERTIFICATE OF COMPLIANCE RECORDED FEBRUARY 20, 1996 AS INSTRUMENT NO. 96-282003) APN: 7377-006-906

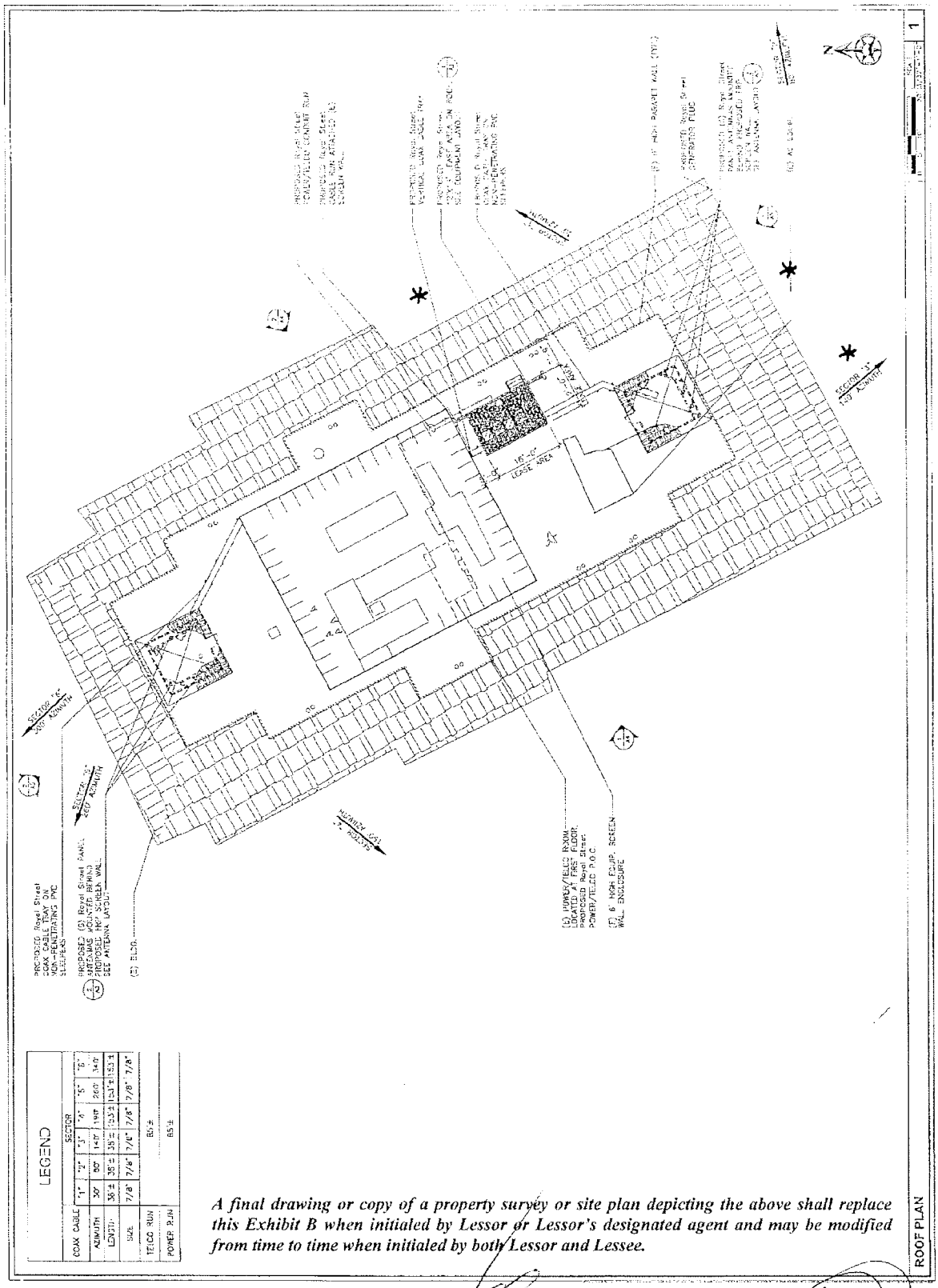
Assessor's Parcel No: 7377-006-906

EXHIBIT "B"

DESCRIPTION OF PREMISES

The Premises consist of those specific areas described/shown below or attached where Lessee's communications antennas, equipment and cables occupy Lessor's Real Property. The Premises and the associated utility connections and access, including easements, ingress, egress, dimensions, and locations as described/shown, are approximate only and may be adjusted or changed by Lessee at the time of construction to reasonably accommodate sound engineering criteria and the physical features of Lessor's Real Property.





A final drawing or copy of a property survey or site plan depicting the above shall replace this Exhibit B when initialed by Lessor or Lessor's designated agent and may be modified from time to time when initialed by both Lessor and Lessee.

LANDLORD INITIALS: _____ **TENANT INITIALS:** _____

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Royal Street Communications California, LLC
2913 El Camino Real, #564
Tustin, CA 92782
Attn.: Property Management
Site #LA2627A

MEMORANDUM OF AGREEMENT

This Memorandum of Agreement is entered into on this ____ day of _____, 2007, by and between Telecom Partners Group Corp. d b a ATS Communications, with an office located at 22651 Lambert Street, Suite 101A, Lake Forest, CA 92630 (hereinafter referred to as "Sublessor"), and Royal Street Communications California, LLC, a Delaware limited liability company, with an office at 7557 Rambler Road, Suite 700, Dallas, Texas 75231 (hereinafter referred to as "Sublessee").

1. Sublessor and Sublessee entered into a Communications Site Sublease Agreement ["Agreement"] on the ____ day of _____, 2007, for the purpose of installing, operating and maintaining a communications facility and other improvements. All of the foregoing are set forth in the Agreement.

2. The term of the Agreement is for ten (10) years commencing on the date Sublessee is issued a building permit for construction of Sublessee Facilities, or six (6) months from full execution of the Sublease Agreement, whichever first occurs ("Commencement Date") and terminating on the tenth (10th) anniversary of the Commencement Date, with three (3) successive five (5) year options to renew.

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3. The Land which is the subject of the Agreement is described in Exhibit A annexed hereto.

IN WITNESS WHEREOF, the parties have executed this Memorandum of Agreement as of the day and year first above written.

SUBLESSOR:	SUBLESSEE:
Telecom Partners Group Corp., d b a ATS Communications, a California corporation	Royal Street Communications California, LLC, a Delaware limited liability company
By: _____	By: _____
Name: Anthony Ingegneri	Name: _____
Title: President	Title: _____
Date: _____	Date: _____

STATE OF _____

COUNTY OF _____

On _____, before me, _____, Notary Public, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacit(ies), and that by his/her/their signature(s) on the instrument, the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

_____ (SEAL)
Notary Public

STATE OF _____

COUNTY OF _____

On _____, before me, _____, Notary Public, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacit(ies), and that by his/her/their signature(s) on the instrument, the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

_____ (SEAL)
Notary Public

EXHIBIT A

DESCRIPTION OF LESSOR'S REAL PROPERTY

to the Lease Agreement dated _____, 2007, by and between Telecom Partners Group Corp., d/b/a ATS Communications, a California corporation, as Sublessor, and Royal Street Communications California, LLC, a Delaware limited liability company, as Lessee.

Lessor's Property of which Premises are a part is described as follows:

THAT PORTION OF THE FOLLOWING PROPERTY, IN THE CITY OF TORRANCE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, DESCRIBED IN AN INSTRUMENT ENTITLED "MEMORANDUM OF FOURTH AMENDMENT TO LEASE" AS RECORDED OCTOBER 20, 1995, INSTRUMENT NO. 95-1710667, RECORDED OF SAID COUNTY.

PARCEL 1A:

LOT 1 AND A PORTION OF LOT 2, BOTH OF TRACT NO. 46470, IN THE CITY OF TORRANCE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 1174 PAGE 17 AND 18 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, SAID PORTION LYING NORTHWESTERLY OF THE FOLLOWING DESCRIBED LINE;

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EXCEPT THEREFROM ALL URANIUM, THORIUM AND ALL OTHER MATERIALS DETERMINED PURSUANT TO SECTION 5(B) (1) OF THE ATOMIC ENERGY ACT OF 1946 (60 STATE. 761) TO BE PECULIARLY ESSENTIAL TO THE PRODUCTION OF FISSIONABLE MATERIAL, CONTAINED, IN WHATEVER CONCENTRATION IN DEPOSITS IN SAID LANDS, TOGETHER WITH THE RIGHT AT ANY TIME TO ENTER UPON SAID LAND AND PROSPECT FOR, IN AND REMOVE THE SAME, AS RESERVED IN THE DEED FROM THE UNITED STATES OF AMERICA, RECORDED MAY 13, 1948, AS INSTRUMENT NO: 2108, BOOK 27145 PAGE 362 OFFICIAL RECORDS.

ALSO EXCEPT THEREFROM ALL MINERALS, OTHER THAN THOSE ABOVE MENTIONED AND ALL PETROLEUM IN SAID LAND, TOGETHER WITH THE EXCLUSIVE RIGHT AT ANY AND ALL TIMES TO ENTER UPON THE LANDS AND PROSPECT FOR, MINE FOR, AND REMOVE SUCH MINERALS OR PETROLEUM, WITH ALL NECESSARY AND CONVENIENT MEANS OF WORKING AND TRANSPORTING MATERIALS AND SUPPLIES, AS RESERVED IN THE ABOVE MENTIONED DEED FROM UNITED STATES OF AMERICA, RECORDED MAY 13, 1948, AS INSTRUMENT NO. 2108 IN BOOK 27145 PAGE 362 OFFICIAL RECORDS.

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(SAID PROPERTY IS ALSO SHOWN AS PARCELS A AND B IN CERTIFICATE OF COMPLIANCE RECORDED FEBRUARY 20, 1996 AS INSTRUMENT NO. 96-282003) APN: 7377-006-906

Assessor's Parcel No: 7377-006-906

Attachment B

COMMUNICATIONS SITE SUBLEASE AGREEMENT

THIS COMMUNICATIONS SITE SUBLEASE AGREEMENT ("Sublease Agreement") dated as of _____, 2007 is made by and between Royal Street Communications California, LLC, a Delaware limited liability company ("Sublessee") and Telecom Partners Group Corp., d/b/a ATS Communications, a(an) California corporation ("Sublessor").

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RECITALS

This Sublease Agreement is entered into based upon the following facts, circumstances and understandings:

A. Sublessor currently leases a parcel of land (the "Land") and building thereon (the "Building") located in the City of Torrance, County of Los Angeles, State of California, commonly known as 3445 Pacific Coast Highway, Torrance, CA 90505; Assessor's Parcel Number 7377-006-906 (the Building and the Land are collectively, the "Property"). The Land is more particularly described in Exhibit A annexed hereto. Sublessee desires to sublease a portion of the Property with any necessary easements over other portions of the Property and or shared use of Sublessor's easements over other real property necessary for Sublessee's access and utilities to the subleased area (collectively the "Premises"), as described in Exhibit B attached hereto. Sublessor represents and warrants that it has full rights of ingress to and egress from the Premises from a public roadway.

B. The Premises are a part of the same Property leased to the Sublessor under that certain lease between JS Madison I, LLC, a California limited liability company, managed by Optima Asset Management, as Landlord, and Sublessor, as Tenant, dated as of June 3, 2007 (the "Prime Lease"), which is attached hereto and made a part hereof as Exhibit E. Except as otherwise expressly provided herein or except as the terms of the Prime Lease may be in conflict with or inconsistent with the terms provided herein, all of the terms, covenants, and provisions in the Prime Lease are hereby incorporated into and made a part of this Sublease Agreement as if fully set forth herein; the Sublessor herein being substituted for the Landlord named in the Prime Lease, and the Sublessee herein being substituted for the Tenant named in the Prime Lease. To the extent that the provisions of the Prime Lease are not incorporated herein, the provisions above as to the respective substitution of the Sublessor and Sublessee for the Landlord and the Tenant named in the Prime Lease shall not apply.

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C. Sublessee is a communications carrier that desires to construct and operate a wireless communications site at the Premises as part of its communications network.

D. Sublessor is willing to sublease the Premises to Sublessee for Sublessee's proposed use subject to the terms and conditions of this Sublease Agreement.

WHEREFORE, the parties hereto agree as follows:

1. Grant of Sublease. Sublessor hereby subleases to Sublessee the Premises for Sublessee's proposed use, subject to the following terms and conditions.

2. **Permitted Uses.** The Premises may be used by Sublessee for the operation of a wireless communications site. Under this Sublease Agreement, Sublessee may install, place, use and operate on the Premises such antennas, radio transmitting and receiving equipment, conduits, wires, batteries, back-up generators (only during power outages), utility lines and facilities, supporting structures, storage facilities, and related equipment (collectively "Sublessee's Facilities") as Sublessee deems necessary for the operation of its wireless communications site at the Premises. Further, Sublessee may perform construction, maintenance, repairs, additions to, and replacement of Sublessee's Facilities as necessary and appropriate for its ongoing business and has the right to do all work necessary to prepare, modify and maintain the Premises to accommodate Sublessee's Facilities and as required for Sublessee's communications operations at the Premises.

3. **Conditions Precedent: Prior Approvals.** This Sublease Agreement is conditioned upon Sublessee obtaining all governmental licenses, permits and approvals enabling Sublessee to construct and operate wireless communications facilities on the Premises. Sublessor agrees to cooperate with Sublessee's reasonable requests for Sublessor's signatures as real property owner on permit applications, for allowing site inspections by governmental agencies required in connection with reviewing permit applications, and for assistance in obtaining such necessary approvals, provided that such cooperation and assistance shall be at no expense to Sublessor.

4. **Term.** The term of this Sublease Agreement ("Term") shall be ten (10) years commencing with the issuance of a local governmental building permit allowing Sublessee to construct Sublessee's Facilities on the Premises or six (6) months from the date of full execution of this Sublease Agreement, whichever occurs first ("Commencement Date"). Sublessee shall promptly deliver written notice to Sublessor of the Commencement Date. Sublessee shall have the right to extend the Term of this Sublease Agreement for three (3) additional terms (each a "Renewal Term") of five (5) years each. The terms and conditions for each Renewal Term shall be the same terms and conditions as in this Sublease Agreement, except that the Rent shall be increased as set forth hereinbelow. This Sublease Agreement shall automatically be extended for each successive five (5) year Renewal Term unless Sublessee notifies Sublessor in writing of Sublessee's intention not to extend this Sublease Agreement at least ninety (90) days prior to the expiration of the first year Term or any Renewal Term. Notwithstanding the foregoing, this Sublease Agreement shall automatically terminate on the date of the termination of the Prime Lease, should the Prime Lease be terminated prior to the expiration of all Renewal Terms set forth herein. Sublessor shall give Sublessee one hundred eighty (180) days written notice of Sublessor's intention not to exercise any renewal option(s) which may be available to it under the Prime Lease.

5. Rent.

a. Within fifteen (15) days of the Commencement Date, Sublessee shall pay Sublessor, as rent, the sum of One Thousand Eight Hundred Fifty and 00/100 Dollars ($1,850.00) ("Rent") per month. Rent shall be payable on the first day of each month, in advance, to Sublessor or Sublessor's alternate payee specified in EXHIBIT D RENT PAYMENT DIRECTION. If the Commencement Date of this Sublease Agreement is other than the first day of a calendar month, Sublessee may pay on the first day of the Term the prorated Rent for the remainder of the calendar month in which the Term commences, and thereafter Sublessee shall pay a full month's Rent on the first day of each calendar month, except that payment shall be prorated for the final fractional month of this Sublease Agreement, or if this Sublease Agreement is terminated before the expiration of any month for which Rent should have been paid. Rent shall be adjusted as of each anniversary of the Commencement Date by an increase of four percent (4%) of the Rent paid during the previous year.

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b. If rent is not paid within fifteen (15) days after the due date and provided Sublessor has complied with all applicable notice and cure provisions herein, Sublessee agrees to pay a late charge equal to five percent (5%) of the then-current monthly rent

c. Signing Bonus. Upon full execution of this agreement, Sublessee shall pay Sublessor a one-time, non-reoccurring, non-refundable signing bonus fee equal to one (1) months rent. This fee is due on or before thirty (30) days from the date of full execution of this agreement.

6. **Due Diligence Contingency and Pre-Commencement Date Access to Premises.** Sublessee shall have the right (but not the obligation) at any time following the full execution of this Sublease Agreement and prior to the Commencement Date, to enter the Premises for the purpose of making necessary inspections, taking measurements and conducting engineering surveys (and soil tests where applicable) and other reasonably necessary tests to determine the suitability of the Premises for Sublessee's Facilities ("Due Diligence"), and for the purpose of preparing the Premises for the installation or construction of Sublessee's Facilities. During any Due Diligence activities or pre-construction work, Sublessee shall have insurance which covers such activities as set forth in Section16. Insurance. Sublessee will notify Sublessor of any proposed tests, measurements or pre-construction work and will coordinate the scheduling of such activities with Sublessor. If in the course of its Due Diligence Sublessee determines that the Premises are unsuitable for Sublessee's contemplated use, Sublessee shall have the right to terminate this Sublease Agreement prior to the Commencement Date by delivery of written notice thereof to Sublessor as set forth in Section 13. Termination.

7. **Ongoing Access to Premises.** Throughout the Term and any Renewal Term of this Sublease Agreement, Sublessee shall have the right of access to the Premises for its employees and agents twenty-four (24) hours a day, seven (7) days per week, at no additional charge to Sublessee. In exercising its right of access to the Premises herein, Sublessee agrees to cooperate with any reasonable security procedures utilized by Sublessor at the Property and further agrees not to unduly disturb or interfere with the business or other activities of Landlord or of other tenants or occupants of the Property. Sublessor shall maintain all existing access roadways or driveways extending from the nearest public roadway to the Premises in a manner sufficient to allow for Sublessee's access to the Premises. Sublessor shall be responsible for maintaining and repairing such roadways and driveways at Sublessor's sole expense, except for any damage caused by Sublessee's use of such roadways or driveways. If Sublessee causes any such damage, Sublessee shall promptly repair the same at its sole expense.

8. **Sublessee's Work, Maintenance and Repairs.** All of Sublessee's construction, installation and maintenance work at the Premises shall be performed at Sublessee's sole cost and expense and in a good and workmanlike manner. Sublessee shall submit copies of the site plan and specifications to the Sublessor for prior approval, which approval will not be unreasonably withheld, conditioned or delayed. Sublessor shall give such approval or provide Sublessee with its requests for changes within fifteen (15) business days of Sublessor's receipt of Sublessee's plans. If Sublessor does not provide such approval or request for changes within such fifteen (5) business day period, Sublessor shall be deemed to have approved the plans. Sublessor shall not be entitled to receive any additional consideration in exchange for giving its approval of Sublessee's plans, providing said plans substantially conform to the original design proposed, and with the same size sublease area. Sublessee shall maintain Sublessee's Facilities and the Premises in neat and safe condition in compliance with all applicable codes and governmental regulations. Sublessee shall not be required to make any repairs to the Premises except for damages to the Premises caused by Sublessee, its employees, agents, contractors or subcontractors. Upon the expiration, cancellation or termination of this Sublease Agreement, Sublessee shall surrender the Premises in good condition, less ordinary wear and tear; however, Sublessee shall be

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required to remove all of Sublessee's building attached equipment, including wires, cables, cable trays, conduits, excepting Sublessee shall not be required to remove any foundation supports for Sublessee's Facilities or below ground conduits which have been installed by Sublessee. Sublessee shall use the Landlord's roofing contractor for any roof repair. Sublessee shall be required to contract Landlord's roofing contractor to certify that any roof penetrations, during construction of Lessee's facilities, are done satisfactorily so as to maintain Landlord's roof warrantees.

9. Title to Sublessee's Facilities. Title to Sublessee's Facilities and any equipment placed on the Premises by Sublessee shall be held by Sublessee. All of Sublessee's Facilities shall remain the property of Sublessee and are not fixtures. Sublessee has the right to remove all Sublessee's Facilities at its sole expense on or before the expiration or termination of this Sublease Agreement. Sublessor acknowledges that Sublessee may enter into financing arrangements including promissory notes and financial and security agreements for the financing of Sublessee's Facilities (the "Collateral") with a third party financing entity and may in the future enter into additional financing arrangements with other financing entities. In connection therewith, Sublessor (i) consents to the installation of the Collateral to the extent that the Collateral is part of the approved Sublessee's Facilities; (ii) disclaims any interest in the Collateral, as fixtures or otherwise; and (iii) agrees that the Collateral shall be exempt from execution, foreclosure, sale, levy, attachment, or distress for any Rent due or to become due and that such Collateral may be removed at any time without recourse to legal proceedings.

10. Utilities. Sublessee shall have the right to install utilities, at Sublessee's expense, and to improve the present utilities on or near the Premises (including, but not limited to the installation of emergency back-up power). Subject to Sublessor's approval of the location, which approval shall not be unreasonably withheld, Sublessee shall have the right to place utilities on (or to bring utilities across) the Property in order to service the Premises and Sublessee's Facilities. Upon Sublessee's request, Sublessor shall execute recordable easement(s) evidencing this right. Sublessee shall fully and promptly pay for all utilities furnished to the Premises for the use, operation and maintenance of Sublessee's Facilities. Sublessee's utility use will be separately metered and will not interfere in any way with Sublessor's utilities. Sublessee will arrange to be billed directly from the utility provider.

11. Interference with Communications. Sublessee's Facilities and operations shall not interfere with the communications configurations, frequencies or operating equipment which exist on the Property on the effective date of this Sublease Agreement ("Pre-existing Communications"), and Sublessee's Facilities and operations shall comply with all non-interference rules of the Federal Communications Commission ("FCC"). Upon written notice from Sublessor of apparent interference by Sublessee with Pre-existing Communications, Sublessee shall have the responsibility to promptly terminate such interference or demonstrate to Sublessor with competent information that the apparent interference in fact is not caused by Sublessee's Facilities or operations. Sublessor shall not, nor shall Sublessor permit any other tenant or occupant of any portion of the Property to, engage in any activities or operations which interfere with the communications operations of Sublessee described in Section 2, above. Such interference with Sublessee's communications operations shall be deemed a material breach by Sublessor, and Sublessor shall have the responsibility to promptly terminate said interference. In the event any such interference does not cease promptly, the parties acknowledge that continuing interference will cause irreparable injury to Sublessee, and therefore Sublessee shall have the right to bring a court action to enjoin such interference or to terminate this Sublease Agreement immediately upon notice to Sublessor. Sublessor agrees to incorporate equivalent provisions regarding non-interference with Pre-existing Communications into any subsequent subleases, licenses or rental agreements with other persons or entities for any portions of the Property.

12. **Taxes.** Sublessee shall pay any additional increase attributable to Sublessee's facilities, including, but not limited to personal property taxes assessed against Sublessee's Facilities, and Sublessor shall pay when due all real property taxes and all other taxes, fees and assessments attributable to the Premises of this Sublease Agreement.

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13. **Termination.** This Sublease Agreement may be terminated by Sublessee effective immediately without further liability by delivery of written notice thereof to Sublessor prior to the Commencement Date for any reason resulting from Sublessee's Due Diligence, or if a title report obtained by Sublessee for the Property shows any defects of title or any liens or encumbrances which may adversely affect Sublessee's use of the Premises for Sublessee's intended use, or for any other or no reason. This Sublease 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, condition, or term hereof by the other party, which default is not cured within sixty (60) days of receipt of written notice of default; (ii) by Sublessee if it does not obtain licenses, permits or other approvals necessary to the construction or operation of Sublessee's Facilities or is unable to maintain such licenses, permits or approvals despite reasonable efforts to do so; (iii) by Sublessee if Sublessee is unable to occupy or utilize the Premises due to ruling or directive of the FCC or other governmental or regulatory agency, including, but not limited to, a take back of frequencies; or (iv) by Sublessee if Sublessee determines that the Premises are not appropriate for its operations for economic, environmental or technological reasons, including, without limitation, signal strength or interference. In the event Sublessee exercises its termination rights under subsection (iv) above, Lessee shall pay a one-time termination fee equal to six months Rent at the then current rental rate. Other than as stated herein, Sublessor shall not have the right to terminate, revoke or cancel this Sublease Agreement.

14. **Destruction of Premises.** If the Premises or the Property is destroyed or damaged so as in Sublessee's judgment to hinder its effective use of the Property for the ongoing operation of a wireless communications site, Sublessee may elect to terminate this Sublease Agreement as of the date of the damage or destruction by so notifying Sublessor no more than thirty (30) days following the date of damage or destruction. In such event, all rights and obligations of the parties which do not survive the termination of this Sublease Agreement shall cease as of the date of the damage or destruction.

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15. **Condemnation.** If a condemning authority takes all of the Property, or a portion which in Sublessee's reasonable opinion is sufficient to render the Premises unsuitable for Sublessee's ongoing operation of a wireless communications site, then this Sublease Agreement shall terminate as of the date when possession is delivered to the condemning authority. In any condemnation proceeding each party shall be entitled to make a claim against the condemning authority for just compensation recoverable under applicable condemnation law. Sale of all or part of the Premises to a purchaser with the power of eminent domain in the face of the exercise of its power of eminent domain shall be treated as a taking by a condemning authority.

16. **Insurance.** Sublessee shall maintain the following insurance: (1) Commercial General Liability with limits of Two Million Dollars ($2,000,000.00) per occurrence, (2) Automobile Liability with a combined single limit of One Million Dollars ($1,000,000.00) per accident, (3) Workers Compensation as required by law, and (4) Employer's Liability with limits of One Million Dollars ($1,000,000.00) per occurrence. Sublessor, at Sublessor's sole cost and expense, shall procure and maintain on the Property, bodily injury and property damage insurance with a combined single limit of at least One Million Dollars ($1,000,000.00) per occurrence. Such insurance shall insure, on an occurrence

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basis, against liability of Sublessor, its employees and agents arising out of or in connection with Sublessor's use, occupancy and maintenance of the Property. Each party shall be named as an additional insured on the other's policy. Each party shall provide to the other a certificate of insurance evidencing the coverage required by this paragraph within thirty (30) days of the Commencement Date. Each party waives any rights of recovery against the other for injury or loss due to hazards covered by their property insurance, and each party shall require such insurance policies to contain a waiver of recovery against the other.

17. Assignments or Transfers. Sublessor may assign or transfer this Sublease Agreement to any person or entity without any requirement for prior approval by Sublessee, provided that such assignee or transferee agrees in writing to fulfill the duties and obligations of the Sublessor in said Sublease Agreement, including the obligation to respect Sublessee's rights to nondisturbance and quiet enjoyment of the Premises during the remainder of the Term and any Renewal Term hereof. Sublessee may assign or transfer this Sublease Agreement without prior approval by Sublessor to any of its partners, subsidiaries, affiliates, or to a person or entity acquiring by purchase, merger or operation of law a majority of the value of the assets of Sublessee. Sublessee shall not assign or transfer this Sublease Agreement to any other person or entity without the prior written approval of Sublessor, which approval shall not be unreasonably withheld. Notwithstanding anything to the contrary contained in this Agreement, Sublessee may assign, mortgage, pledge, hypothecate or otherwise transfer without consent its interest in this Agreement to any financing entity, or agent on behalf of any financing entity to whom Sublessee (i) has obligations for borrowed money or in respect of guaranties thereof, (ii) has obligations evidenced by bonds, debentures, notes or similar instruments, or (iii) has obligations under or with respect to letters of credit, bankers acceptances and similar facilities or in respect of guaranties thereof.

18. Subleases. Sublessee shall not sublease or otherwise allow any other communications provider to occupy space on any antenna structure or equipment enclosure installed by Sublessee at the Premises.

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Deleted: with Sublessor's prior written consent, which consent shall not be unreasonably withheld, provided that any such sub-sublessee shall be bound by all the duties and obligations of this Sublease Agreement and that Sublessee shall be primarily liable to Sublessor for such sub-sublessee's performance under this Sublease Agreement. In any such sublease, Sublessee shall be entitled to charge the subtenant rent or fees in order to recover the expenses which Sublessee advanced to develop Sublessee's Facilities at the Premises, to provide utilities to the Premises, and to recover its costs incurred to effect such subletting.

19. Nondisturbance and Quiet Enjoyment; Subordination; Estoppel Certificates.

(a) Sublessor warrants that: (i) Sublessor leases the Property and has rights of access thereto; (ii) Sublessor has full right to make and perform this Agreement; and (iii) Sublessor covenants and agrees with Sublessee that upon Sublessee paying the Rent and observing and performing all the terms, covenants and conditions on Sublessee's part to be observed and performed, Sublessee may peacefully and quietly enjoy the Premises during the term of this Sublease Agreement or any Renewal Term, and Sublessee shall not be disturbed in its occupancy and use of the Premises. Sublessor agrees to indemnify and hold harmless Sublessee from any and all claims on Sublessee's leasehold interest.

(b) This Sublease Agreement shall be subordinate to each and every deed of trust, mortgage or other security instrument which may now or hereafter affect the Property and to any renewals, extensions, supplements, amendments, modifications or replacements thereof. In confirmation of such subordination, Sublessee shall execute and deliver promptly any certificate of subordination that Sublessor may request, provided that such certificate acknowledges that this Sublease Agreement remains in full force and effect and recognizes Sublessee's right to nondisturbance and quiet enjoyment of the Premises so long as Sublessee is not in default under this Sublease Agreement. If any mortgagee or lender succeeds to Sublessor's interest in the Property through a foreclosure proceeding or by a deed in lieu of foreclosure, Sublessee shall attorn to and recognize such successor as Sublessor under this Sublease Agreement.

(c) At any time upon not less than ten (10) days' prior written notice by Sublessor, Sublessee shall execute, acknowledge and deliver to Sublessor or any other party specified by Sublessor a statement in writing certifying that this Sublease Agreement is in full force and effect and the status of any continuing defaults under this Sublease Agreement.

20. Indemnifications.

(a) Sublessee's Indemnity. Sublessee hereby agrees to indemnify and hold Sublessor and Sublessor's officers, directors, partners, shareholders, employees, agents, contractors or subcontractors harmless from and against any and all losses, claims, liabilities, damages, costs and expenses (including reasonable attorney's fees and costs) and injuries (including personal injuries or death) arising from or in connection with Sublessee's use, operation, maintenance or repair of Sublessee's Facilities at the Premises or access over the Property or Sublessee's shared use of Sublessor's easements for access to the Premises, except those resulting from the gross negligence or willful misconduct of Sublessor or Sublessor's officers, directors, partners, shareholders, employees, agents, contractors or subcontractors.

(b) Sublessor's Indemnity. Sublessor hereby agrees to indemnify and hold Sublessee and Sublessee's officers, directors, partners, shareholders, employees, agents, contractors or subcontractors harmless from and against any and all losses, claims, liabilities, damages, costs and expenses (including reasonable attorney's fees and costs) and injuries (including personal injuries or death) arising from or in connection with Sublessor's use, operation, maintenance or repair of improvements on the Property or Sublessor's shared use of easements for access to the Property, except those resulting from the gross negligence or willful misconduct of Sublessee or Sublessee's officers, directors, partners, shareholders, employees, agents, contractors or subcontractors.

(c) Survival of Indemnity Provisions. The indemnity provisions of this section shall survive the expiration, cancellation or expiration of this Sublease Agreement.

21. Environmental Issues; Historic Preservation; Hazardous Materials. Sublessor represents that the Property is not subject to any environmental conditions, adverse impacts, or mitigation monitoring programs resulting from any prior environmental assessments conducted under the National Environmental Policy Act (NEPA) or the California Environmental Quality Act (CEQA) which could reasonably forbid, interfere with, or complicate Sublessee's proposed use of the Premises. Further, Sublessor represents that the Property has not been listed or been determined to be eligible for listing on the National Register of Historic Places, has not been identified or determined to be an historical landmark or located within an historic district or preservation district under applicable federal, state or local laws or regulations, and has not been identified as an archeological site nor as a location of any archeological artifacts or other similar resources by any prior survey or study. Further, Sublessor represents that neither the Property nor the Premises have been used for the generation, storage, treatment or disposal of hazardous materials, hazardous substances or hazardous wastes as now or hereafter defined in the federal Solid Waste Disposal Act (SWDA; 42 U.S.C.§ 6901 et. seq.) or other federal or state environmental statutes or regulations. In addition, Sublessor represents that no hazardous materials, hazardous substances, hazardous wastes, pollutants, asbestos, polychlorinated biphenyls (PCBs), petroleum or other fuels (including crude oil or any fraction or derivative thereof) or underground storage tanks are located on or near the Property or the Premises. Notwithstanding any other provision of this Sublease Agreement, Sublessee relies upon the representations stated herein as a material inducement for

entering into this Sublease Agreement. Sublessee shall not bring any hazardous materials onto the Premises except for those contained in its back-up power batteries (lead acid batteries) and common materials used in telecommunications operations, such as cleaning solvents. Sublessee shall handle any hazardous materials it brings onto the Premises in accordance with all applicable federal, state and local laws and regulations. Sublessor and Sublessee each agree to defend, indemnify and hold harmless the other and the other's partners, affiliates, agents and employees against any and all losses, liabilities, claims and or costs (including reasonable attorneys' fees and costs) arising from any breach of any representation, warranty or agreement contained in this paragraph. This paragraph shall survive termination of this Sublease Agreement.

22. Notices and Deliveries. Any notice or demand required to be given herein shall be made by certified or registered mail, return receipt requested, confirmed fax, or reliable overnight delivery service to the address of the respective parties set forth below:

Sublessor: Telecom Partners Group Corp.
d b a ATS Communications
22651 Lambert Street, Suite 101A
Attn.: Anthony Ingegneri
Telephone: 949-305-7848
Fax: 949-768-6984
Federal Taxpayer ID Number: 42-1543928

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Sublessee: Royal Street Communications California, LLC
7557 Rambler Road, Suite 700
Dallas, TX 75231
Attn: Property Manager
Telephone: 714-730-3100
Facsimile: 714-730-3200

With a copy to: Royal Street Communications
c/o MetroPCS
65 Enterprise, Suite 325
Aliso Viejo, CA 92656
Attn: Property Manager

Sublessor or Sublessee may from time to time designate any other address for notices or deliveries by written notice to the other party.

23. Marking and Lighting Requirements. Sublessor acknowledges that it, and not Sublessee, shall be responsible for compliance with all marking and lighting requirements of the Federal Aviation Administration ("FAA") and the FCC. Sublessor shall indemnify and hold Sublessee harmless from any fines or other liabilities caused by Sublessor's failure to comply with such requirements. Should Sublessee be cited by either the FCC or FAA because the Property is not in compliance and, should Sublessor fail to cure the conditions of noncompliance within the time frame allowed by the citing agency, Sublessee may either terminate this Agreement immediately on notice to Sublessor or proceed to cure the conditions of noncompliance at Sublessor's expense, which amounts may be deducted from the Rent.

24. **Miscellaneous.**

(a) **Severability.** If any provision of the Sublease Agreement is held to be invalid or unenforceable by a court of competent jurisdiction with respect to any party, the remainder of this Sublease Agreement or the application of such provision to persons other than those as to whom it is held invalid or unenforceable shall not be affected, and each provision of this Sublease Agreement shall be valid and enforceable to the fullest extent permitted by law.

(b) **Binding Effect.** Each party represents and warrants that said party has full power and authority, and the person(s) executing this Sublease Agreement have full power and authority, to execute and deliver this Sublease Agreement, and that this Sublease Agreement constitutes a valid and binding obligation of each party, enforceable in accordance with its terms. This Sublease Agreement shall be binding on and inure to the benefit of the successors and permitted assignees of the respective parties.

(c) **Waivers.** No provision of this Sublease Agreement shall be deemed to have been waived by a party unless the waiver is in writing and signed by the party against whom enforcement of the waiver is attempted. No custom or practice which may develop between the parties in the implementation or administration of the terms of this Sublease Agreement shall be construed to waive or lessen any right to insist upon strict performance of the terms of this Sublease Agreement.

(d) **Governing Law.** This Sublease shall be governed by and construed in accordance with the laws of the State in which the Premises are located.

(e) **Attorneys' Fees and Costs.** The prevailing party in any legal claim arising hereunder shall be entitled to its reasonable attorneys' fees and court costs.

(f) **Survival.** Terms and conditions of this Sublease Agreement which by their sense and context survive the termination, cancellation or expiration of this Sublease Agreement will so survive.

(g) **Memorandum of Sublease.** Sublessor acknowledges that a Memorandum of Agreement substantially in the form annexed hereto as Exhibit C will be recorded by Sublessee in the Official Records of the County where the Property is located.

(h) **Entire Agreement; Amendments.** This Sublease Agreement constitutes the entire agreement and understanding between the parties regarding Sublessee's sublease of the Premises and supersedes all offers, negotiations and other agreements concerning the subject matter contained herein. There are no representations or understandings of any kind not set forth herein. Any amendments to this Sublease Agreement must be in writing and executed by authorized representatives of both parties.

(i) **No Presumptions Regarding Preparation of Sublease Agreement.** The parties acknowledge and agree that each of the parties have been represented by counsel or has had full opportunity to consult with counsel and that each of the parties has participated in the negotiation and drafting of this Sublease Agreement. Accordingly it is the intention and agreement of the parties that the language, terms and conditions of this Sublease Agreement are not to be construed in any way against or

in favor of any party hereto by reason of the roles and responsibilities of the parties or their counsel in connection with the preparation of this Sublease Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed this Sublease Agreement on the dates set forth below and acknowledge that this Sublease Agreement is effective as of the date first above written.

SUBLESSOR:

Telecom Partners Group Corp., d b a ATS Communications, a California corporation, Deleted:

By: _____
(Signature)

Print Name: Anthony Ingegneri

Title: President

Date: _____

SUBLESSEE:

Royal Street Communications California, LLC,
a Delaware limited liability company

By: _____
(Signature)

Print Name: _____

Title: _____

Date: _____

Site No.: LA2627A
Site Address: 3445 Pacific Coast Highway, Torrance, CA 90505

EXHIBIT A

DESCRIPTION OF SUBLESSOR'S REAL PROPERTY

to the Sublease Agreement dated , 2007, by and between Telecom Partners Group Corp., d/b/a ATS Communications, a California corporation as Sublessor, and Royal Street Communications, LLC, a Delaware limited liability company, as Sublessee.

The Property of which Premises are a part is described as follows:

THAT PORTION OF THE FOLLOWING PROPERTY, IN THE CITY OF TORRANCE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, DESCRIBED IN AN INSTRUMENT ENTITLED "MEMORANDUM OF FOURTH AMENDMENT TO LEASE" AS RECORDED OCTOBER 20, 1995, INSTRUMENT NO. 95-1710667, RECORDED OF SAID COUNTY.

PARCEL 1A:

LOT 1 AND A PORTION OF LOT 2, BOTH OF TRACT NO. 46470, IN THE CITY OF TORRANCE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 1174 PAGE 17 AND 18 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, SAID PORTION LYING NORTHWESTERLY OF THE FOLLOWING DESCRIBED LINE:

BEGINNING AT A POINT IN THE NORTHEASTERLY LINE OF PACIFIC COAST HIGHWAY, 100 FEET WIDE AS SHOWN ON SAID MAP, DISTANT SOUTH 45 DEGREES 49'56" EAST 42.50 FEET FROM THE MOST WESTERLY CORNER OF SAID LOT 2; THENCE NORTH 44 DEGREES 10'04" EAST 52.09 FEET; THENCE SOUTH 45 DEGREES 49'56" EAST 22.00 FEET; THENCE NORTH 44 DEGREES 10'04" EAST 94.50 FEET TO A POINT IN THAT NORTHEASTERLY LINE OF SAID LOT 2 WHICH IS DESCRIBED AS NORTH 45 DEGREES 49'56" WEST 157.50 FEET; SAID POINT BEING SOUTHEASTERLY ALONG SAID NORTHEASTERLY LINE 63.00 FEET, MORE OR LESS, FROM THE NORTHWESTERLY TERMINUS OF SAID NORTHEASTERLY LINE.

EXCEPT THEREFROM ALL URANIUM, THORIUM AND ALL OTHER MATERIALS DETERMINED PURSUANT TO SECTION 5(B) (1) OF THE ATOMIC ENERGY ACT OF 1946 (60 STATE. 761) TO BE PECULIARLY ESSENTIAL TO THE PRODUCTION OF FISSIONABLE MATERIAL, CONTAINED, IN WHATEVER CONCENTRATION IN DEPOSITS IN SAID LANDS, TOGETHER WITH THE RIGHT AT ANY TIME TO ENTER UPON SAID LAND AND PROSPECT FOR, IN AND REMOVE THE SAME, AS RESERVED IN THE DEED FROM THE UNITED STATES OF AMERICA, RECORDED MAY 13, 1948, AS INSTRUMENT NO: 2108, BOOK 27145 PAGE 362 OFFICIAL RECORDS.

ALSO EXCEPT THEREFROM ALL MINERALS, OTHER THAN THOSE ABOVE MENTIONED AND ALL PETROLEUM IN SAID LAND, TOGETHER WITH THE EXCLUSIVE RIGHT AT ANY AND ALL TIMES TO ENTER UPON THE LANDS AND PROSPECT FOR, MINE FOR, AND REMOVE SUCH MINERALS OR PETROLEUM, WITH ALL NECESSARY AND CONVENIENT MEANS OF WORKING AND TRANSPORTING MATERIALS AND SUPPLIES, AS RESERVED IN THE ABOVE MENTIONED DEED FROM UNITED STATES OF AMERICA, RECORDED MAY 13, 1948, AS INSTRUMENT NO. 2108 IN BOOK 27145 PAGE 362 OFFICIAL RECORDS.

BY QUITCLAIM DEED DATED MAY 5, 1961 EXECUTED BY THE UNITED STATES OF AMERICA AND RECORDED MAY 31, 1961 AS INSTRUMENT NO. 2843 OFFICIAL RECORDS, ALL RIGHT, TITLE AND INTEREST IN AND TO ALL MINERALS AND PETROLEUM, TO A DEPTH OF 500 FEET WAS SURRENDERED TO THE CITY OF TORRANCE, A MUNICIPAL CORPORATION.

PARCEL 1B:

LOT 2 AND THE NORTHWEST 21.00 FEET, MEASURED PERPENDICUALR TO THE NORTHWESTERLY LINE OF LOT 3 BOTH OF TRACT NO. 46470, IN THE CITY OF TORRANCE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 1174 PAGES 17 AND 18 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM THAT PORTION OF SAID LOT 2 LYING NORTHWESTERLY OF THE FOLLOWING DESCRIBED LINE:

BEGINNING AT A POINT IN THE NORTHEASTERLY LINE OF PACIFIC COAST HIGHWAY, 100 FEET WIDE AS SHOWN ON SAID MAP, DISTANT SOUTH 45 DEGREES 49'56" EAST 42.50 FEET FROM THE MOST WESTERLY CORNER OF SAID LOT 2; THENCE NORTH 44 DEGREES 10'04" EAST 52.09 FEET; THENCE SOUTH 45 DEGREES 49'56" EAST 22.00 FEET; THENCE NORTH 44 DEGREES 10'04" EAST 94.50 FEET TO A POINT IN THAT NORTHEASTERLY LINE OF SAID LOT 2 WHICH IS DESCRIBED AS NORTH 45 DEGREES 49'56" WEST 157.50 FEET, SAID POINT BEING SOUTHEASTERLY ALONG SAID NORTHEASTERLY LINE 63.00 FEET, MORE OR LESS, FROM THE NORTHWESTERLY TERMINUS OF SAID NORTHEASTERLY LINE

EXCEPT THEREFROM ALL URANIUM, THORIUM AND ALL OTHER MATERIALS DETERMINED PURSUANT TO SECTION 5 (B) (1) OF THE ATOMIC ENERGY ACT OF 1946 (60 STAT. 761) TO BE PECULIARLY ESSENTIAL TO THE PRODUCTION OF FISSIONABLE MATERIAL, CONTAINED, IN WHATEVER CONCENTRATION IN DEPOSITS IN SAID LANDS, TOGETHER WITH THE RIGHT AT ANY TIME TO ENTER UPON SAID LAND AND PROSPECT FOR, IN AND REMOVE THE SAME, AS RESERVED IN THE DEED FROM THE UNITED STATES OF AMERICA, RECORDED MAY 13, 1948 IN BOOK 27145 PAGE 362 OFFICIAL RECORDS.

ALSO EXCEPT THEREFROM ALL MINERALS, OTHER THAN THOSE ABOVE MENTIONED AND ALL PETROLEUM IN SAID LAND, TOGETHER WITH THE EXCLUSIVE RIGHT AT ANY AND ALL TIMES TO ENTER UPON THE LANDS AND PROSPECT FOR, MINE FOR, AND REMOVE SUCH MINERALS OR PETROLEUM, WITH ALL NECESSARY AND CONVENIENT MEANS OF WORKING AND TRANSPORTING MATERIALS AND SUPPLIES, AS RESERVED IN THE ABOVE MENTIONED DEED FROM THE UNITED STATES OF AMERICA, RECORDED MAY 13, 1948 IN BOOK 27145 PAGE 362 OFFICIAL RECORDS.

BY QUITCLAIM DEED DATED MAY 5, 1961 EXECUTED BY THE UNITED STATES OF AMERICA AND RECORDED MAY 31, 1961 AS INSTRUMENT NO. 2843 OFFICIAL RECORDS, ALL RIGHTS, TITLE AND INTEREST IN AND TO ALL MINERALS AND PETROLEUM TO A DEPTH OF 500 FEET WAS SURRENDERED TO THE CITY OF TORRANCE, A MUNICIPAL CORPORATION.

(SAID PROPERTY IS ALSO SHOWN AS PARCELS A AND B IN CERTIFICATE OF COMPLIANCE RECORDED FEBRUARY 20, 1996 AS INSTRUMENT NO. 96-282003) APN: 7377-006-906

Assessor's Parcel No: 7377-006-906

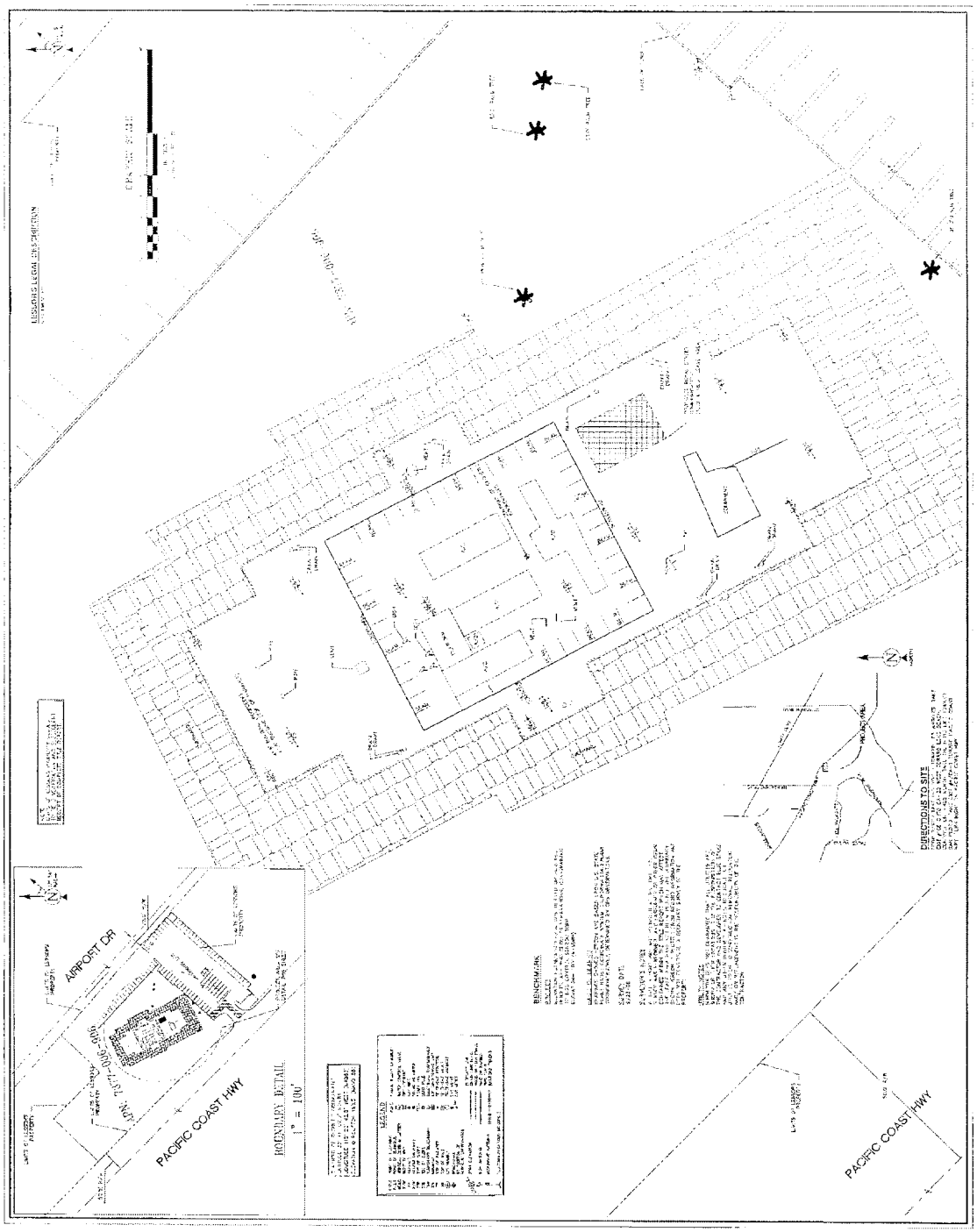
EXHIBIT B

DESCRIPTION OF PREMISES

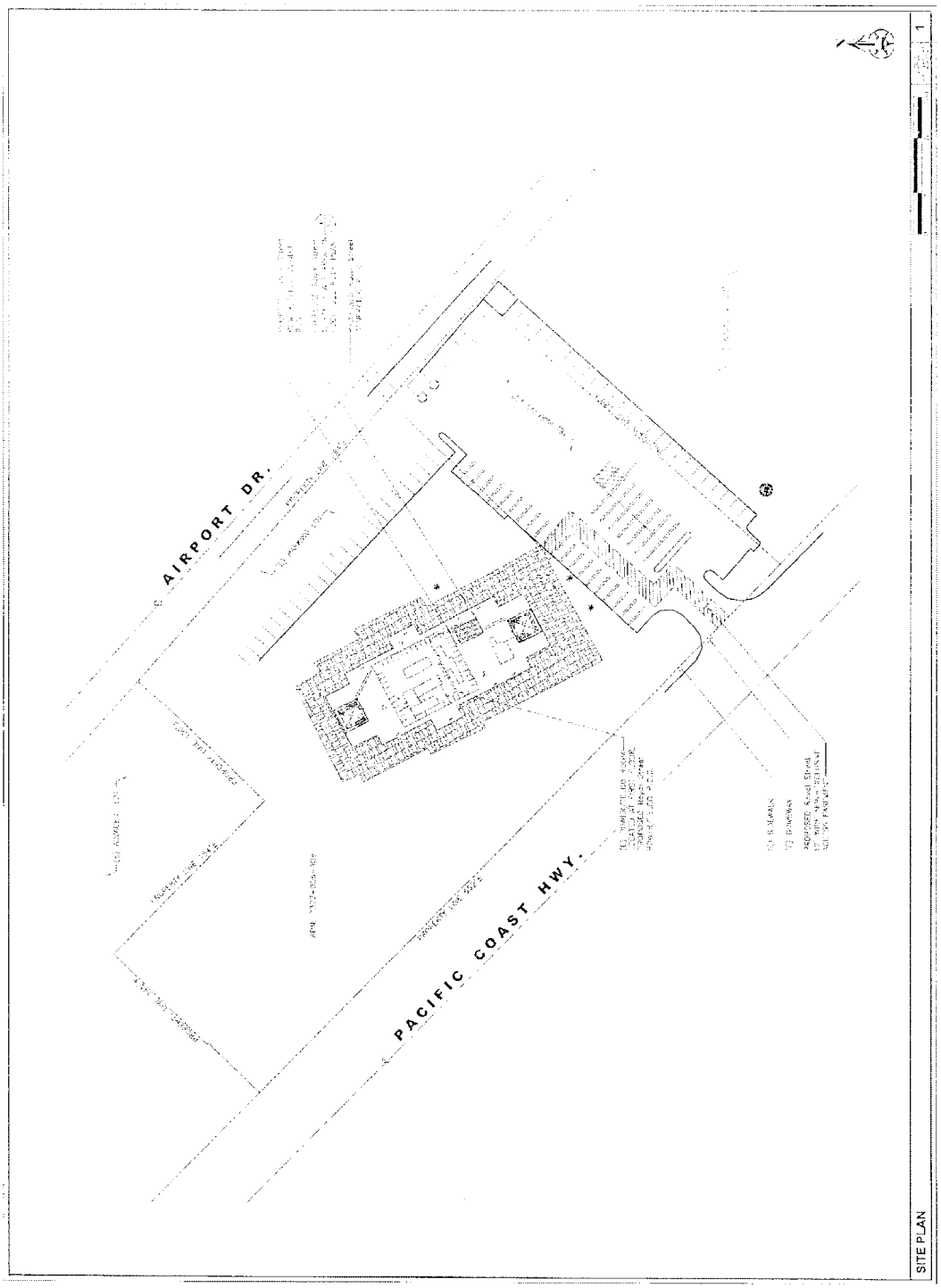
to the Sublease Agreement dated _____, 2007, by and between Telecom Partners Group Corp., d/b/a ATS Communications, a California corporation, as Sublessor, and Royal Street Communications, LLC, a Delaware limited liability company, as Sublessee.

The Premises consist of those specific areas described shown below or attached where Sublessee's communications antennae, equipment and cables occupy the Property. The Premises and the associated utility connections and access, including easements, ingress, egress, dimensions, and locations as described shown, are approximate only and may be adjusted or changed by Sublessee at the time of construction to reasonably accommodate sound engineering criteria and the physical features of the Property.

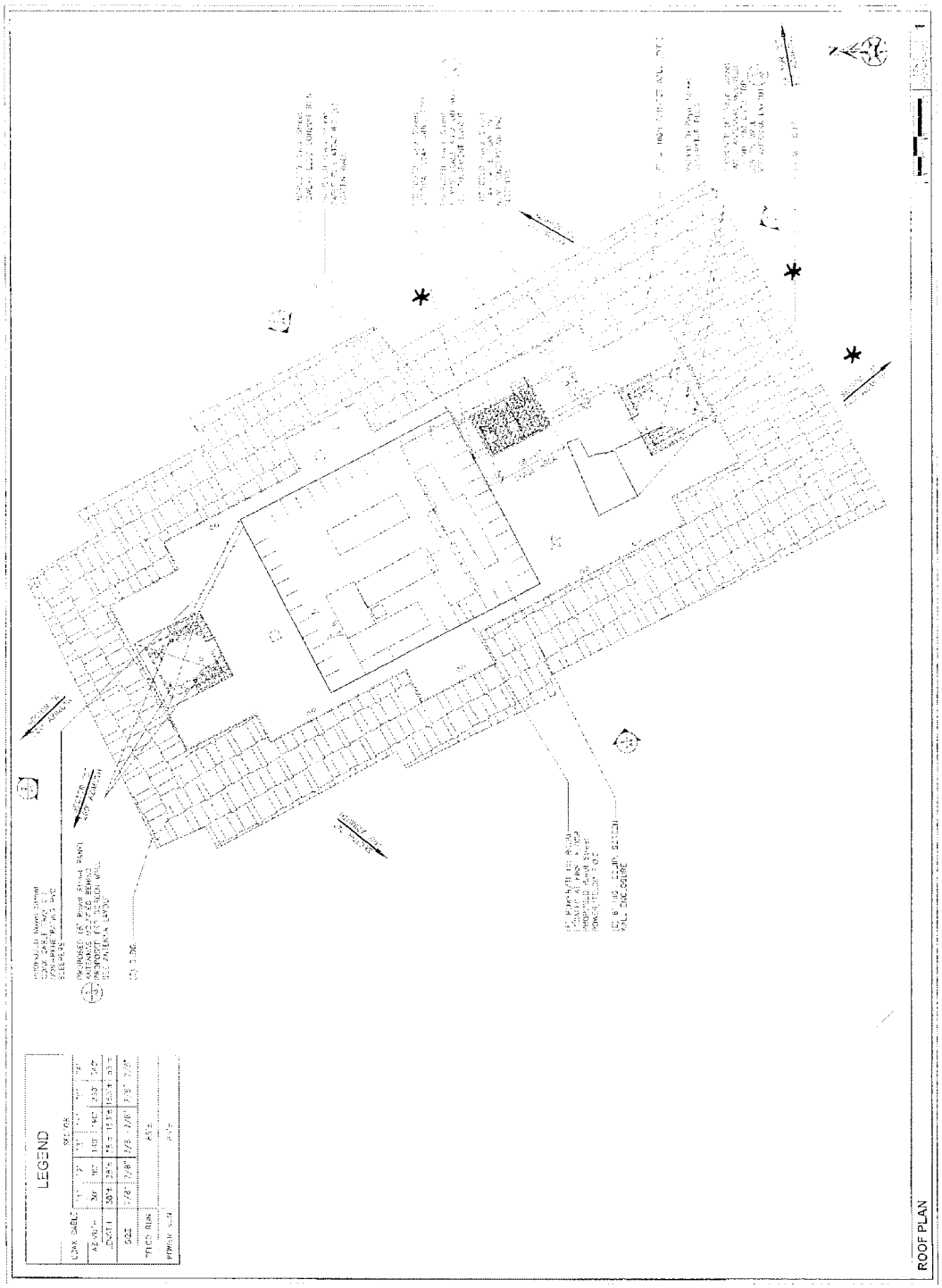
(A final drawing or copy of a property survey or site plan depicting the above shall replace this Exhibit B when initialed by Sublessor or Sublessor's designated agent and may be modified from time to time when initialed by both Sublessor and Sublessee.)



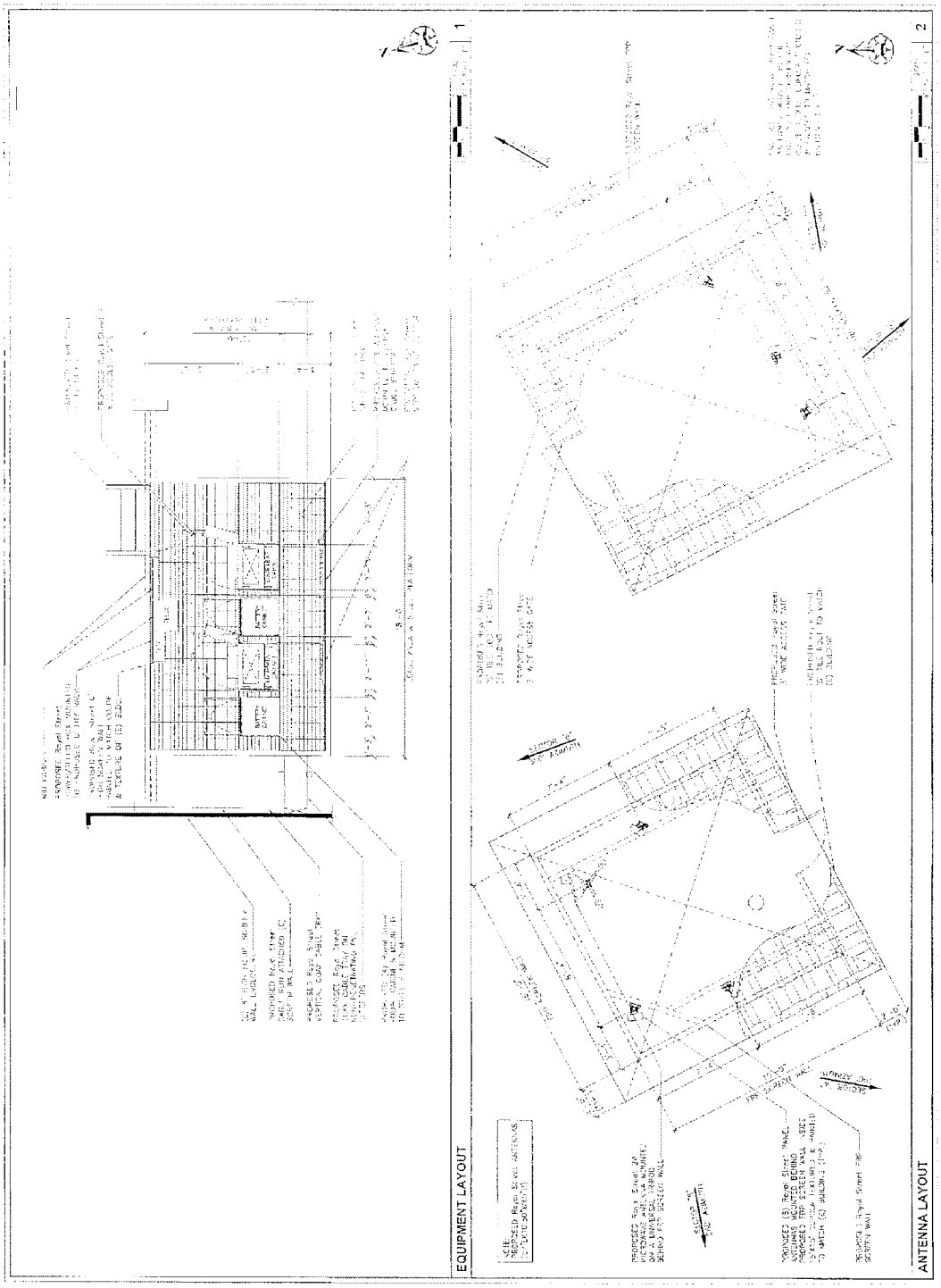
Site No.: LA2627A
Site Address: 3445 Pacific Coast Highway, Torrance, CA 90505



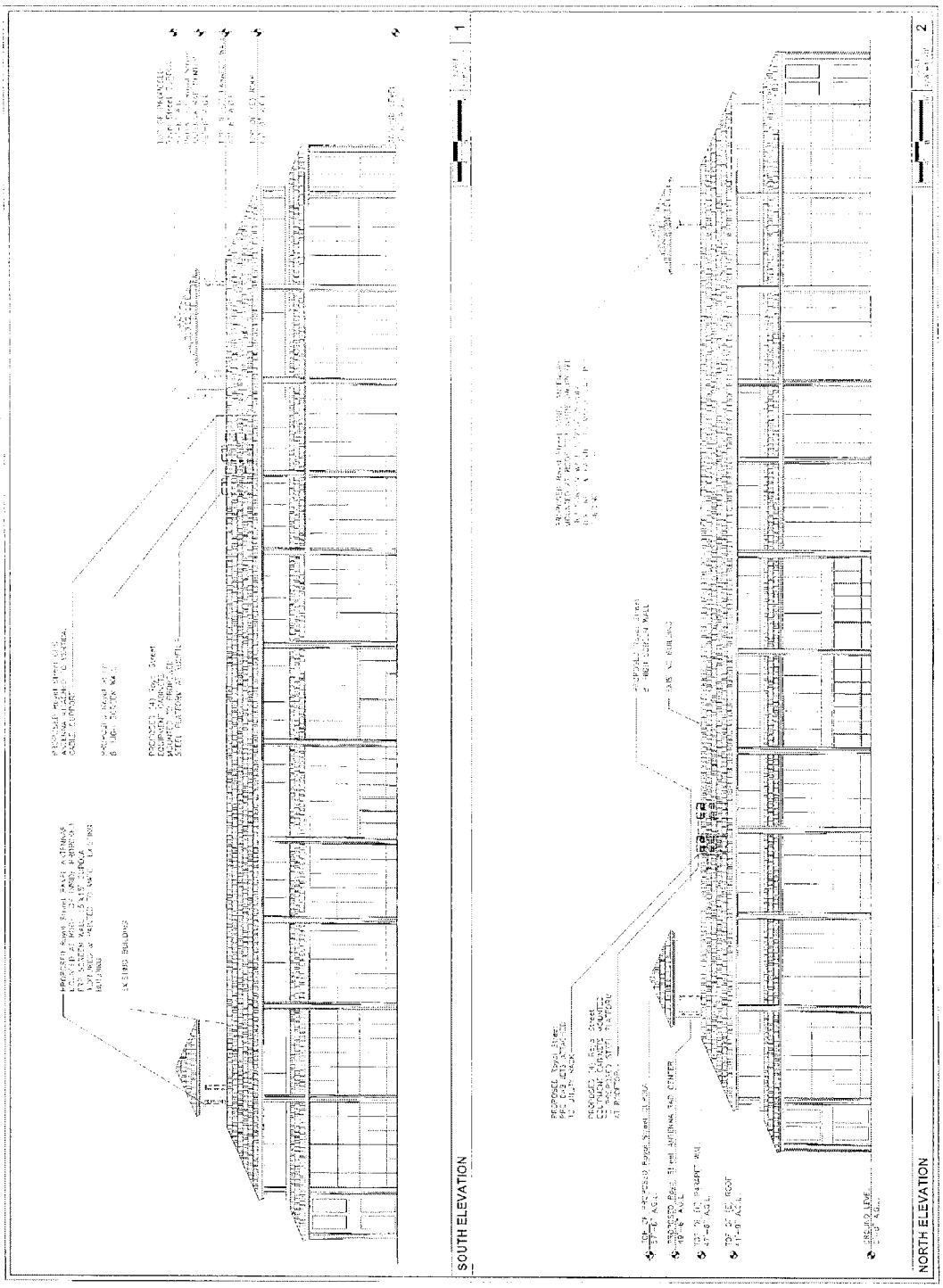
Site No.: LA2627A
Site Address: 3445 Pacific Coast Highway, Torrance, CA 90505



Site No.: LA2627A
Site Address: 3445 Pacific Coast Highway, Torrance, CA 90505



Site No.: LA2627A
Site Address: 3445 Pacific Coast Highway, Torrance, CA 90505



Site No.: LA2627A
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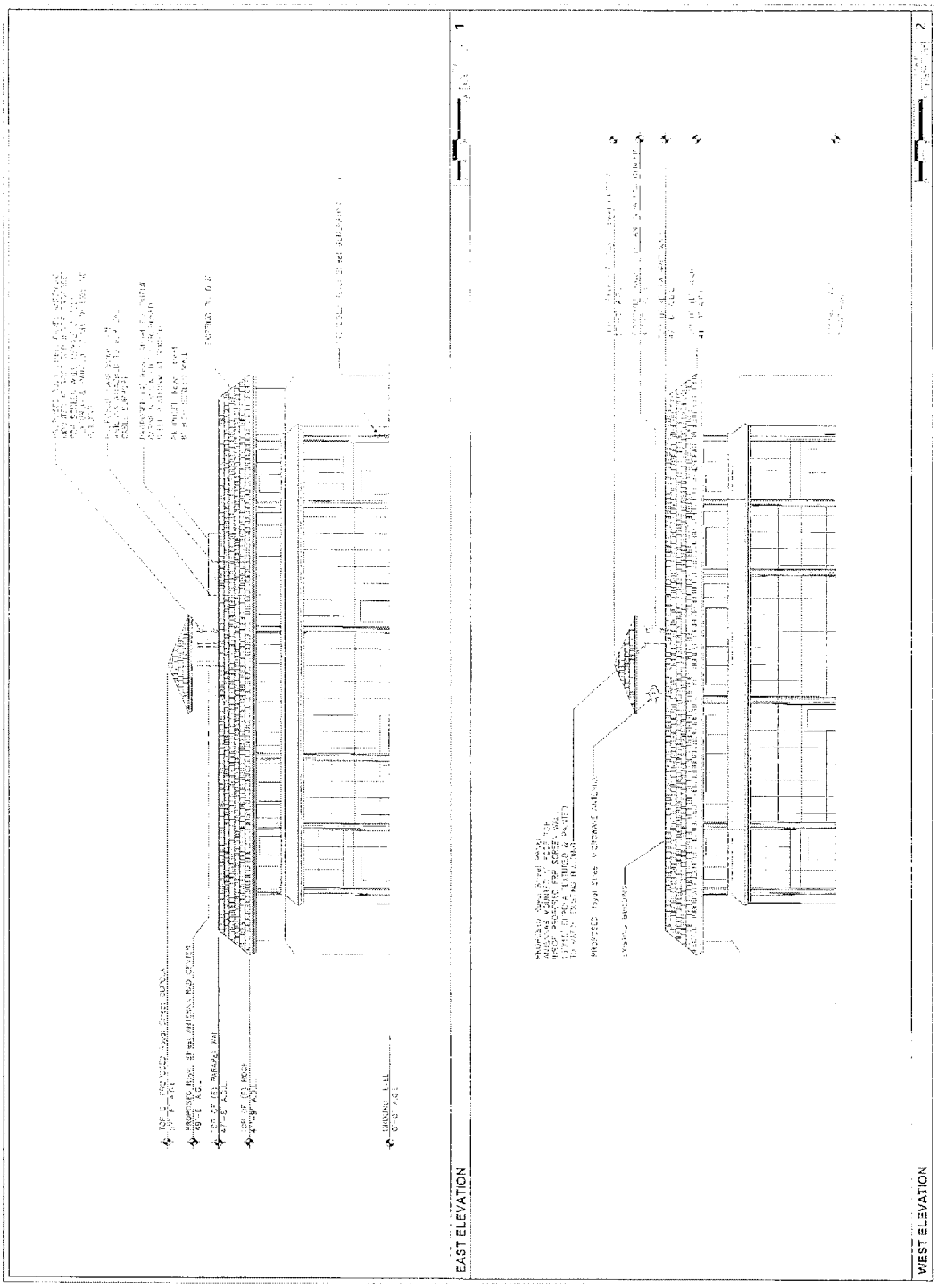

Site No.: LA2627A
Site Address: 3445 Pacific Coast Highway, Torrance, CA 90505

EXHIBIT C

MEMORANDUM OF AGREEMENT

CLERK: Please return this document to:
Royal Street Communications, LLC
7557 Rambler Road, Suite 700
Dallas, TX 75231
Attn.: Property Manager

This Memorandum of Agreement is entered into on this ____ day of _____, 2007, by and between Telecom Partners Group Corp. d b a ATS Communications, with an office located at 22651 Lambert Street, Suite 101A, Lake Forest, CA 92630 (hereinafter referred to as "Sublessor"), and Royal Street Communications California, LLC, a Delaware limited liability company, with an office at 7557 Rambler Road, Suite 700, Dallas, Texas 75231 (hereinafter referred to as "Sublessee").

1. Sublessor and Sublessee entered into a Communications Site Sublease Agreement ["Agreement"] on the ____ day of _____, 200__, for the purpose of installing, operating and maintaining a communications facility and other improvements. All of the foregoing are set forth in the Agreement.

2. The term of the Agreement is for ten (10) years commencing on the date Sublessee is issued a building permit for construction of Sublessee Facilities, or six (6) months from full execution of the Sublease Agreement, whichever first occurs ("Commencement Date") and terminating on the tenth (10th) anniversary of the Commencement Date, with three (3) successive five (5) year options to renew.

3. The Land which is the subject of the Agreement is described in Exhibit A annexed hereto.

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IN WITNESS WHEREOF, the parties have executed this Memorandum of Agreement as of the day and year first above written.

SUBLESSOR:	SUBLESSEE:
Telecom Partners Group Corp., d b a ATS Communications, a California corporation	Royal Street Communications California, LLC, a Delaware limited liability company
By: _____	By: _____
Name: Anthony Ingegneri	Name: _____
Title: President	Title: _____
Date: _____	Date: _____

Site No.: LA2627A
Site Address: 3445 Pacific Coast Highway, Torrance, CA 90505

STATE OF _____

COUNTY OF _____

On _____, before me, _____, Notary Public, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacit(ies), and that by his/her/their signature(s) on the instrument, the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

_____ (SEAL)
Notary Public

STATE OF _____

COUNTY OF _____

On _____, before me, _____, Notary Public, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacit(ies), and that by his/her/their signature(s) on the instrument, the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

_____ (SEAL)
Notary Public

EXHIBIT D

RENT PAYMENT DIRECTION

SUBLESSEE shall make monthly rent deposits to the following:

Account Name	Pacific Southwest Realty Services IFT - ATS Communications-Municipal Lockbox Account
Account Number - Reference	2460052935
Tax I.D. #	42-1543928
Bank Contact Name	Mary F. Nauert mnauert@psrs.com
Phone#	858-522-1420
FAX#	858-514-2105

Please have the remittances MAILED to the following address:

Pacific Southwest Realty Services
Attn: Mary F. Nauert
8840 Complex Drive, Suite 101
San Diego, CA 92123

Sublessor Initials _____

Sublessee Initials _____

Site No.: LA2627A
Site Address: 3445 Pacific Coast Highway, Torrance, CA 90505

EXHIBIT E

Deleted: D

to the Sublease Agreement dated _____, 2007, by and between Telecom Partners Group Corp., d/b/a ATS Communications, a California corporation, as Sublessor, and Royal Street Communications, LLC, a Delaware limited liability company, as Sublessee.

PRIME LEASE

(See Attached)

Site No.: LA2627A
Site Address: 3445 Pacific Coast Highway, Torrance, CA 90505