

TELECOMMUNICATIONS LICENSE AGREEMENT

THIS AGREEMENT dated this 26 day of September, 2005.

BETWEEN:

BURNSWEST CORPORATION

(the "Owner")

- and -

BELL CANADA

(the "Licensee")

WHEREAS:

- (a) the Owner is the owner of a certain building as more particularly described in this Agreement and municipally known as **155 Glendeer Circle SE, Calgary, AB**; and
- (b) the Owner has agreed to grant to the Licensee a license to install, operate, maintain, repair and replace certain communications equipment in the Owner's building, as more particularly described in this Agreement, on the terms and conditions set out in this Agreement.

NOW THEREFORE, in consideration of the mutual covenants and agreements contained in this Agreement, and other good and valuable consideration, the Owner and the Licensee agree as follows:

ARTICLE 1 - DEFINITIONS AND INTERPRETATION

1.1 **Definitions** In this Agreement, unless the context requires otherwise, the following terms shall have the following meanings, respectively:

"Agreement" means this Agreement and the Schedules attached hereto and all subsequent changes, modifications and amendments to this Agreement and the attached Schedules made in accordance with the provisions of this Agreement.

"Building" means the building owned by the Owner and located on the Lands.

"Building Risers" means the electrical, mechanical or communications spaces or other pathways in the Building.

"Business Day" means a day other than Saturday, Sunday or any other day on which the principal commercial banks in Alberta are not open for business during normal banking hours.

"Commencement Date" means the date on which the Term commences, which shall be **October 1st, 2005** or the date on which the construction of the Equipment Room commences, whichever is earlier.

“**Communications Equipment**” means the communications equipment of the Licensee and its affiliates, including, without limitation, cabinets, racks, electronic equipment and other similar equipment.

“**Connecting Equipment**” means the cables, conduits, inner ducts and connecting hardware of the Licensee that are connected to the Communications Equipment.

“**CRTC**” means the Canadian Radio-television and Telecommunications Commission or its successor.

“**Entrance Link**” means the core sleeve penetration through the foundation of the Building.

“**Equipment Room**” means the enclosed premises located on the Ground level of the Building and shown hatched on the floor plan attached to this Agreement as Schedule A, comprising approximately 48 square feet, which premises shall be provided by the Owner to the Licensee for the sole and exclusive use of the Licensee.

“**GST**” means the Goods and Services Tax established under the *Excise Tax Act* (Canada) or a successor tax imposed by the Government of Canada under lawful authority.

“**Lands**” means the lands situated in the City of Calgary, in the province of Alberta, on which the Building is constructed, as more particularly described in the attached Schedule B.

“**Licensee’s Equipment**” means, collectively, the Communications Equipment and the Connecting Equipment.

“**License Fee**” means the annual fee specified in section 4.1 of this Agreement, which fee is payable by the Licensee to the Owner under this Agreement.

“**Notice**” means any notice, request, consent or other communication provided, required or permitted under this Agreement, as contemplated in section 12.1 of this Agreement.

“**Renewal Term**” means the period after the Term for which this Agreement may be renewed and extended, as described in section 3.2 of this Agreement.

“**Term**” means the continuous period of five (5) years commencing on the Commencement Date.

1.2 **Interpretation** For the purposes of this Agreement, except as otherwise expressly provided, the following shall apply:

- (a) Words importing the singular include the plural and vice versa, and words importing gender include all genders and firms or corporations where applicable.
- (b) Should any provision of this Agreement be unenforceable at law, it shall be considered separate and severable from the remaining provisions of this Agreement, which shall continue in force and shall be binding as though such provision had not been included.
- (c) The headings inserted in this Agreement are for convenience of reference only and in no way define, limit or enlarge the scope or meaning of any of the provisions of this Agreement.
- (d) This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.

1.3 **Schedules** The following are the Schedules attached to and forming part of this Agreement:

Schedule A – Equipment Room Plan
Schedule B – Legal Description of Lands

ARTICLE 2 - LICENSE

2.1 **License** The Owner grants to the Licensee a non-exclusive license to:

- (a) install, operate, maintain, repair and replace the Communications Equipment in the Equipment Room, at the Licensee's sole expense and risk;
- (b) install, operate, maintain, repair and replace the Connecting Equipment in the Building, at the Licensee's sole expense and risk, together with the right to pull the Connecting Equipment through the Entrance Link and through the Building Risers as necessary to reach from the Entrance Link to the Equipment Room and from the Equipment Room to the Licensee's customers in the Building, as required by the Licensee from time to time to provide communications services to the Licensee's customers in the Building; and
- (c) use the Entrance Link and existing Building wiring, only to the extent that the Owner has the possession of, and authority to allow the use of, the Entrance Link and the existing Building wiring, as required by the Licensee for the purpose of connecting the Licensee's Equipment to the Licensee's customers in the Building.

2.2 **Equipment Room** The Owner shall provide the Equipment Room to the Licensee, for the sole and exclusive use of the Licensee, which Equipment Room shall be used by the Licensee for the provision of communications services to the Licensee's customers in the Building.

2.3 **Sublicense** Notwithstanding section 13.4 of this Agreement, and subject to the prior written consent of the Owner, which consent shall not be unreasonably withheld or unduly delayed, the Licensee shall have the right to sublicense a portion of the Equipment Room to a third party for the purpose of permitting such third party to provide communications services to its customers in the Building.

2.4 **Nature of Interest** The right granted to the Licensee under this Agreement is a license only, and shall not constitute a partnership, joint venture or lease between the parties.

2.5 **Non-Exclusivity** The Licensee acknowledges and agrees that, subject to section 2.2 of this Agreement, the license granted to the Licensee pursuant to section 2.1 of this Agreement is not exclusive to the Licensee, and that the Owner has the right to grant similar rights and privileges in respect of the Building to other parties.

ARTICLE 3 - TERM

3.1 **Term** Notwithstanding the date of its execution, this Agreement shall come into effect on the Commencement Date, and, subject to the provisions of this Agreement, shall remain in effect for the Term.

3.2 **Option to Renew** Provided that the Licensee is not in default under this Agreement, the Licensee shall have two (2) options to renew and extend this Agreement for consecutive periods of five (5) years each (each of which is a "Renewal Term"), upon the Licensee providing at least six (6) months' written notice to the Owner. Each Renewal Term shall be on the same terms and conditions as contained in this Agreement, except that the License Fee shall be mutually agreed upon by the parties in writing based on the then current market rates for similar telecommunications license agreements for similar buildings. Where the parties are unable to agree on the License Fee payable during a Renewal Term prior to the expiration of the Term or a Renewal Term, as the case may be, the matter in dispute shall be determined by alternate dispute resolution or by a single arbitrator appointed under provincial arbitration legislation.

3.3 **Overholding** If the Licensee remains in occupation of the Equipment Room following the expiration of the Term or a Renewal Term, such continued occupation by the Licensee shall not have the effect of renewing or extending this Agreement for any period of time, and the Licensee shall be deemed to be occupying the Equipment Room as a licensee on a month-to-month basis upon the same terms and conditions as set out in this Agreement, but at a monthly rate of one-twelfth of two (2) times the annual Licence Fee as set forth in the most recent term or renewal term.

ARTICLE 4 - LICENSE FEE

4.1 **License Fee** The Licensee shall pay to the Owner an annual License Fee in an amount of **Nine Hundred and Sixty Dollars (\$960.00)**, excluding GST, which License Fee shall be paid in advance on the Commencement Date and, thereafter, on each anniversary of the Commencement Date during the Term.

4.2 **GST** The Licensee shall pay GST as applicable on the License Fee, which GST shall be paid at the time the License Fee is payable. The Owner's GST registration number is 100697663RT0001.

4.3 **Non-Disclosure** The Owner and the Licensee each agree to use good faith efforts to refrain from disclosing the financial terms of this Agreement, except that either party may disclose the financial terms of this Agreement if required by law or regulation.

ARTICLE 5 - USE

5.1 **Use of Equipment Room** The Licensee shall use the Equipment Room only for the purpose of the installation, operation, maintenance, repair and replacement of the Licensee's Equipment as required by the Licensee for the purpose of providing communications services to the Licensee's customers in the Building.

5.2 **Title** The Owner acknowledges and agrees that title to, and ownership of, the Licensee's Equipment shall remain with the Licensee at all times, notwithstanding that the Licensee's Equipment may be affixed to a part of the Building for the time being.

ARTICLE 6 - ACCESS AND ELECTRIC UTILITIES

6.1 **Access** The Licensee and its authorized representatives shall have access to the Equipment Room on a seven (7) days a week, twenty-four (24) hours per day basis for the purpose of installing, operating, maintaining, repairing and removing the Licensee's Equipment. The Licensee and its authorized representatives further shall have such access to the driveways, walkways, entrances, exits and hallways associated with the Building as may be required in order

for the Licensee and its authorized representatives to access the Equipment Room. The Owner acknowledges that the nature of the Licensee's communications services requires such access for servicing purposes and in emergency situations. The Licensee and its authorized representatives shall have ingress and egress to the Building Risers at such times as specified by the Owner, acting reasonably, provided that in the event of an emergency, the Licensee shall have the right to enter the Building Risers upon notification to the Owner. All entry and access to the Equipment Room and the Building, including the Building Risers, by the Licensee and its authorized representatives shall be subject to the Owner's reasonable security procedures.

6.2 Electrical Power The Licensee shall have the right to connect the Licensee's Equipment to the electric power distributing system within the Building at the sole cost and expense of the Licensee. Where the Licensee's Equipment consumes more than approximately one (1) kilowatt per hour, the Owner may require the Licensee to pay for all electricity consumed by the Licensee on a load and usage basis. If required by the Owner, the Licensee, at its sole cost and expense, shall install a separate metre to determine the Licensee's electricity consumption. The Owner shall use commercially reasonable efforts to notify the Licensee in advance of any planned utility outages that may interfere with the Licensee's use. The Licensee agrees that the Owner has no obligation or responsibility to provide emergency or backup power to the Licensee, unless the parties agree that the Owner will provide emergency or backup power to the Licensee on such terms and conditions as mutually agreed between the parties.

6.3 Telephone Service The Licensee, at its sole cost and expense, shall have the right to install a telephone in the Equipment Room if required by the Licensee.

6.4 Nuisance The Licensee shall not use nor permit the Licensee's Equipment or any part of the Equipment Room to be used in such a manner as to annoy, disturb or cause nuisance to the Owner or the occupiers, tenants or other licensees of the Building, or in a manner that constitutes a contravention of law.

6.5 Compliance with Laws The Licensee, in installing, maintaining operating, repairing and replacing the Licensee's Equipment in the Equipment Room and the Building Risers shall comply at all times with all applicable laws, regulations, by-laws, rules, orders and ordinances of all federal, provincial and municipal governmental authorities, including, without limitation, the rulings and decisions of the CRTC.

ARTICLE 7 - INSTALLATION, MAINTENANCE AND REPAIRS

7.1 Approval of Plans Prior to the commencement of the installation of the Licensee's Equipment in the Equipment Room and in the Building Risers, the Licensee shall prepare and submit plans, specifications and working drawings to the Landlord in respect of such installation for the approval of the Landlord, which approval shall not be unreasonably withheld or delayed.

7.2 Installation Upon receipt of the Owner's written approval pursuant to section 7.1 above, the Licensee, at its sole expense and risk, shall be entitled to commence the installation of the Licensee's Equipment, which installation shall be performed in a responsible and workmanlike manner and in accordance with all applicable laws, regulations, by-laws, orders, rules and ordinances of all federal, provincial and municipal governmental authorities.

7.3 Cables The Licensee shall label each cable placed by the Licensee in the Building Risers and any telecommunications closets through which the Licensee's cable passes with an identification number assigned by the Owner to the Licensee.

7.4 Repairs and Maintenance The Licensee, at its own cost and expense, shall keep the Equipment Room and the Licensee's Equipment in a safe and properly maintained condition.

7.5 Liens The Licensee shall be responsible for the satisfaction or payment of any liens registered against the Building by any supplier of labour, material or services to the Licensee. Any such liens shall be discharged by the Licensee, provided that the Licensee may contest, in good faith, any such liens.

7.6 Battery Containment The Licensee shall ensure that the storage container for the batteries is fully sealed on the bottom and sides to prevent leakage of Battery Acid should a battery fail.

ARTICLE 8 - INSURANCE AND INDEMNIFICATION

8.1 Licensee's Insurance Licensee will, without limiting its obligations or liabilities under this Agreement, at its own expense, obtain and maintain, during the Term or any Renewal Term:

- (a) commercial general liability insurance in an amount not less than Two Million (\$2,000,000.00) Dollars inclusive per occurrence against liability for bodily injury, personal injury, death and property damage, including contingent employer's liability, contractual liability and non-owned automobile liability, relating to the Licensee's use and occupation of the Equipment Room, the Building and the Lands pursuant to this Agreement. The required insured amount shall be composed of any combination of primary and excess (umbrella) insurance policies. Such insurance shall name the Owner as an additional insured limited to the extent of the negligence of the Licensee or those for whom the Licensee is responsible in law and include both cross-liability and severability of interest clauses.
- (b) "All risks" property insurance in an amount not less than the replacement cost of the Communications Equipment in the Equipment Room. Licensee shall arrange for its property insurers to waive their subrogation rights against the Owner.
- (c) boiler and machinery insurance for electrical and mechanical breakdown of heating, ventilation and air conditioning machinery and equipment of the Licensee.

The Licensee shall provide the Owner with a certificate evidencing the insurance required above, as well as any renewal certificates thereafter for the duration of the Agreement, recording that the Owner shall receive thirty (30) days' written notice prior to cancellation to the detriment of Owner.

8.2 Licensor's Insurance The Owner will, without limiting its obligations or liabilities under this Agreement, at its own expense, obtain and maintain, during the Term or any Renewal Term:

- (a) commercial general liability insurance in an amount not less than Two Million (\$2,000,000.00) Dollars inclusive per occurrence against liability for

bodily injury, personal injury, death and property damage relating to the Owner's ownership, use, occupation, operation, management and/or maintenance of the Equipment Room, the Building and the Lands. The required insured amount for comprehensive general liability shall be composed of any combination of primary and excess (umbrella) insurance policies.

- (b) "All risks" property insurance in an amount not less than the replacement cost of the Equipment Room and the Building.
- (c) boiler and machinery insurance for electrical and mechanical breakdown of heating, ventilation and air conditioning machinery and equipment in the Building.

8.3 Indemnification/Liability

(a) The Licensee will be liable for and will indemnify and save harmless the Owner, its directors, officers, employees and contractors, and those for whom it is responsible in law (collectively, the "Owner Indemnitees") from and against any and all losses, suits, actions, causes of action, proceedings, damages, costs, claims and expenses (collectively, the "Losses") arising from physical damage to any tangible property or bodily injury, including death, to any person caused by or arising out of any breach by the Licensee of its obligations under this Agreement or any negligent act or omission relating to the Licensee's use and occupation of the Equipment Room, the Building or the Lands under this Agreement, provided that the Licensee will not be required to indemnify the Owner Indemnitees to the extent any such Losses are caused by any negligent or wilful act or omission of any of the Owner Indemnitees. Notwithstanding the foregoing, in no event will the Licensee be liable for or indemnify and save harmless any of the Owner Indemnitees from and against any indirect, special, incidental or consequential damages, including loss of revenue, loss or profits, loss of business opportunity or loss of use of any facilities or property, even if advised of the possibility of such damages.

(b) The Owner will be liable for and will indemnify and save harmless Licensee, its directors, officers, employees and contractors, and those for whom it is responsible in law (collectively, the "Licensee Indemnitees") from and against any and all losses, suits, actions, causes of action, proceedings, damages, costs, claims and expenses (collectively, the "Losses") arising from physical damage to any tangible property or bodily injury, including death, to any person caused by or arising out of any breach by the Owner of its obligations under this Agreement or any negligent act or omission relating to the Owner's ownership or management of the Building or the Lands under this Agreement, provided that the Owner will not be required to indemnify any Licensee Indemnitees to the extent any such Losses are caused by any negligent or wilful act or omission of any of the Licensee Indemnitees. Notwithstanding the foregoing, in no event will the Owner be liable for or indemnify and save harmless any of the Licensee Indemnitees from and against any indirect, special, incidental or consequential damages, including loss of revenue, loss or profits, loss of business opportunity or loss of use of any facilities or property, even if advised of the possibility of such damages.

ARTICLE 9 - TERMINATION

9.1 Termination by Licensee The Licensee shall have the right to terminate this Agreement upon written notice to the Owner in the event of the occurrence of any of the following:

- (a) the Licensee is unable to secure, on terms and conditions reasonably satisfactory to the Licensee, all necessary consents, approvals, permits and authorizations of any federal, provincial or municipal governmental authority having jurisdiction over the installation, operation, maintenance, repair, removal and use of the Licensee's Equipment;
- (b) the Licensee's Equipment is damaged or destroyed and the Licensee determines that it will not effect repairs to, or replace, the Licensee's Equipment;
- (c) the Licensee no longer requires the Equipment Room or the Building Risers for the purpose of providing its communications services to customers in the Building;
- (d) the Owner defaults in the observance or performance of any of the Owner's obligations under this Agreement, and such default continues for more than thirty (30) days after receipt of written notice of such default by the Licensee to the Owner, unless such default cannot reasonably be cured within such thirty (30) day period, in which event the period for curing such default shall be extended for the minimum period of time reasonably required to effect such cure, provided that the Owner promptly commences such cure with reasonable diligence; or
- (e) the Owner makes an assignment for the benefit of creditors or becomes bankrupt, or takes the benefit of, and becomes subject to, the legislation in force relating to bankruptcy or insolvency, it being understood that the appointment of a receiver, receiver/manager or trustee of the property and the assets of the Owner is conclusive evidence of insolvency.

9.2 Termination by the Owner The Owner shall have the right to terminate this Agreement upon written notice to the Licensee in the event of the occurrence of any of the following:

- (a) the Licensee defaults in the payment of the License Fee or any other sum due under this Agreement, and such default continues for more than thirty (30) days after receipt of written notice of such default by the Owner to the Licensee;
- (b) the Licensee defaults in the observance or performance of any of the Licensee's obligations under this Agreement and such default continues for more than thirty (30) days after receipt of written notice of such default by the Owner to the Licensee, unless such default cannot reasonably be cured within such thirty (30) day period, in which event the period for curing such default shall be extended for the minimum period of time reasonably required to effect such cure, provided that the Licensee promptly commences such cure with reasonable diligence; or
- (c) the Licensee makes an assignment for the benefit of creditors or becomes bankrupt, or takes the benefit of, and becomes subject to, the legislation in force relating to bankruptcy or insolvency, it being understood that the appointment of a receiver, receiver/manager or trustee of the property and the assets of the Licensee is conclusive evidence of insolvency.

9.3 **Surrender** Upon the expiration or earlier termination of this Agreement, the Licensee shall remove the Licensee's Equipment from the Equipment Room and the Building, and shall be responsible for repairing any damage caused by such removal, except damage caused by ordinary wear and tear.

ARTICLE 10 - DAMAGE OR DESTRUCTION OF BUILDING

10.1 **Right to Terminate** In the event the Building is damaged to such an extent that the Licensee is unable to effectively exercise its rights pursuant to the license granted by the Owner under this Agreement, the Owner, at its sole option and expense, may attempt to repair such damage within one hundred eighty (180) days. In the event the Owner elects not to repair the damage within one hundred eighty (180) days, the Licensee shall have the right to terminate this Agreement upon providing thirty (30) days' prior written notice to the Owner, in which event the Licensee shall remove the Licensee's Equipment in accordance with the provisions of section 9.3 of this Agreement. The Licensee shall have no obligation to pay the License Fee or any other amounts under this Agreement during the thirty (30) day notice period, and the portion of the License Fee paid by the Licensee in advance shall be refunded by the Owner to the Licensee on a pro-rated basis to the date of damage to the Building.

ARTICLE 11 - FORCE MAJEURE

11.1 **Force Majeure** Without limiting or restricting the applicability of the law governing frustration of contracts, in the event either party fails to meet any of its obligations under this Agreement within the time prescribed, and such failure shall be caused, or materially contributed to, by force majeure, such failure shall be deemed not to be a breach of the obligations of such party under this Agreement, and the time for the performance of such obligation shall be extended accordingly as may be appropriate under the circumstances. For the purpose of this Agreement, "force majeure" shall mean any acts of God, war, natural calamities, strikes, lockouts or other labour stoppages or disturbances, civil commotions or disruptions, riots, epidemics, acts of government or any competent authority having jurisdiction, or any other legitimate cause beyond the reasonable control of such party, and which, by the exercise of due diligence, such party could not have prevented, but lack of funds on the part of such party shall not be deemed to be a force majeure.

ARTICLE 12 - NOTICES

12.1 **Notices** Any Notice pursuant to this Agreement shall be sufficiently given if in writing and personally served, or sent by facsimile or registered mail, and addressed or sent as specified below:

- (a) If to the Owner:

Burnswest Corporation
#106 – 155 Glendeer Circle SE
Calgary, Alberta T2H 2S8

Attention: Denis Wren
Facsimile: (403) 410-7176

(b) If to the Licensee:

NEXACOR REALTY MANAGEMENT INC.
10104 - 103rd Avenue
28th floor
Edmonton, Alberta T5J 0H8

Telecopier number: (780) 409-6964
Attention: Director, Realty Transactions and Director, Lease Administration

With a copy to :

BELL CANADA
21st Floor, 111 - 5th Avenue S.W.
Calgary, Alberta T2P 3Y6

Attention: Senior Legal Counsel
Facsimile: (403) 410-4019

12.2 Receipt Where a Notice is delivered personally or by facsimile, it shall be deemed to have been received the same Business Day, or if the day on which the Notice was sent is not a Business Day, the Notice shall be deemed to have been received on the next Business Day. Where a Notice is sent by registered mail, it shall be deemed to have been received three (3) Business Days after the date of mailing. In no event should any Notice be sent by mail during any period of interrupted or threatened interruption of postal service.

12.3 Change of Address Either party may change its address or particulars for purposes of the receipt of any Notices in connection with this Agreement by giving notice in the same manner as provided in this Article 12.

ARTICLE 13 - MISCELLANEOUS

13.1 CRTC Decision The Owner and the Licensee acknowledge that the access rights of telecommunications service providers in multi-tenant buildings is presently subject to a regulatory proceeding initiated by the CRTC. In the event the CRTC issues a ruling or decision in respect of such access rights while this Agreement is in effect, this Agreement shall be amended by the parties in such a manner so as to give effect to such ruling or decision, and all appropriate adjustments in respect of any amounts paid under this Agreement shall immediately be made between the parties to ensure that this Agreement is brought into conformity with such ruling or decision, including, without limitation, the termination of this Agreement if necessary.

13.2 Entire Agreement This Agreement cancels, replaces and supersedes as of its effective date all existing agreements and understandings, written or oral, between the parties relating to the subject matter of this Agreement. The whole contract between the parties is contained in this Agreement and no preliminary proposals, written or oral, form any part of this Agreement.

13.3 **Amendments** Any amendments or modifications to this Agreement must be in writing and signed by both parties hereto.

13.4 **Waiver** No failure by either to exercise any right under this Agreement or to insist upon full compliance by the other party with its obligations under this Agreement will constitute a waiver of any provision of this Agreement. No waiver shall be effective unless made in writing by an authorized officer of the party.

13.5 **Successors and Assigns** This Agreement shall not be assigned by the Licensee, in whole or in part, without the express written consent of the Owner, which consent shall not be unreasonably withheld or unduly delayed, provided that the Licensee shall be entitled to assign this Agreement to an affiliate of the Licensee, as defined in the *Canada Business Corporations Act*, upon written notice to the Owner.

13.6 **Counterparts and Facsimile** This Agreement may be executed and delivered by facsimile and/or in counterparts, delivery of which shall constitute an original.

13.7 **Enurement** This Agreement shall be binding upon, and shall enure to the benefit of, the parties hereto and their respective successors and permitted assigns.

IN WITNESS WHEREOF the parties have executed this Agreement by the hands of their respective officers duly authorized in that behalf.

BURNSWEST CORPORATION

Per: _____

Name:

Title:

Date:

I/We have the Authority to bind the Company

BELL CANADA

APPROVED AS TO FORM <hr/> BELL CANADA LEGAL

Per: _____

Name

Title:

Date:

I/We Have the Authority to bind the Company